WESTPAC WAVE

FIJI ECONOMIC UPDATE AND OUTLOOK

February 2026

When the Only Certainty Is Uncertainty

Shamal Chand
Senior Economist, Westpac Pacific Economics

The start of 2026 has been shaped by rising geopolitical tensions and increasing uncertainty across major economies. This environment has been building for some time and increasing uncertainty has become the new normal. Despite this, Fiji's economy was steady over the past year, supported by a cautious policy stance and a resilient domestic environment.

Fiji's real economy grew by an estimated 3.0% in 2025, slightly stronger than earlier expectations. Growth was supported by stable consumption, moderate investment activity and higher government spending. Foreign reserves remained comfortable at around $3.7 to $4.0 billion range, while banking liquidity averaged about $2 billion.

Inflation eased significantly, remaining in negative territory for eight consecutive months and reaching -1.4% in November before settling at zero percent in December. The decline largely reflected lower global food and fuel prices, although recent data shows early signs of inflation returning. While January 2026 CPI has fallen by 2.5%yr, we do not expect deflation to persist going forward, unlike last year. More on inflation in the rest of this report together with our outlook.

External conditions were volatile, particularly after the Trump administration imposed a 32% tariff on Fiji's exports to the United States before eventually reducing it to 15%, creating significant volatility in Fiji dollar. Tourism performance was uneven but financially strong. Visitor arrivals increased by just 0.3% while earnings reached new highs.

Third quarter tourism receipts rose to a record $918.4 million, bringing total earnings to around $2 billion for the first three quarters. High spending retirees strengthened Fiji's position as a premium retirement and wellness destination, although accommodation and labour shortages remain challenging.

Labour migration continued to reshape the workforce. Remittances likely exceeded $1.4 billion last year, supporting household consumption, while persistent outflows of skilled workers created labour shortages across key sectors. Growth in remittance inflows slowed to 1.8% as of November 2025 but remain supportive, even though being lower than our initial projections. Despite the United States pausing immigration visa issuance to Fijians and introducing a bond payment of up to US$15,000 for tourist and business visas, we expect migration numbers to remain elevated, particularly to Australia and New Zealand.

Fiji enters 2026 in a stable position but faces structural pressures, with opportunities in high value tourism, renewable energy and digital transformation. Municipal and General Elections later in the year are expected to influence policy direction and add a degree of uncertainty as dates remain unconfirmed and any significant policy changes are unknown. Rising geopolitical tensions globally also contribute to a more challenging outlook.

Fiji's growth is projected at 3.3% in 2026, broadly in line with historical long-term trend and global growth outlook. While growth is expected to return to trend, global volatility, economic fragmentation and the shift toward regional trade blocs present risks that Fiji cannot ignore. The country will need to identify these pressures early and respond with a stronger focus on economic diversification.

The 3.3% growth projection for this year assumes continued momentum in tourism, steady consumption, moderating but still supportive remittances and likely expansionary fiscal policy ahead of the General Elections.

Fiji's private sector has shown strong resilience, shaped by years of adapting to political and economic uncertainty. However, sustained investment by the private sector requires policy stability, greater ease of doing business and reduced bureaucracy.

A clearer view of our outlook on Fiji's economy will be available in April as first quarter data become accessible.

Both upside and downside risks remain. A cyclone before May could severely disrupt economic activity and damage infrastructure. Fiji has not experienced a major cyclone in about five years, but high category systems are becoming more common, accompanied by widespread flooding. Many homes do not comply with the National Building Code, which itself needs updating to reflect modern climate patterns. A direct landfall would have severe consequences, and given limited fiscal space and lack of insurance coverage, recovery would require significant reallocation of resources, slowing progress on improving livelihoods.

The upcoming elections, expected in the second half of the year, may cause some hesitation among investors awaiting clarity on future policy direction. The government budget scheduled for June may feature higher expenditure in the lead up to the election, which could be a positive sign towards the broader growth outlook this year.

One of the key areas of focus, the foreign reserves remain adequate at around $3.7 billion, providing more than 5.4 months of import cover, as of January 2026. Banking system liquidity stands accommodative at roughly $1.9 billion. Although, the foreign reserves have dipped in recent months, mostly as Government's external financing remained muted, foreign reserves are expected to remain supportive of Fiji's broader growth objectives and healthy balance of payments.

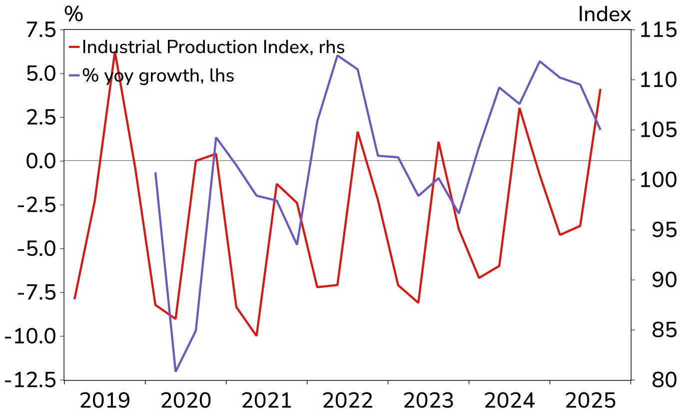
Fiji's conditional growth trajectory

Medium-term growth outlook

Indicators (%)	2022	2023	2024	2025f	2026f	2027f	2028f
Real GDP growth	17.7	9.4	3.5	3.0	3.3	3.4	3.4
Inflation, average	6.1	3.0	3.9	-1.4	1.4	2.7	2.5
Inflation, year-end	4.3	4.8	-0.2	0.0	2.8	2.5	2.5
GDP Deflator	2.5	4.1	4.5	0.1	1.1	3.2	3.2
Visitor Arrivals	1,912	46.1	5.7	0.3	2.5	3.0	3.0
Tourism earnings	2,014	55.1	5.7	10.0	4.0	3.5	3.5
Remittances	23.6	20.4	6.0	2.0	5.0	5.0	5.0
Population	-0.5	-1.5	-0.4	0.1	0.1	0.1	0.1

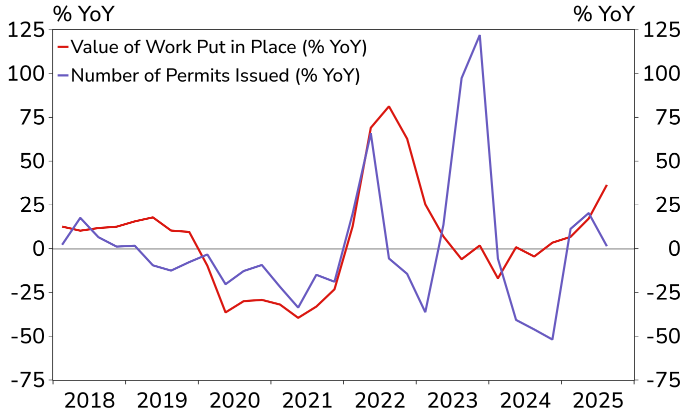
Source: Westpac Fiji

Industrial activity mostly positive



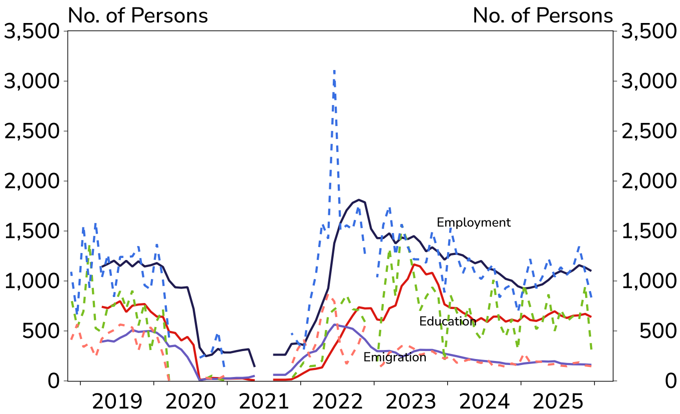
Source: FBoS, Macrobond, Westpac Economics

Fiji's construction sector shows growth optimism



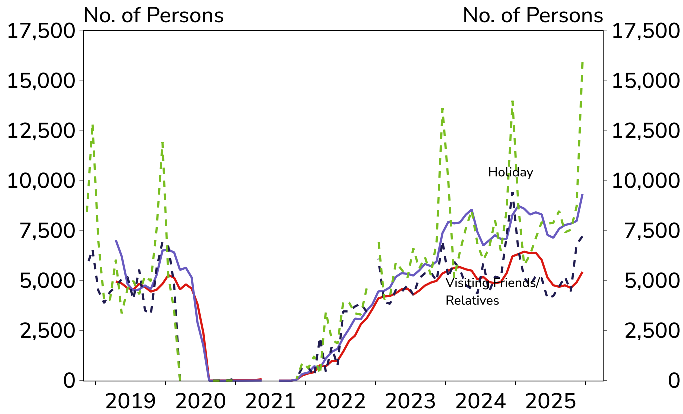
Source: FBoS, Macrobond, Westpac Economics

Monthly long-term migration stable



Source: FBoS, Macrobond, Westpac Economics

More Fijians go for overseas holiday



Source: FBoS, Macrobond, Westpac Economics

Tourism hits new record...

Visitor arrivals in 2025 reached a new record of 986,367, slightly up by 0.3% compared with 2024, beating our forecast of zero growth. While arrival growth was modest, tourism earnings significantly outperformed as Fiji continued to attract higher spending visitors.

Although total arrivals increased, traditional markets such as Australia and New Zealand showed signs of softening over the year. However, stronger arrivals from the US helped offset this decline. Holidaymakers continued to spend more than ever, particularly retirees. More than 80% of total visitors originated from three key markets, Australia, New Zealand and the US, highlighting growing market concentration risks and the need for diversification.

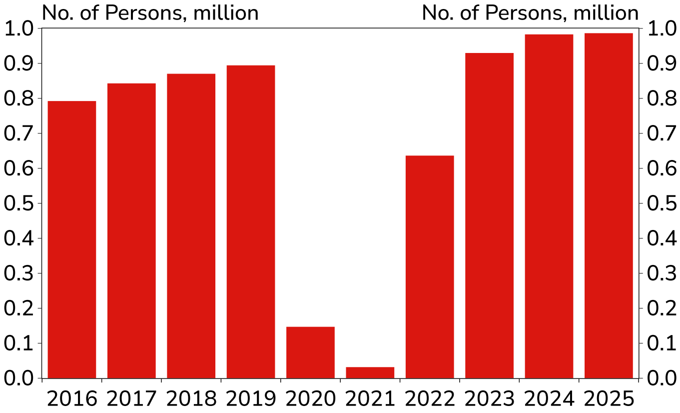
Post pandemic tourism data show a significant uplift in spending behaviour. Holiday visitors spent an average of $430 per day during their stay in Fiji, while business travellers spent considerably more, averaging $690 per day, although business arrivals remain a smaller segment. Cruise passengers recorded the lowest daily spend, at approximately $112 per day, reflecting their limited use of accommodation services and a greater focus on day shopping and short excursions. Tourism earnings for the first three quarters of 2025 exceeded $2.0 billion, representing an increase of 11.3% over the year.

Space and less overcrowding continue to be key selling points for Fiji, with tourists increasingly willing to pay a premium for less sightseeing alone, but rather privacy, family time and a high-end relaxation experience. This positioning remains central to Fiji's value proposition and should continue to be leveraged. While official statistics show average occupancy rates below 80% for much of the year, these figures should be interpreted with caution. Demand is highly concentrated in high-end hotels and resort segments, consistent with Fiji's premium branding. In this segment, demand often exceeds available supply, pointing to capacity constraints and the need for capital investment to support continued sustainable growth.

Fiji currently receives roughly the same number of tourists each year as the size of its resident population. So, the question is can Fiji accommodate further increases in arrivals without risking overcrowding or erosion of experience. Fiji positions itself as a destination for visitors willing to pay more for space, isolation and exclusivity, a key policy challenge is determining the optimal volume of arrivals maximising economic returns while preserving quality and sustainability.

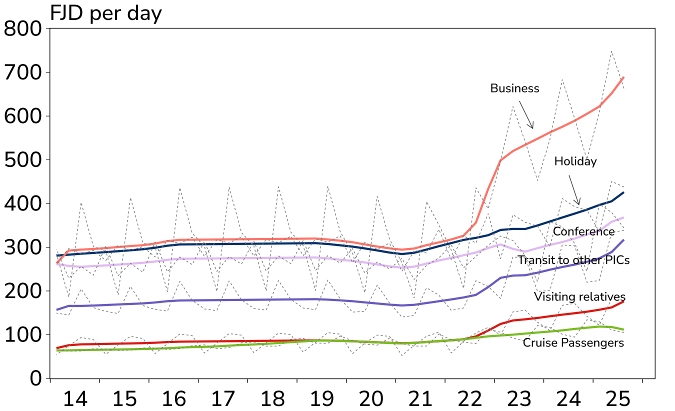
Comparisons with destinations such as Bali highlight Fiji's premium tourism model catering to a different segment. Looking ahead, any expansion of flight routes and connectivity should be matched by increases in accommodation capacity and supporting infrastructure, without affecting current experience. This would help avoid congestion in existing tourist hubs and support a more balanced and sustainable long term growth path for Fiji's tourism sector.

Visitor arrivals hit new record



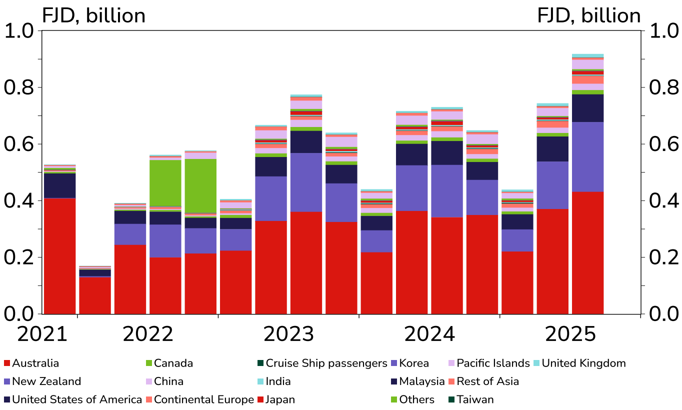
Source: FBoS, Macrobond, Westpac Economics

Tourist daily spending



Source: FBoS, Macrobond, Westpac Economics

Fiji's tourism earnings hit $1 billion in Q3 2025



Source: FBoS, Macrobond, Westpac Economics

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

...setting signs for sustainable momentum

Despite projections of global growth being below the historical trend this year amidst heightened geopolitical tensions, global travel is forecast to grow. Global tourism is set to build on the solid momentum recorded in 2025. UN Tourism reports that international tourist arrivals grew by 4% in 2025, reaching an estimated 1.52 billion visitors, a level that restored the sector to its long-term pre-pandemic growth path providing a firmer base for the year ahead.

UN Tourism expects this trajectory to continue into 2026 as global economic conditions stabilise, air connectivity expands, and destinations that remain below their pre-pandemic levels complete their recovery - projecting international travel to expand by 4%. The International Air Transport Association is much more optimistic in this space, projecting a 4.9% growth in global travel demand.

Overall, the outlook suggests a more broad-based and durable expansion, supported by strong regional performances and continued recovery in Asia Pacific markets.

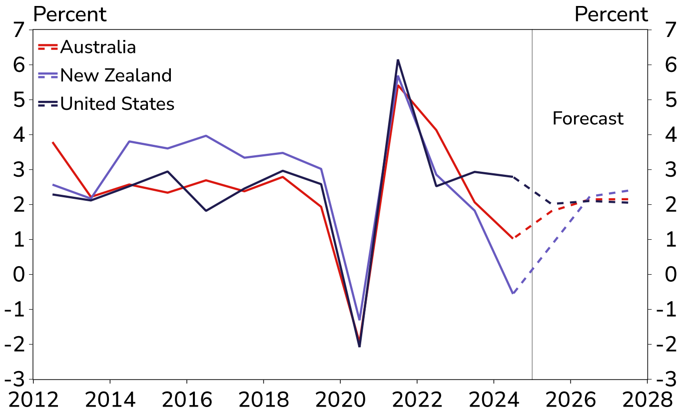
Broader economic and consumption activity among Fiji's key source markets will be key factors in visitor arrivals and tourism earnings in 2026, especially from Australia, New Zealand and the United States. Despite renewed inflationary pressures in Australia and New Zealand, consumption activity has been solid, as shown by increased card activity data. With increased appetite to travel among the key markets, Fiji can remain confident. Annually, around 50 million Americans travel abroad for holiday and adventure, a major market Fiji can capitalise on in near-term. Both Tourism Fiji and Fiji Airways appear to be gearing towards this potential.

Investments are also prevalent to deal with supply-side constraints. Major tourism infrastructure projects are underway, including others.

- The Tanoa International Hotel went through a major $20 million refurbishment and re-opened last November.
- Significant upgrades to Marriott International properties (Sheraton Villas and Westin) are scheduled for the first half of 2026.
- A $6 million project by PDML delivered Fiji's first 115-meter mega-berth supporting the super-yacht sector.
- The Labasa Airport is also going through major redevelopment phase which is expected to open Northern as a major tourism destination through increased capacity.

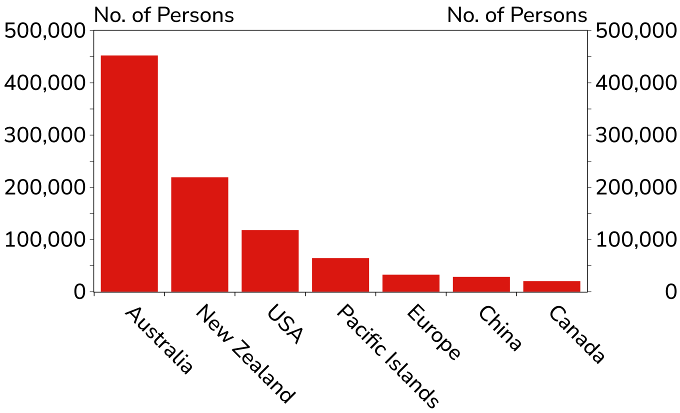
Fiji Airways have also announced plans to increase flights to Dallas-Fort Worth to four times a week in early 2026 to capture more of the lucrative US market. We expect visitor arrivals to start strong in 2026, with a UB40 tour at January-end and the Super Rugby Pacific later in February both of which should support stronger arrivals during the usual weaker tourism months. We expect visitor arrivals to grow by 2.5% in 2026.

Growth outlook in key tourism markets



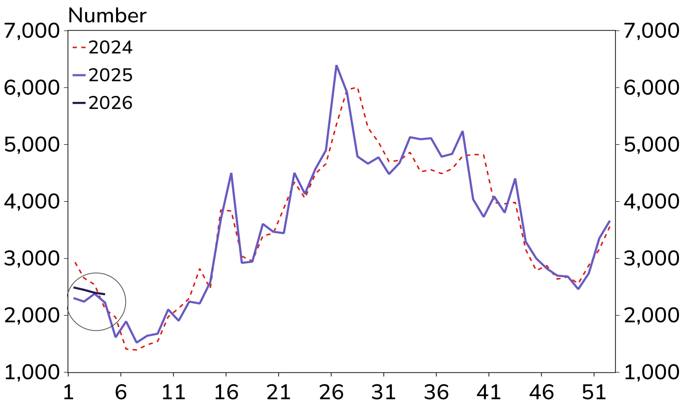
Source: IMF, Macrobond, Westpac Economics

Australia, New Zealand and US top markets



Source: FBoS, Macrobond, Westpac Economics

NZ arrivals starts strong in January



Source: Stats NZ, FBoS, Macrobond, Westpac Economics

Deflation extends into January

2025 marked a clear turning point in Fiji's inflation cycle as conditions shifted from lingering stickiness to broad disinflation and steep deflation. Headline inflation began the year 2025 at 2.5%yr but fell below zero from February and remained negative for most of the year, hitting its lowest between August and October at around -3.5% to -3.4%yr, before returning to zero by December. The annual average inflation rate for 2025 was 1.4%.

Weakness in headline inflation was primarily driven by tradable goods rather than services. Food and Non-alcoholic beverages dropped by an average of 3.3% in 2025, and the transport category fell by an average of 4.8%. These declines reflected lower imported food prices, improved global supply chain conditions, and less fuel-related pass-through compared to the 2022–2024 period. By late 2025, monthly movements had stabilised, indicating the imported disinflation cycle was largely complete.

Despite the overall easing, some categories continued to register persistent, structural inflationary pressure, mostly services. Alcoholic beverages and tobacco rose by 3.1% on an annual average basis. Restaurants and hotels saw a 2.9% increase, and miscellaneous goods and services climbed by a significant 5.6% in 2025. These sectors typically reflect stronger demand from tourist activity, margin adjustments, regulated or excise-influenced prices, and service-based costs that do not adjust as quickly as commodity-driven components.

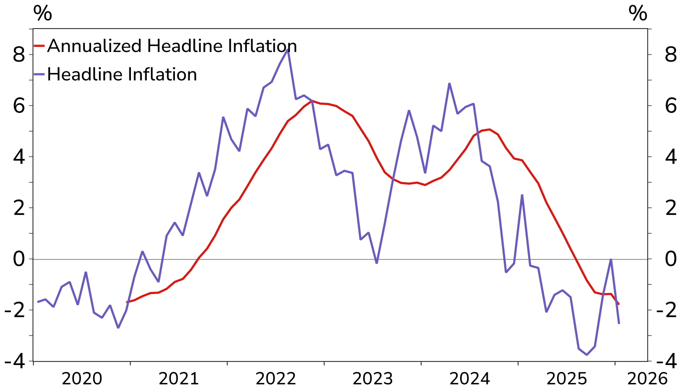
The January 2026 CPI numbers underline this ongoing divergence. Headline inflation remained negative at -2.5%yr and -0.8%mth with the annual average rate at -1.8%. Yet, several key components continue to exert upward pressure beneath the surface, especially alcoholic beverages as this item remains slow to adjust downward.

Fiji is thus experiencing broad tradables-driven disinflation, alongside persistent inflation in select service and regulated categories. While headline inflation will likely remain subdued, households will still face cost pressures in areas where competition is limited, and service delivery costs remain high. On page 10 of this report, we cover the mismatch between perception and data on Fiji's inflation.

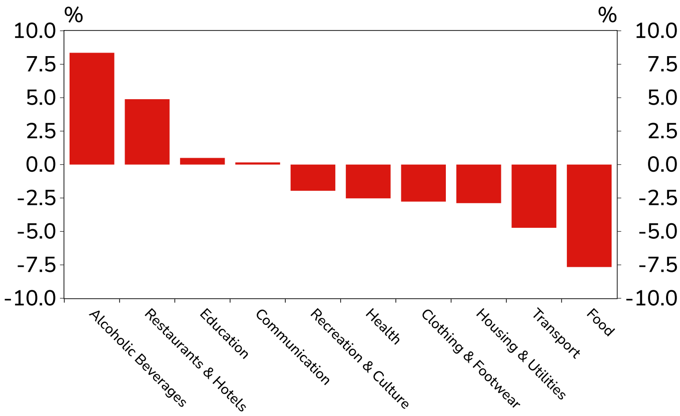
Domestic fuel prices are expected to remain firm in the first quarter of this year, driven by reduced global refined production and a broader weakening of the US dollar, particularly for diesel and kerosene. Lighter fuels such as motor spirit and premix are expected to start rising from the second quarter, but should remain mostly contained, although within a broader environment of uncertainty. The balance of inflation risks for 2026 appears tilted to the upside. We forecast year-end inflation at 2.8% and average inflation at 1.4% for 2026.

Fiji's deflation continues into January

2019 rebase



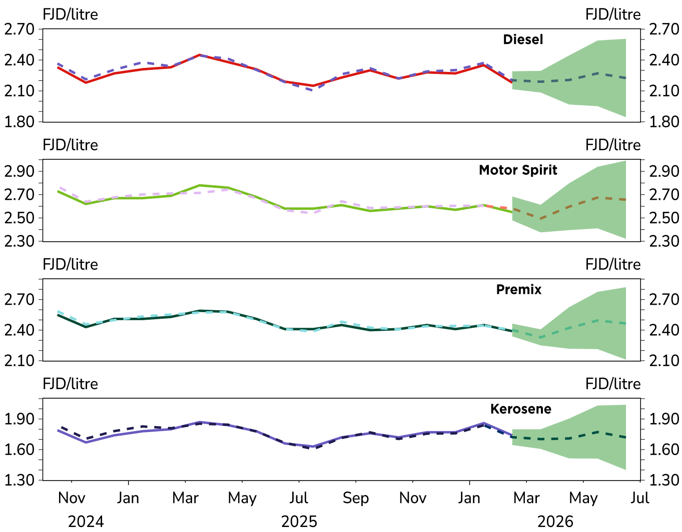
Fiji's inflation categories in January 2026



Source: FBoS, Macrobond, Westpac Economics

3-month ahead domestic fuel price forecast for Fiji

..dashed lines are predicted values; solid lines are actuals



Source: FCCC, Macrobond, Westpac Economics

First quarter fiscal update

Fiji Government recorded a strong start to FY2025–26 with an overall positive outturn in Q1. Total revenue reached $1.1 billion in Q1, which was $73.4 million above the forecast. Tax collections exceeded the immediate forecast by $41.3 million, although they were slightly lower than the same period in FY2024–25 by $1.0 million. The small decline reflects the policy decision in the last budget to reduce the VAT rate from 15.0% to 12.5%. Non-tax revenue performed better than expected and reached $234.5 million, an outcome 15.8% higher than the forecast. Higher-than-expected dividends from investments drove this result.

Total government spending in Q1 amounted to $1.04 billion, which was $968 million below the forecast. The largest deviation came from capital expenditure, which was 72.9% lower than planned because project implementation progressed more slowly than anticipated. Apparently, Fiji Government typically records a much larger deficit in the first quarter to strengthen its position when seeking domestic and external financing in the remaining quarters.

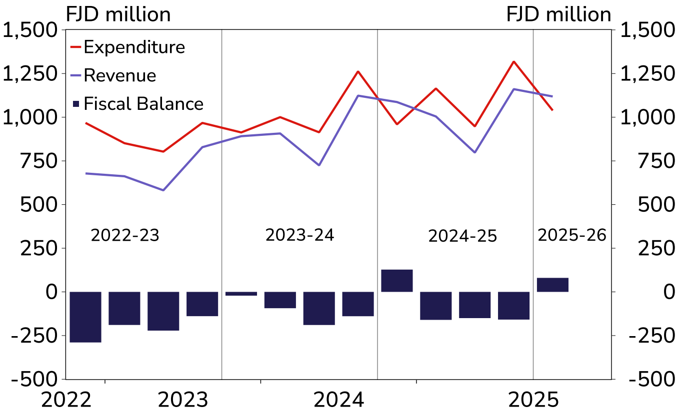
Operating expenditure remained below forecast but was higher than the corresponding quarter of FY2024–25. The increase was largely driven by higher transfer payments, which rose by $142.1 million.

Government cash flow remains strong, with cash balance of around $900 million as of December 2025. Cash flow has not changed significantly since the last update because of the first-quarter surplus and increased uptake from the domestic bond market. With weaker external financing expected, Government has strengthened its domestic financing strategy, supported by the rise in the 20-year bond yield to 5.75 percent in November 2025.

Government's outstanding external debt declined to $3.8 billion as of November, down from almost $4.0 billion a year earlier. This indicates that the Government has not yet secured the external financing assumed in the budget. In previous fiscal years, external drawdowns were typically secured in the first quarter, but this has not occurred this year. As a result, foreign reserves have declined to $3.7 billion even though other components have performed as expected.

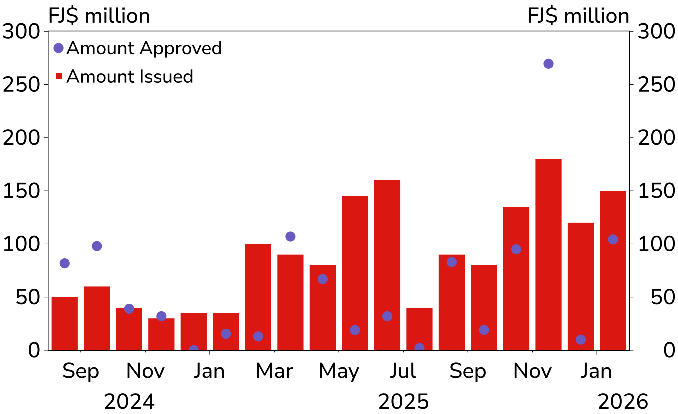
There has been a lot of discussion around Fiji Government's budget year. Fiji's August–July fiscal year remains misaligned with international quarterly reporting cycles, making monitoring and cross-country comparisons more difficult. While there have been discussions about shifting to a calendar-year fiscal cycle, this would place the budget process in the peak holiday and cyclone period, when government capacity is lowest as number of employees go on leaves. A July–June fiscal year presents a more practical alternative, as it aligns with global practice and avoids operational disruptions.

Fiscal performance



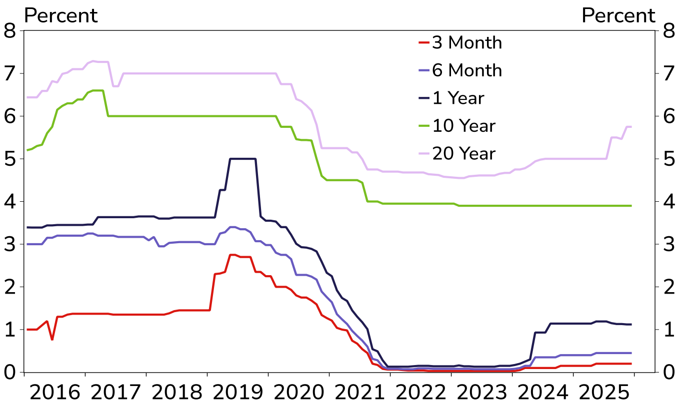
Source: MOF, Macrobond, Westpac Economics

Market appetite for 20-year bond low



Source: MOF, Macrobond, Westpac Economics

20-year bond yields rose to 5.75% in November



Source: RBF, Macrobond, Westpac Economics

All depends on the greenback

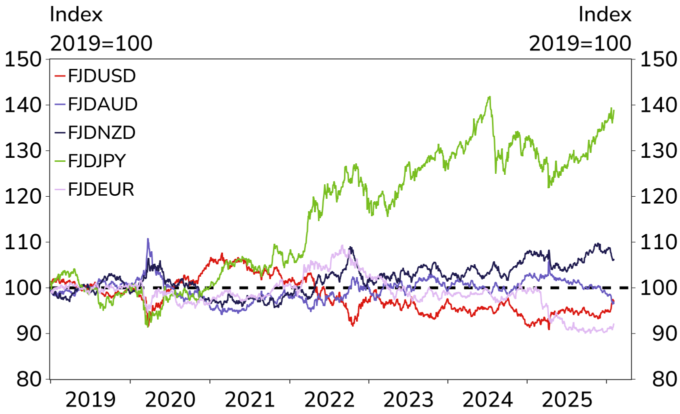
The Fiji dollar has rallied to 0.4503 against the US dollar as of 4 February, the highest since October 2024. This has come as the US dollar has broadly weakened as currency markets continued to shy away from the greenback due to uncertain economic policies of the United States. On the other hand, Fiji dollar has weakened against the other majors in the basket. The forex market is unpredictable with very lower chance of any arbitrage opportunity. This just makes is harder to gauge how Fiji dollar to turnaround against the key majors.

Going back a little, Fiji dollar was range bound 0.4203 – 0.4436 against the US dollar in 2025, hitting the lowest of 0.4203 at the start of April 2025 when tariff fears took hold, as it quickly recovered a few months later reaching 0.4436 in September. The Fiji dollar averaged 0.435 for most of 2025. A stronger US dollar in October and November saw the Fiji dollar weakened but ended the year stronger closer to 0.44. Even after US dollar weakening for most of 2025, most analysts argue it remains significantly overvalued by historical standards. The US dollar is expected to further depreciate, but the question is timing, by how much and what will be the lower bound are all speculative.

Since 2019, the Fiji dollar (FJD) has appreciated around 40% against the Japanese Yen. While this might make importation of Japanese goods like vehicles a bit cheaper for Fijians, it will make Fiji exports, and tourism is an export, to this lucrative market slightly more expensive. Japanese tourists will have found it somewhat more expensive to travel to Fiji since 2019.

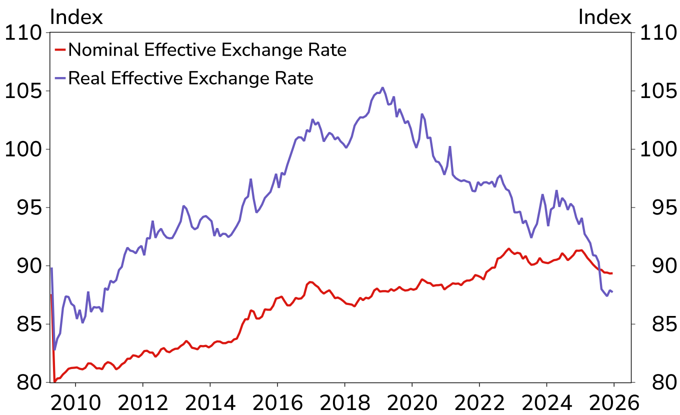
Where do we see Fiji dollar in 2026? Again, this is difficult to predict as much of the outcome will depend on how the green-back performs, including likely policy rate path take by central banks in Australia and New Zealand. Forecasts imply a broadly stable FJD with selective divergence across majors. Against the USD, the FJD is expected to strengthen gradually from 0.45 in March 2026 to 0.47 by March 2028, consistent with a softer global USD backdrop as investors price for Fed easing and current de-dollarisation amidst fiscal and monetary policy uncertainty. The FJD is projected to weaken versus the NZD, falling from 0.75 to 0.71, and versus the AUD, from 0.64 to 0.63. The EUR path is forecast to be flat at 0.38.

Fiji dollar performance since 2019



Source: , Macrobond, Westpac Economics

Fiji FX Indices



Source: Bruegel, Macrobond, Westpac Economics

Exchange rate forecast

FJD majors	Latest	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
USD	0.4503	0.45	0.45	0.46	0.46	0.46	0.46	0.47	0.47	0.47	0.47
AUD	0.6423	0.64	0.64	0.64	0.64	0.63	0.64	0.63	0.63	0.64	0.64
NZD	0.7447	0.75	0.74	0.73	0.73	0.72	0.71	0.71	0.71	0.71	0.71
JPY	70.15	68	68	67	67	67	66	66	66	65	65
EUR	0.3812	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.39	0.39	0.39

Source: Bloomberg, Westpac Economics Market Outlook

Is mining Fiji's next venture?

Fiji is reaching a milestone with its tourism offerings as the global travel market becomes more competitive and supply-side bottlenecks persist, particularly in high-end accommodation and air travel capacity. As 2025 demonstrated, tourism would have performed worse without strong arrivals from the United States and Europe, given weaker Australian and New Zealand numbers. This underscores the need for Fiji to diversify its tourism markets to reduce vulnerability to demand shocks.

Agriculture has long been viewed as the natural path for diversification, yet it faces major hurdles. High production costs, limited comparative advantage and stringent biosecurity requirements constrain its ability to compete in high-value markets. Much of Fiji's agri-output remains domestic, limiting its potential as a transformative growth sector. Although, there is a massive scope for agricultural produce being supplied to the tourism sector.

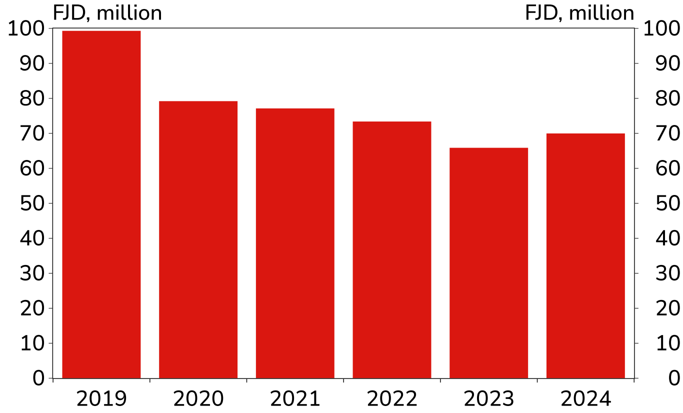
Mining, currently contributing less than 1% of GDP, is emerging as a promising option. Fiji sits on the Pacific Ring of Fire, a region known globally for significant porphyry copper-gold and epithermal gold systems. Several major exploration projects highlight this potential. The long-established Vatukoula Gold Mine has produced over 7 million ounces of gold and continues to operate as a world-class deposit. The Tuvatu Gold Mine on Viti Levu has begun full underground mechanised operations.

In copper, the Namosi Joint Venture located about 30km west of Suva contains one of Fiji's most significant porphyry copper-gold systems. It has reported substantial resources and is progressing through feasibility work under Newmont leadership. Nearby, the Rama copper-gold prospect on Viti Levu has revealed multiple porphyry targets through drilling and geophysical surveys, positioning it as another highly prospective site for future development.

These projects indicate the potential for sizeable reserves, increased export earnings, royalties for landowners and new jobs. Infrastructure investments linked to mining could also generate wider economic benefits. Namosi has published indicated resources of ~1.3 billion tonnes at 0.35% Cu (Dec 2019). Vatukoula has produced more than 7 million oz of gold since 1935. Rama has drill intercepts but no declared reserves.

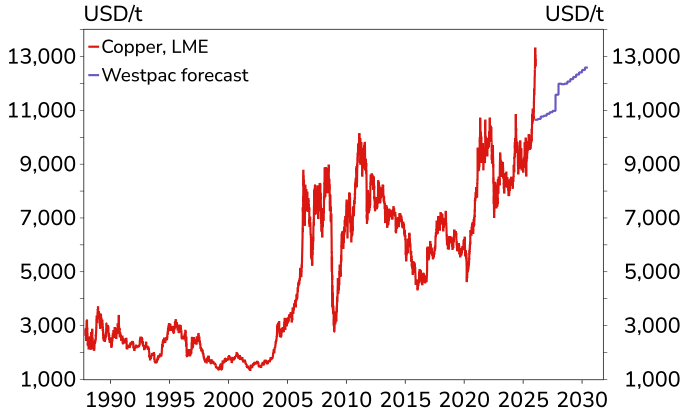
Over the long term, copper demand looks strong because electrification, electric vehicles, and grid upgrades all require more copper. On top of that, AI data centres are adding hundreds of thousands of tons of new demand each year, putting even more pressure on already limited supply. Copper prices briefly reached new record highs of US$6.58/lb in last days of January, with its long-term price expected to trend upwards.

Fiji's mining sector over years



Source: FBoS, Macrobond, Westpac Economics

Copper has a constructive medium term outlook



Source: LME, Macrobond, Westpac Economics

However, large-scale mining carries real risks. Fiji's pristine environment, including rivers, forests and coastal ecosystems, is central to its identity and tourism brand. Past experiences show the importance of strict environmental regulation. If Fiji commits to responsible, environmentally sound mineral development, copper and gold mining could provide a strong complementary growth engine alongside tourism, supporting a more resilient and diversified economy.

Understanding Fiji's Inflation Story: The Mismatch Between Perception and Data

Why does it feel like the cost of living is rising, even though official inflation numbers suggest otherwise?

Lately, many people, and general populace, have been saying that the cost of living is going up. However, official inflation figures from the Fiji Bureau of Statistics tell a different story. Inflation has remained in negative territory for most of the months in 2025, meaning that overall prices on average have been falling across the broad spectrum of items.

So why does it still feel like things are getting more expensive and what is the overall story?

To put it simply, inflation measures how prices change over time. Positive inflation means prices are rising, while deflation means they are falling. Disinflation refers to a slowdown in the rate of inflation.

In Fiji, inflation is tracked using the Consumer Price Index (CPI), which monitors the average price of a fixed set of goods and services commonly bought and consumed by Fijians. This basket is based on household spending surveys conducted every five years, with the most recent survey completed in 2019- 2020 guiding recent revisions to CPI basket.

The challenge is that the CPI basket might not reflect what you personally buy. If your spending habits differ, for example, if you purchase more imported goods, opt for premium grocery items, dine out frequently or travel often, you may feel the price pinch differently even when the CPI suggests prices are falling.

It is not just about what is in the basket, but also how much weight each item carries. Kava, for instance, makes up close to 5% of the entire basket. Some people may consume more than this average, while others do not consume kava at all, so they would not feel the price pressures. Kava is a highly volatile commodity, with both supply and demand influencing its market price. Cigarettes, for example, have a weight of 3.5% in the CPI basket and contribute to inflation, yet most people here do not consume them. Some of you might regularly buy basmati rice or roasted coffee beans, but these items are not included in the CPI basket.

Another issue is that the CPI was last updated in 2019, before the pandemic significantly altered spending patterns. Countries such as Australia and New Zealand update their CPI more frequently to reflect these changes and even use point of sale data to compile quarterly and monthly inflation figures. Fiji does not, so the CPI published now may no longer fully capture current realities.

Furthermore, the Fiji Bureau of Statistics collects price data from establishments within a specific week of each month. This means the rest of the month is not covered when surveying price movements in the economy. As a result, inflation data may be affected by timing. For example, if discount or sale events occur during the survey week, or if there are an excess harvest and supply in the market, prices may temporarily drop while non-survey weeks tend to reflect more typical market conditions.

At present, Fiji is experiencing deflation on a broader scale. By the end of 2025, the annualised CPI noted a 1.4% decline compared to last year. In October alone, prices fell by 3.4%yr, driven mainly by significant drops in food prices, which fell by 8.4%, and fuel prices, which fell by 6.2%yr. These two categories make up half of the CPI basket, so their decline has a strong influence on the overall inflation rate.

The Fiji Bureau of Statistics has acknowledged limitations in its inflation data and now includes warnings on how to interpret the figures cautiously. Official releases carry a disclaimer stating that the data is published at the user's discretion, and they do not provide a full list of items or price changes for review.

While headline inflation offers a useful gauge of average price pressures across the economy, it may not reflect the inflationary pressures felt by individuals. Consumption behaviour varies widely across Fijians. Unless the Bureau accounts for price changes across all goods and services sold and consumed in Fiji, and not just those captured in surveys, understanding the true cost pressures on the ground will remain a challenge. However, such initiative will be costly for the already constrained Bureau.

The purpose of this note is to highlight why headline inflation published by the statistics office may not align with your personal experience when checking out at the counters.

Composition of Consumer Price Index Basket (%)

Expenditure Items %	2014	2019
Food and non-alcoholic	34.7	30.9
Alcoholic beverages	10.6	14.9
Clothing & footwear	2.2	1.7
Utilities	12.7	12.6
Furnishing etc.	5.0	4.2
Health	1.4	1.3
Transport	13.9	13.8
Communication	4.4	5.3
Recreation & Culture	1.6	2.3
Education	7.5	6.6
Restaurants & Hotels	3.0	2.8
Misc.	3.1	3.8

Fijian Surf Breaks May Soon Come with a Price Tag

"Cloudbreak" of Fiji, one of the crown jewels of global surfing, ranks among the top ten for its power and beauty. It draws surfers from every corner of the world and has helped local talent ride their way onto the international stage after the 2010 Decree.

Since Cabinet approved the new Bill, which will likely return surfing zones to traditional ownership and require payment to enjoy the waves, media in Australia, New Zealand, and Fiji made waves of their own in November last year. This is no surprise given the popularity of these breaks.

For now, the old Act still holds in place allowing free access until the Parliament goes through the usual consultation process and debates, before the new proposed law likely gets legislated.

Revisiting the 2010 Decree

In July 2010, the Fiji Government introduced the Regulation of Surfing Areas Decree, throwing open the gates to all surf breaks and banning exclusivity. Before this, resorts imposed de-facto exclusive rights, controlling iconic breaks like "Cloudbreak" and "Restaurants" and charging premium rates that generated between $30-$50 million dollars annually on average. The Government argued that these arrangements kept surf tourism in shallow waters and prevented broader economic benefits.

There were three main objectives for the 2010 Decree:

1. To promote Fiji as a premier surf destination,
2. To liberalise access to all surfing areas, and
3. To ensure unrestricted use by tourists, locals, hotels, and businesses.

Surf breaks were declared a public good in 2010, exclusivity was outlawed, and penalties of up to $10,000 were introduced for corporations. Resorts like Tavarua and Namotu, which once claimed exclusive rights, had to let go. While surfers rejoiced and tourism industry benefited, resorts lost revenue streams and customary owners saw their control go away. Tensions between operators, communities and Government have lingered ever since. Some of the ways resorts and tour operators were able to recoup this lost revenue was by charging higher premium on lessons and transportation.

Fiji has remained a regular stop on the World Surf League (WSL) Championship Tour, hosting events such as Quiksilver Pro, Volcom Fiji Pro, Corona Fiji Pro, and the Lexus WSL Finals in 2025. Cloudbreak continues to be the star attraction and Fiji has secured a WSL Tour stop through 2029. Major changes to current surfing laws could hinder such future events.

The New Bill

Cabinet approved and tabled the new Commercial Use of Marine Areas Bill 2025 in Parliament last year which seeks to repeal and replace the 2010 Act and return ownership of marine areas including surf zones to customary iTaukei owners.

Its objectives are to ensure equitable reversion of proprietary rights, uphold natural justice, and empower indigenous institutions in managing marine resources. The Bill applies to foreshore, internal waters, archipelagic waters, and territorial sea, covering activities such as surf tourism and emissions reduction projects (excluding fishing).

Rotuma remains outside its scope for now.

Customary owners can initiate a transfer process through the iTaukei Fisheries Commission (TFC), which verifies boundaries, assesses impacts, and negotiates compensation with interest holders. Ownership is formalized via a vesting order issued by a tri-ministerial Vesting Authority. Existing leases and licences continue until renegotiated, and disputes may go to arbitration or the Marine Area Appeals Tribunal.

iTaukei Land Trust Board (TLTB) will most likely administer these surfing zones, which can grant leases or licences under strict conditions. The proposed Bill also says that penalties would apply for breaches, and the Minister may set regulations. This Bill proposes to restore cultural rights while balancing surf tourism's economic potential with fairness and sustainability.

The Bill guarantees public enjoyment rights under the Rivers and Streams Act and freedom of movement under the Constitution, so surf breaks cannot become completely off-limits. Still, free access may soon be swept away, and tourists and locals could have to pay to ride these waves.

These are only a few examples of the wording in the Bill.

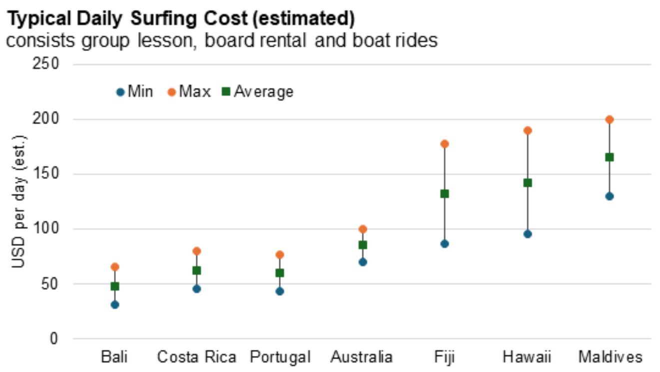
Pricing and how this law will be enforced with institutional oversight remain murky waters. This Bill still has to go through extensive consultation process.

Exploring Potential Impact of the New Bill

Even today, surfers pay for boats, guides, group lessons, and board rentals to reach offshore breaks. Fiji's daily surf costs already tower over Bali or Australia because Cloudbreak and similar breaks require boat transfers. Looking at ongoing rates, Fiji's daily surf costs range from US$87 to US$177 on average through resorts premium services, compared to Bali's US$31 to US$65. Multi-day packages in Fiji can crest above US$2,600.

One advantage in Fiji is that surf breaks without exclusive rights now allow experienced surfers and locals to arrange their own transportation, avoiding reliance on resort services.

If new fees roll in, surfers will have to pay more. Surfing in Fiji is already a luxury experience, so pricing must strike the right balance, high enough to generate revenue but not so steep



that it wipes out demand and chances of attracting further world surfing competitions. Locals may find themselves paddling upstream, unable to afford access, reducing opportunities to learn and compete internationally as they have managed to do after 2010.

Surf breaks are natural wonders sculpted by swell, wind, currents, and the shape of reefs, giving them a basis for ownership.

April to November brings the most consistent swell, with May to September offering ideal trade winds, which are also Fiji's peak visitor arrival months. Some estimates indicate Fiji attracts over 20,000 surfers annually, and demand for this experience has been only going up. Fiji cannot afford to lose this.

The economic impact of this Bill remains hard to forecast without more details on the pricing and enforcement. The Bill aims to restore cultural rights while keeping sustainability afloat by giving the right of reef and break protection in the hands of traditional owners, but its execution will decide whether Fiji continues to ride high as a global surf destination and a venue for global major competitions.

It is imperative that traditional owners are properly compensated for the use of natural and cherished resources; however, the right balance in pricing is required to avoid dampening tourism activity and local talent growth.

As far as our expectations go, this Bill will most likely get passed into law in due course after broader public consultations. Both local and tourist surfers will have to pay to ride waves in Fiji.

Traveling to the United States gets tougher and uncertain for Fijians

Early January brought a policy shift that will shape how many Fijians think about travelling or migrating to the United States. The global environment continues to fragment, and mobility rules are becoming one of the clearest signs of this shift.

The United States announced that it will temporarily suspend immigrant visa processing for nationals of 75 countries, which also includes Fiji, starting 21 January 2026. At the same time, new bond requirements will apply to certain tourist and business visas. Fiji's inclusion stems from a US government assessment that prospective immigrants may pose a higher than acceptable risk of depending on public assistance and risk of overstaying their visa. For context, this US visa bond has been under pilot program since 2020.

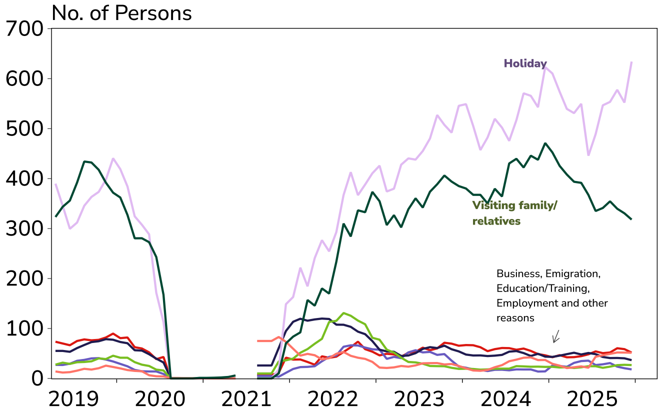
These changes arrive at a time when the world is already navigating geopolitical uncertainty, rising protectionism, and slowing global growth. For Fiji, the relationship with the United States has always carried economic and social significance. Families span both countries and many Fijians rely on work and study pathways in the US. Any disruption therefore carries emotional weight in addition to economic impact.

The new policy means that anyone applying for an immigrant visa through consular processing will face delays. Applications can still be lodged, and interviews will continue at the US Embassy in Suva, but no immigrant visas will be issued during the suspension period. This affects family-based and employment-based pathways, and it also pauses the Diversity Visa program for Fiji. Fijian applicants seeking permanent residency (green cards) via consular processing will not receive visa issuance while the pause remains in place. The focus is on new applicants. Those who already hold their immigrant visas are not affected for now. But given that the US has suspended over 100,000 visas of those who immigrated to the US for variety of reasons, Fijians need to behave appropriately and within laws.

The justification provided by the US administration is centred on the risk of future immigrants needing government funded support. Whether this assessment is fair for Fiji is debatable, but what is clear is that entry thresholds are rising and will likely continue to rise as the United States adopts more inward-looking policies.

Alongside the suspension is the introduction of a bond requirement for B1 and B2 visas which cover business and tourism travel. The bond ranges between US$5,000 and US$15,000 and will apply at the discretion of the interviewing officer. Even after paying the bond, visa issuance is not guaranteed. The money is refundable as long as the traveller follows all visa rules, including timely departure and using designated ports of entry. Fijians who are asked to pay a bond for a B1 or B2 US visa will usually receive a single-entry visa

Fijian depatures to the US



Source: FBoS, Macrobond, Westpac Economics

and must travel through specific US airports. The bond does not control how long they can stay. A Customs and Border Protection (CBP) Officer decides the stay period on arrival. The bond is refunded if the traveller leaves on time, follows all rules, and uses the required airports.

For the average Fijian household, this is a substantial amount of money. In many cases the bond is higher than annual per capita GDP of Fiji. This will naturally discourage travel for holidays and family visits. Only those with higher incomes or those traveling for essential business reasons are likely to proceed. Young families, retirees and students exploring short visits will need to reconsider plans. The new rules do not apply uniformly though. If an applicant is seen as low risk, the officer may choose not to impose a bond at all.

The broader question is what this means for Fiji. Migration to the United States has always been modest compared to Australia and New Zealand. Fewer than 100 Fijians leave for long term settlement in the US each month. Most travel is short-term and for holidays and family visits. These remain possible under the new policy but now come with more conditions and bond payments for visa. While reading the policy, it does not seem to mention any bond requirement around Transit C Visas. Hence, we could infer it excludes transiting through the United States, but it can change.

Some possible impact may be felt by Fijians who have migrated to the United States. Many of them return home every few years to see family, attend ceremonies or support local obligations. With the level of uncertainty and the fear of facing complications on return to the US, they may defer their decision to travel to Fiji. This could have a small impact on diaspora related spending in Fiji. This policy is also expected to impact remittance inflows from the United States as departures are expected to fall.

For Fiji's economy, the immediate effects are limited but notable. The United States remains an important trading partner and a strong tourism source market. Last year saw large numbers of American tourists arrive and this will continue as the new rules do not affect US citizens entering Fiji. What may soften slightly is the inflow of Fijian diaspora travelling from the United States to Fiji who usually stay longer and spend a bit due to family connections.

Policies in the United States tend to change with little notice, and the current approach could be revised again depending on political and economic priorities. For now, the main message for Fiji is to be always on lookout. Those considering migration or travel must prepare for longer processing times, higher costs, and more uncertainty.

Fiji Government yields

Month	3 mths	6 mths	12 mths	10 yrs	15 yrs	20 yrs
Dec-25	0.20	0.45	1.12	3.90	4.15	5.75
Nov-25	0.20	0.45	1.12	3.90	4.15	5.75
Oct-25	0.20	0.45	1.13	3.90	4.15	5.46
Sep-25	0.20	0.45	1.13	3.90	4.15	5.50
Aug-25	0.20	0.45	1.15	3.90	4.15	5.50
Jul-25	0.20	0.45	1.19	3.90	4.15	5.00
Jun-25	0.20	0.45	1.19	3.90	4.15	5.00
May-25	0.20	0.45	1.19	3.90	4.15	5.00
Apr-25	0.15	0.40	1.14	3.90	4.15	5.00
Mar-25	0.15	0.40	1.14	3.90	4.15	5.00

Source: Westpac Pacific

Interest rate forecast

Economies	Latest	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
Australia										
Cash	3.60	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.60	3.35
10 Year Bond	4.82	4.75	4.75	4.75	4.75	4.75	4.70	4.65	4.60	4.60
United States										
Fed Funds	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
10 Year Bond	4.27	4.25	4.30	4.35	4.40	4.45	4.50	4.55	4.60	4.65
New Zealand										
Cash	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	3.50	3.75
10 Year Bond	4.60	4.60	4.65	4.75	4.75	4.90	4.90	4.95	4.95	4.95

Source: Westpac Economics Market Outlook

Economic growth forecasts (year average)

Country	2020	2021	2022	2023	2024	2025	2026	2027
World	–2.7	6.6	3.6	3.5	3.3	3.2	3.2	3.2
United States	-2.2	6.1	2.5	2.9	2.8	1.9	1.8	1.8
China	2.3	8.4	3.1	5.4	5.0	5.0	4.6	4.5
Japan	-4.2	2.7	1.0	1.2	0.1	1.2	0.8	0.8
India	-5.8	9.7	7.6	9.2	6.5	6.6	6.8	6.3
Europe	-6.2	6.4	3.7	0.6	0.8	1.4	1.2	1.5
Australia	-2.0	5.4	4.1	2.1	1.0	1.9	2.4	2.5
New Zealand	-1.3	5.7	2.9	1.8	-0.6	0.5	2.3	3.4

Source: Westpac Economics Market Outlook

Corporate Directory

Westpac Economics / Australia

Sydney
Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis
Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan
Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke
Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner
Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk
Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante
Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas
Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells
Economist
E: ryan.wells@westpac.com.au

Illiana Jain
Economist
E: illiana.jain@westpac.com.au

Neha Sharma
Economist
E: neha.sharma1@westpac.com.au

Westpac Economics / New Zealand

Auckland
Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold
Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon
Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs
Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod
Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark
Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva
1 Thomson Street
Suva, Fiji

Shamal Chand
Senior Economist
E: shamal.chand@westpac.com.au

DISCLAIMER

Things you should know

We respect your privacy: You can view our privacy statement at Westpac.com.au. Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied of distributed to any other party without the prior written permission of the Westpac Group.

Disclaimer

This information has been prepared by Westpac and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision.

This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward-looking statements. The words "believe", "anticipate", "expect", "intend", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

Conflicts of Interest: In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter, distributor, swap counterparty and calculation agent) simultaneously with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

Author(s) disclaimer and declaration: The author(s) confirms that (a) no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material; (b) this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate; (c) to the best of the author's knowledge, they are not in receipt of inside information and this material does not contain inside information; and (d) no other part of the Westpac Group has made any attempt to influence this material.

Further important information regarding sustainability-related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access Westpac's Financial Services Guide here or request a copy from your Westpac point of contact. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice.

New Zealand: In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac ("WNZL"). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address www.westpac.co.nz.

Singapore: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore.

Disclaimer continues overleaf ▶

DISCLAIMER

Fiji: Unless otherwise specified, the products and services for Westpac Fiji are available from www.westpac.com.fj © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia and registered as a branch in Fiji. The liability of its members is limited.

Papua New Guinea: Unless otherwise specified, the products and services for Westpac PNG are available from www.westpac.com.pg © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia. Westpac is represented in Papua New Guinea by Westpac Bank - PNG - Limited. The liability of its members is limited.

U.S: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Westpac Capital Markets, LLC ('WCM'), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ('the Exchange Act') and member of the Financial Industry Regulatory Authority ('FINRA'). In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WCM other than as provided for in certain legal agreements between Westpac and WCM and obligations of WCM do not represent liabilities of Westpac.

This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

UK and EU: The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586). The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac's London branch by the PRA are available from us on request.

Westpac Europe GmbH ("WEG") is authorised in Germany by the Federal Financial Supervision Authority ('BaFin') and subject to its regulation. WEG's supervisory authorities are BaFin and the German Federal Bank ('Deutsche Bundesbank'). WEG is registered with the commercial register ('Handelsregister') of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2)of the Order; (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for "eligible counterparties" and "professional clients" as defined by the rules of the Financial Conduct Authority and is not intended for "retail clients". Westpac expressly prohibits you from passing on the information in this communication to any third party.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an 'investment recommendation' and/or 'information recommending or suggesting an investment', both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) ("MAR"). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found here. Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.