



WESTPAC WAVE

Fiji FY2026-27 National Budget Review

01 July 2026

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- The 2026–27 National Budget for Fiji projects a fiscal deficit of \$1.0bn (7.0% of GDP), up from \$0.8bn (5.5% of GDP) in 2025–26.
- Over the medium-term, the fiscal deficit is expected to remain close to \$1.0bn annually, above 6.0% of GDP. The Government does not expect to achieve an operating surplus until 2028–29. Public debt is projected to reach 88.3% of GDP by 2028–29 with annual interest payments nearing \$600mn.
- The primary balance, defined as revenue less non-interest expenditure, is projected to remain in deficit at \$449.4mn (3.0% of GDP) in 2026–27, with no meaningful improvement expected over the medium-term. By 2028–29, the primary deficit is still forecast to exceed \$400mn. This raises an important question: how will lenders and credit rating agencies assess Fiji’s fiscal trajectory?
- The tax regime has largely been kept stable, apart from the introduction of a 5% Tourism Services Tax to support the aviation industry and the alignment of some duty rates. Revenue is projected to average around 25% of GDP over the medium-term.
- This is a \$4.9bn spending budget (32.8% of GDP), approximately \$200mn higher than the revised 2025–26 expenditure estimate. Most of this increase is directed towards accommodating the General Election, Population Census and key capital projects, while broad-based operating expenditure cuts of around 10% have been implemented across ministries and departments.

BIG Numbers

Revenue (25.8% of GDP)

\$3.8bn

↓ -69.8mn
over last FY

Expenditure (32.8% of GDP)

\$4.9bn

↑ +199.5mn
over last FY

Fiscal Deficit (-7.0% of GDP)

\$1.0bn

↑ +269.3mn
over last FY

Gross Debt (84.8% of GDP)

\$12.6bn

↑ +1.0bn
over last FY

Primary Deficit (3.0% of GDP)

\$449.4mn

↑ +211.2mn
over last FY

*Compared to FY2025-26 revised estimate

Promising budget requires greater caution

Shamal Chand
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The theme of Fiji's 2026–27 National Budget is “A Responsible Budget for Sustainable Future.” Prior to the announcement, very little information on key policy measures had been made public. There was a broad expectation that the Government would keep major revenue policies unchanged while tightening expenditure and maintaining support for households and businesses. In many ways, that is exactly what was delivered.

The Government's central message in the budget is that it recognises public spending has become bloated and that expenditure discipline needs to improve. The budget attempts to demonstrate this by largely keeping overall expenditure unchanged from the previous year. In doing so, it continues to support the critical education, health, security and social sectors of the Fijian economy.

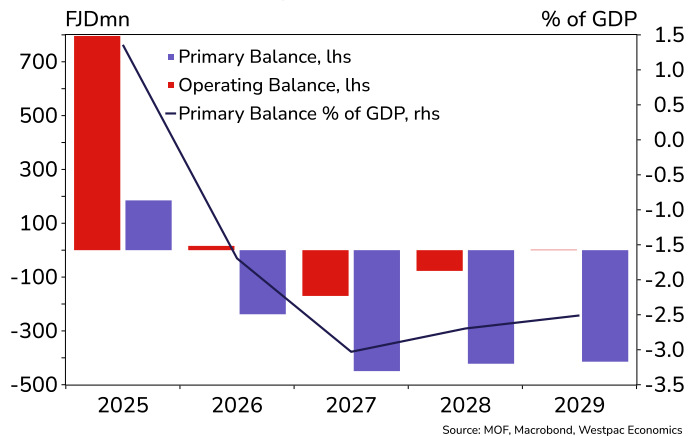
While the Government's commitment to expenditure control is commendable, the worsening primary balance requires greater scrutiny. The primary balance measures the difference between Government revenue and non-interest expenditure. A negative primary balance indicates that the Government is borrowing to meet its interest obligations, creating a potentially self-reinforcing cycle in which rising interest payments require additional borrowing.

Fiji's primary deficit is projected to widen from \$238.1mn (1.7% of GDP) in 2025–26 to \$449.4mn (3.0% of GDP) in 2026–27 and even hovering above \$400mn throughout the medium-term forecast period to 2028–29, which is a cause for concern.

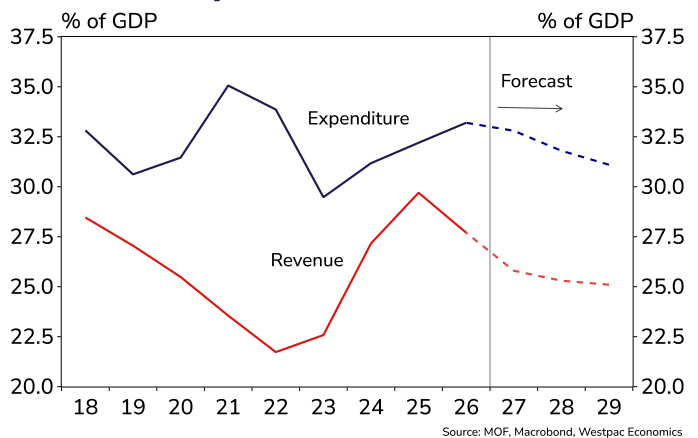
Fiji's multilateral development partners, lenders and credit rating agencies closely monitor the primary balance as a key indicator of fiscal discipline and debt sustainability. A persistent primary deficit, including over the medium-term, suggests that the Government is unable to fully finance its expenditure through its own revenues before interest costs are considered. This presents a significant fiscal and sovereign risk if left unchecked, potentially leading to credit rating downgrades and higher borrowing costs in the future.

In summary, the budget documents show that revenue is projected to decline from \$4.1bn (29.7% of GDP) in 2024–25 to \$3.8bn (25.8% of GDP) in 2026–27 before gradually recovering to \$4.2bn by 2028–29. Meanwhile, expenditure is expected to continue rising, reaching \$5.1bn (31.1% of GDP) by 2028–29, driven largely by operating costs and growing debt-servicing obligations. The fiscal deficit is projected to widen sharply from \$337.5mn (2.5% of GDP) in 2024–25 to \$1.0bn (7.0% of GDP) in 2026–27 and remain elevated thereafter. Public debt is projected to increase from 79.0% of GDP to 88.3% of GDP by 2028–29.

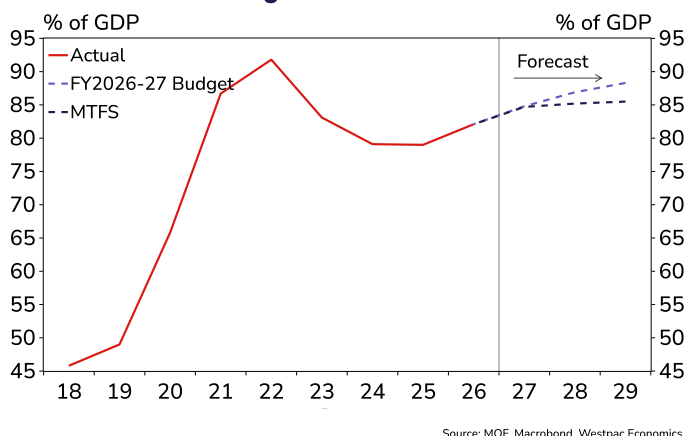
Deteriorating primary balance



Revenue and Expenditure



Debt to GDP ticks higher



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Tax stability and expenditure control

Government expects revenue to remain relatively subdued initially at \$3.8bn, with no major changes to the existing tax structure, even as nominal GDP is projected to grow by 5.5%. One of the strongest features of the budget is the preservation of tax stability. VAT, personal income tax and corporate tax rates remain unchanged. The only notable tax measure is the introduction of a 5% Tourism Services Tax from September 2026 on hotels and tour operators with annual turnover exceeding \$2mn, alongside the alignment of several duty rates and other cosmetic changes.

The Government appears to be relying once again on conservative revenue assumptions. Given that the 2025–26 fiscal year is expected to finish close to the original budget estimates, it is difficult to argue that expenditures have been materially overstated this time around. Instead, the budget reflects a Government that is increasingly comfortable operating with large deficits. The lack of fiscal consolidation is no longer being disguised in the MTFs. The deficit continues to widen, and medium-term projections revised upwards.

The budget keeps overall expenditure broadly unchanged from the previous year, despite accommodating around \$200mn in new spending for the General Election, Population Census and key infrastructure projects. To create room for these priorities, Government announced a broad-based 10% reduction in operating expenditure across ministries, departments and other agencies, including no civil service pay increase.

Given rising inflation, can ministries/departments realistically absorb a 10% reduction in operating grants without cutting or reorganising their overheads?

Most support measures had already been announced before budget day, including fuel duty concessions for Energy Fiji Limited, bus operators, hotels, resorts, mining companies and manufacturers that rely on diesel generation - proactively extended until October.

The budget includes targeted incentives aimed at supporting peer-to-peer lending platforms, equity crowd-funding, EV charging infrastructure, sporting development and greater iTaukei participation in commercial investments.

A review of 2025–26 likely outcomes highlights a familiar concern: capital expenditure implementation. Operating expenditure was largely delivered, with revised estimates reaching approximately \$3.9bn, or 99.3% of budget. Capital expenditure, however, significantly underperformed. Revised estimates indicate capital spending of \$792.3mn, meaning around \$134.3mn of planned capital works and investments might not be delivered. This could also be due to the restructuring and merging of ministries mid-fiscal year.

This pattern continues to raise concerns about the Government's ability to fully translate budget allocations into productive infrastructure outcomes. It also contributes to the worsening composition of expenditure. Over the past several years, the balance between operating and capital spending has deteriorated to an 82:18 ratio.

Medium-Term Budget Plan

\$ million	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	4,053.2	3,894.0	3,824.2	3,959.9	4,151.2
% of GDP	29.7	27.7	25.8	25.3	25.1
Tax	3,484.6	3,391.3	3,306.1	3,508.2	3,685.9
Non-Tax	568.6	502.7	518.1	451.7	465.3
Expenditure	4,390.7	4,670.4	4,869.9	4,970.7	5,134.7
% of GDP	32.2	33.2	32.8	31.8	31.1
Operating	3,257.2	3,878.1	3,994.2	4,036.9	4,149.5
o/w finance charges	522.5	538.3	596.3	588.8	569.1
Capital	1,056.9	792.3	875.7	933.8	985.2
Fiscal Deficit	-337.5	-776.4	-1,045.5	-1,010.8	-983.5
% of GDP	-2.5	-5.5	-7.0	-6.5	-6.0
Debt	10,761.8	11,538.2	12,583.9	13,594.7	14,578.2
% of GDP	79.0	82.1	84.8	86.9	88.3
Nominal GDP	13,625.6	14,055.5	14,833.5	15,649.3	16,510.1
Primary Balance	185.0	-238.1	-449.4	-422.0	-414.4
% of GDP	1.4	-1.7	-3.0	-2.7	-2.5
Operating Balance	796.0	15.9	-170.0	-77.0	1.7
% of GDP	5.8	0.1	-1.1	-0.5	0.0

Source: Westpac Fiji Analysis; Ministry of Finance budget reports

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Proposed financing plan

The 2026–27 Budget will be financed through a combination of domestic and external borrowing to meet a gross financing requirement of \$1.48bn. This comprises a projected fiscal deficit of \$1.04bn and debt repayments of \$436.3mn. While domestic financing remains the largest funding source, Government is budgeting for a significantly larger contribution from external partners than in recent years.

Total overseas financing is projected at \$628.0mn, accounting for 42.4% of total financing requirements, up from 37.6% in the revised 2025–26 Budget and 27.8% in 2024–25. Domestic financing is expected to contribute \$853.9mn (57.6%).

The external financing programme is dominated by multilateral lenders, particularly the ADB, which is expected to provide \$511.8mn, representing more than 80% of total overseas financing. The World Bank and IDA are expected to contribute \$55.9mn, while smaller amounts are anticipated from the AIFFP (\$7.5mn), OPEC Fund (\$6.9mn) and IFAD (\$1.5mn). Of the total external programme, approximately \$496.0mn is expected to be sourced through policy-based lending operations, with the balance funding project-related expenditure.

However, the financing assumptions remain exposed to significant execution risks. During 2025–26, Government experienced substantial challenges in accessing external financing, a risk we highlighted in last year’s budget review. As at April 2026, only \$44.7mn in foreign financing had been secured, equivalent to just 8% of the revised external

financing target of \$559.3mn, due to delays in policy reforms. This forced Government to draw on its cash reserves to meet expenditure needs, with Government deposits in commercial banks falling to \$0.6bn in May from levels previously close to \$1.0bn.

In contrast, domestic financing performance remained strong, with \$789.9mn raised, representing around 85% of the annual domestic financing target, with an increased risk of domestic liquidity constraints in future.

The 2025–26 experience highlights the uncertainty surrounding external financing flows. Policy-based loans are generally subject to policy reform commitments, approval processes and disbursement conditions, which can delay funding beyond budget assumptions. Given the heavy reliance on ADB financing in 2026–27, any delays in approval or disbursement could create financing pressures and require Government to rely more heavily on domestic markets.

In response, Government appears to be extending the maturity profile of domestic debt. Recent auction data point to a gradual shift towards 25-year bonds, while demand for shorter tenors has generally weakened. Several 25-year bond auctions in 2026 attracted relatively strong investor interest, including a March issuance that received \$99mn in bids against \$40mn offered. Extending maturities reduces refinancing and rollover risks while better aligning Government borrowing with the long-term nature of infrastructure investment. This also meets the needs of institutions such as FNPF.

Proposed Financing Sources

Financing (\$ million)	2024-25	2025-26	2026-27
Overseas			
Asian Development Bank	10.4	35.9	511.8
World Bank & IDA	29.1	42.4	55.9
Japan International Cooperation Agency	0	0	0
Asian Infrastructure Investment Bank	0	0	0
Australian Infrastructure Financing Facility for Pacific	0	0	7.5
European Investment Bank	7.7	1.8	0
OPEC Fund	0	0	6.9
IFAD	0	0	1.5
Other unspecified policy-based / multilateral financing	159.2	479.2	44.4
Total	206.4	559.3	628.0
Domestic Bonds and Loans	534.8	928.7	853.9
Total Financing	741.2	1,488.0	1,481.9
Share			
Overseas	27.8%	37.6%	42.4%
Domestic	72.2%	62.4%	57.6%

Source: Westpac Fiji Analysis; Ministry of Finance budget reports

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Budget developed in crisis...

Budget announcements in Fiji are usually accompanied by optimism and high expectations. This year was different. The 2026–27 National Budget was developed during one of the most uncertain periods in recent years. Having said that, describing the environment as “uncertain” has become almost a budget cliché; nearly every budget over the past few years has been prepared under similar circumstances.

Global fuel markets were disrupted by conflict in the Middle East, inflation pressures were rebuilding, growth forecasts were being revised downwards, and Fiji is edging closer to a General Election. Throughout May and June, policymakers were forced to prepare for a scenario involving prolonged fuel market disruptions, elevated oil prices, and rising prices.

Yet by the time the new financial year begins, the global environment had shifted dramatically, although uncertainty remains elevated. A ceasefire between the US and Iran had largely held, shipping traffic through the Strait of Hormuz had resumed and millions of barrels of previously stranded oil were reaching international markets. Domestic fuel prices followed suit, with petrol falling by 49c and diesel by a substantial \$1.19/litre in July. As such, with these positive developments and accounting for recent budget announcements, we keep Fiji’s 2026 growth profile unchanged at 2.0%.

Inflationary pressures expected to persist

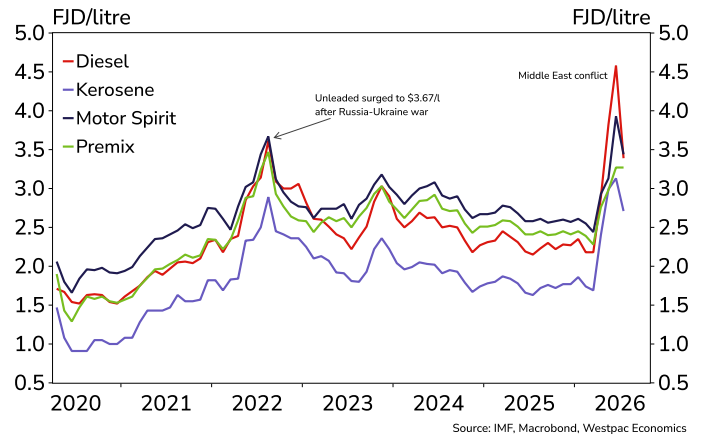
Government expects year-end inflation to exceed 6.0% with June reading already at 6.1%. While falling fuel prices should help ease some pressure during the second half of the year, households and businesses will continue to feel the cumulative effects of higher living and operating costs. Based on past experience of many, even if benchmark fuel prices decline, retail goods prices do not always adjust downwards accordingly unless they are subject to regulatory pricing mechanisms. Domestic consumption continues to be supported, including through remittances, which have surged to \$561.7mn as of April (up by 25.2%).

Aviation sector supported

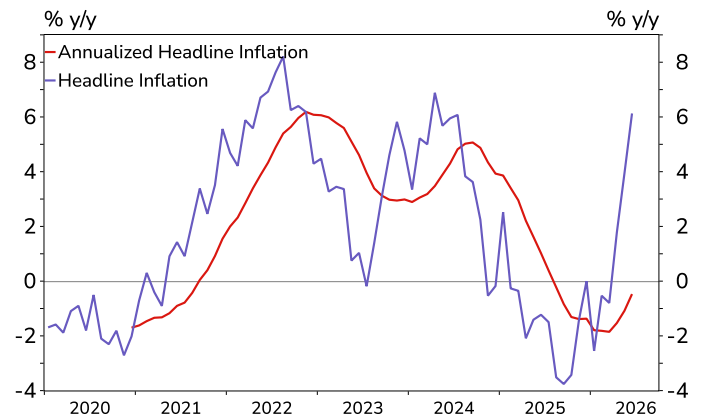
The budget provides much-needed support to the aviation sector, particularly Fiji Airways, which is facing high operating costs. The budget supports Fiji Airways through a planned \$200mn Government guarantee, \$10mn in fees relief, and an extension of tax loss carry-forward provisions to 15 years. A temporary 5% Tourism Services Tax is expected to generate approximately \$70mn to support Fiji Airways.

In addition, visitor arrivals in May 2026 totalled 85,405, down 1.4% y/y from 86,587 in the same month last year. Year-to-date arrivals reached 362,106, up 3.1% compared with 351,069 over the same period in 2025. Fiji is now in its peak tourism season, and softer arrivals over the past 2 months may signal a weaker growth trajectory this year.

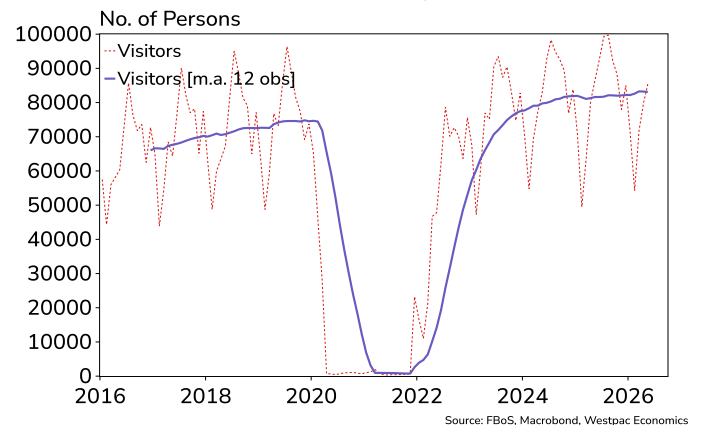
Fiji domestic fuel price



Headline inflation surges to 6.1% in June



Visitor arrivals up 3.1% as of May



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...has become quite a cliché

Government asks private sector to drive growth

To spark this transition, the Government is rolling out aggressive tax holidays across key sectors. New cement manufacturing facilities and major iTaukei joint ventures in eco-tourism can qualify for tax holidays of up to 13 years, while mahogany processors and healthcare facilities receive targeted tax incentives.

Simultaneously, the Government is attempting to cut through bureaucratic red tape. Investor permit processing times are expected to be reduced from 21 days to just five, supported by a fast-track taskforce involving Investment Fiji and the Ministry of Immigration to clear project bottlenecks, alongside a \$4mn digital building permit system. The budget also seeks to reduce business costs through duty reductions on selected imported inputs, including aluminium and PVC products, with the aim of lowering construction and manufacturing costs.

Superannuation changes

One of the most notable initiatives is the temporary reduction in employer FNPF contributions from 10% to 8% for a 12-month period. For businesses, particularly in labour-intensive sectors such as tourism, retail and manufacturing, this provides immediate payroll cost relief and additional cash flow during a period of weaker growth.

For workers, lower contributions would normally raise concerns about slower accumulation of retirement savings. With no major support measures for employees announced in the budget, businesses now have the opportunity to maintain the previous 10% employer contribution rate as an additional employment incentive.

One piece of good news, which was incorporated into the announcement, was FNPF's declaration of a 9.5% interest crediting rate to member accounts, totaling \$866mn for the financial year ending 30 June.

Support to households and most vulnerable

The Ministry of Housing has been allocated \$25.6mn to address urbanisation challenges. The revamped First Home Ownership Initiative now targets households earning below \$60,000, offering grants of up to \$40,000 for home construction. A further \$10mn has been allocated to upgrade nine informal settlements, while \$1.3mn will support the relocation of 1,200 vulnerable households.

To ease cost-of-living pressures, social protection programmes receive \$211.4mn, supporting around 130,000 beneficiaries. Zero-rated VAT on 22 items has been maintained, while \$40mn has been allocated for Back-to-School Assistance in 2027. Households earning below \$30,000 continue to receive free water and subsidised electricity.

The State of state-owned entities

Another area requiring reform is the state-owned enterprise (SOE) sector. Many SOEs continue to generate returns on assets and equity well below levels generally expected in the private sector. SOEs recorded an average return on assets of 1.7% and a return on equity of 4.1% in 2025. Total dividends paid were \$18mn, despite SOEs holding assets worth more than \$10bn. The Government needs a clearer medium-term strategy for restructuring, commercialisation and, where appropriate, privatisation.

Challenges ahead

Foreign Reserves: Government projects foreign reserves to decline cumulatively by around \$522.8mn by 2029 as a result of a widening current account deficit. While foreign reserves currently stand at \$3.4bn, sufficient to cover 4.7 months of imports, the Government's projections clearly point to emerging external sector risks and the potential for tighter banking system liquidity and slower private sector credit growth over the medium-term. RBF profits transferred to the Government stood at \$115mn in 2026–27, accounting for a significant share of non-tax revenue. These profits are projected to decline to \$60mn by 2028–29, reflecting an expected reduction in foreign reserve holdings.

Productivity stagnation: Beyond the immediate challenges of fuel prices and fiscal pressures, the budget explicitly identifies productivity as one of Fiji's biggest long-term constraints. Economic growth is increasingly being undermined by labour shortages, outward migration, skills mismatches and rising operating costs that are not being matched by improvements in output. Ageing infrastructure, traffic congestion, high water losses, and emerging social challenges such as NCDs, HIV and drug use are all cited as factors weighing on productivity and competitiveness.

Government attempts to address this by restructuring the National Training Productivity Centre Levy, directing more resources towards workforce training, providing tax incentives for employee upskilling, and accelerating digitalisation initiatives. However, will this be adequate?

Motivation: One of the major challenges will be the full implementation of capital projects and securing external policy-based financing. These investments and reforms rely heavily on strong execution capacity. As of April, the Government had secured only 8% of its budgeted policy-based loans due to its inability to meet certain policy reform commitments and obligations. It is also expected to underspend its capital budget by more than \$100mn this financial year. With the civil service now on permanent contracts and no salary increases announced in this budget, it may prove challenging for the Government to deliver on these critical aspects of the budget.

The bitter decline of Fiji's sugar industry

Globally, sugar is considered the second most politically traded commodity after oil because of its strong links to Government policy and trade agreements. In Fiji, sugar has become more than an industry; it has deep historical and social significance.

Fiji's sugar production peaked in the mid-1990s and has been declining ever since. The number of growers has halved, cane quality has dropped, and farms have become smaller. Today, most growers are small-scale, and many continue farming mainly to keep their leases for residential purposes on the land. When agricultural leases started expiring decades ago, the industry decline accelerated. Large family farms disappeared as older generations passed away, and younger ones moved to urban areas for better jobs. Extended families once provided free labour, but with the shift to nuclear families, that support has vanished. Sugar yields have also declined because farmers are hesitant to replant, as sugarcane is a ratooning crop that can regrow for up to a maximum of five to six years.

Just to put some numbers in perspective: As of 2025, Fiji has around 9,127 active growers harvesting 1.5mn tonnes of sugarcane from 27,000 hectares. In 1996, there were 20,600 growers harvesting 4.4mn tonnes of sugarcane from 74,000 hectares. Back then, sugar exports earned over \$300mn, or 10% of GDP. In 2025, exports fell to \$76mn, which is 0.6% of GDP. This is according to Fiji Bureau of Statistics' [sugar industry production and prices data](#). Ultimately, most produced sugar is exported, and only about 30,000 tonnes are consumed locally. Because sugar is duty-protected, Fijian consumers pay more.

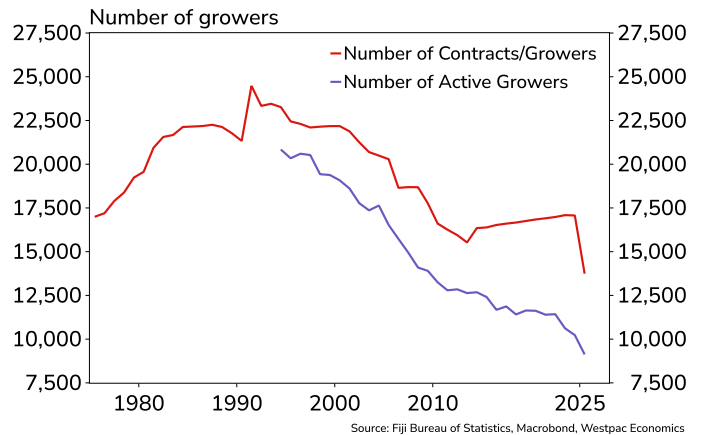
Most farmers are elderly. A 2023 estimate says over 75% are above 50 years old. Only a handful of young farmers remain engaged in the industry, typically operating larger farms or maintaining leases to reside on 30-year leased agricultural land. Existing farmers have discouraged their children from entering the industry, many of whom now work in the commercial and service sectors in urban centres, where the quality of life and pay are better.

Despite earning foreign exchange, the industry operates at a financial loss year after year. Fiji Sugar Corporation has averaged over \$30mn in annual losses for the past decade. It would cost roughly the same if Fiji imported sugar solely for domestic consumption annually. Essentially, sugar exports are heavily subsidised.

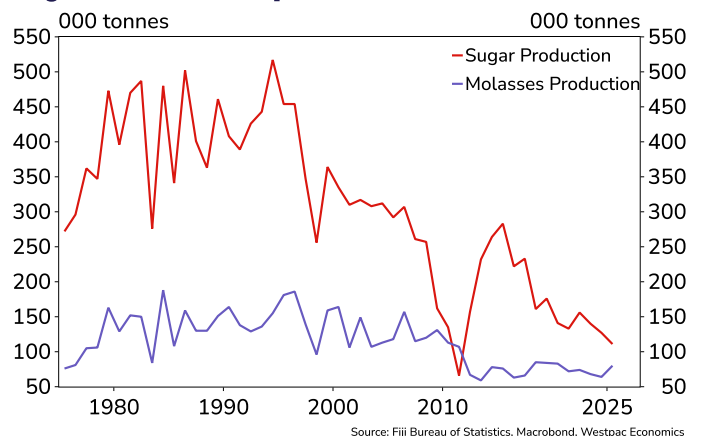
The sugar industry is kept afloat with significant financial support such as debt write-offs, grants & subsidies, and payment top-ups to mitigate global price shocks. For example, in 2024, the Fiji Government wrote off \$200.2mn in FSC debt. In 2020, \$173.8mn in loans were converted to equity. Every year, over \$60mn goes into farm development, fertiliser subsidies, road access, and more.

In the 2026-27 National Budget, the sector receives an interim

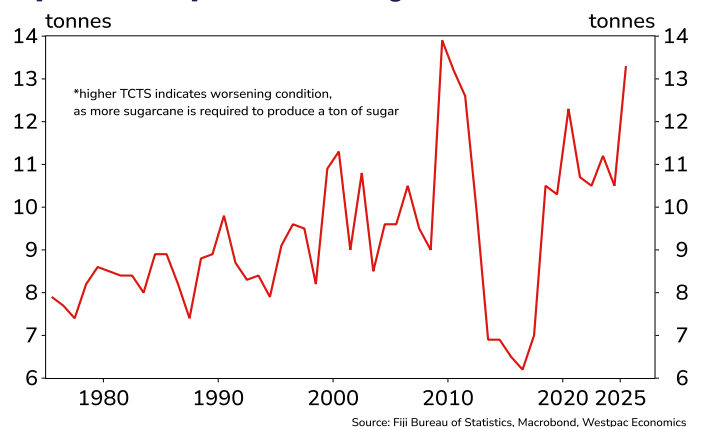
Sugarcane growers declining rapidly



Sugar and molasses production



Input of cane per tonne of sugar



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The bitter decline of Fiji's sugar industry

support of \$96.3mn, with Government maintaining guaranteed price of \$85/ton and a fuel subsidy of \$5mn.

In terms of broader market projections, sugar prices are expected to fall because of global oversupply. It is currently trading just below US\$0.14/lb., one of the historic lows for the commodity. Sugar prices are expected to remain range bound through 2027, with excess supply limiting any durable recovery until 2028.

Fiji no longer benefits from the preferential prices once offered by the European Union, which at one stage paid nearly three times the prevailing world market price for sugar. The loss of that arrangement has significantly reduced the industry's export earnings and exposed local producers to the realities of competing in a highly competitive global market. Today, Fiji must compete against large-scale producers such as India and Brazil, which benefit from lower labour costs, greater economies of scale, larger state subsidies and more advanced technology, as well as Australia, where a highly capital-intensive and private sector-driven industry delivers much higher productivity. Competing under these conditions has become increasingly challenging for Fiji's sugar sector.

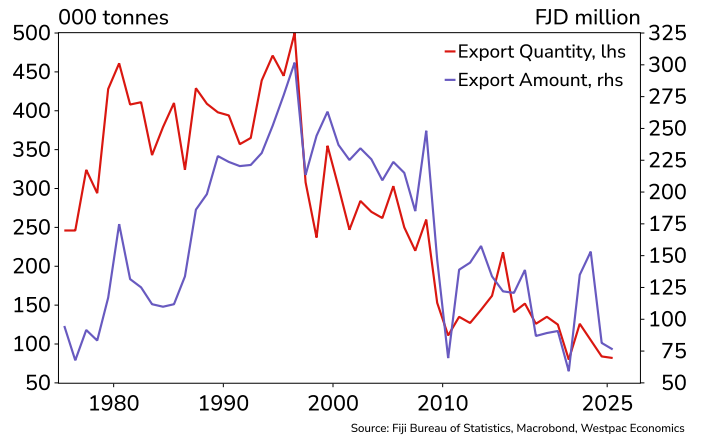
Fiji has restructured the sugar industry before independence for economic reasons. Mills have opened and closed since colonial times. For perspective, the Colonial Sugar Refinery Company established ten mills in the Rewa Valley in the 1880s, with the last one closing by 1959 as it became uneconomical to operate those mills given lower sugar content. The Penang Mill shut permanently in 2017 after cyclone damage.

The big question is whether Fiji should keep directing money into sugar or help farmers shift to other livelihoods. Mechanisation has not solved labour shortages, especially in hilly areas, and it has reduced cane quality because old mills cannot process machine-harvested cane that well. Mechanically harvested cane introduces "extraneous matter," which deteriorates yields as old mills were built to accept manually harvested sugarcane. The small farm size, distance from mills and ports together with still high dependence on labour makes the industry significantly uneconomical.

Despite the harsh realities, Fiji cannot shut the industry overnight because 10,000 growers depend on it, that is about 1% of the population, or 4% if you count family members. But reforms are needed to assist existing farmers and industry participants to gradually transition to alternative income sources. Mechanisation is essential for the industry to move toward profitability but achieving this will require substantial capital investment; something Fiji currently lacks the capacity to provide. Nonetheless, such transition will require a gradual long-term roadmap.

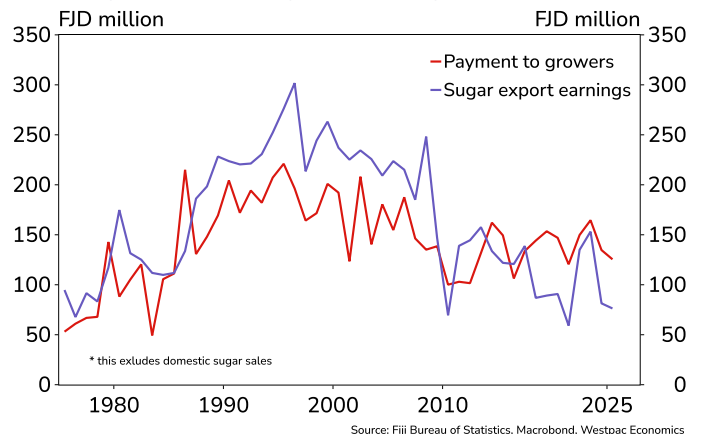
Sugar was once the backbone of Fiji's economy.

Sugar exports



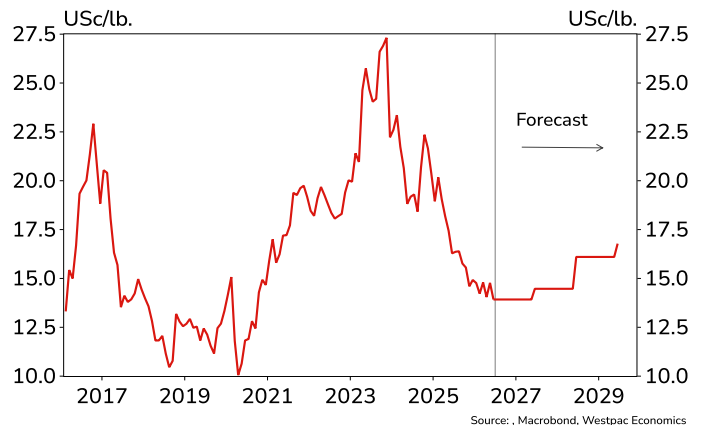
Source: Fiji Bureau of Statistics, Macrobond, Westpac Economics

Industry relies heavily on subsidy



Source: Fiji Bureau of Statistics, Macrobond, Westpac Economics

Global sugar price



Source: Macrobond, Westpac Economics

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Exchange rate forecast

Majors	Latest	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
FJD/USD	0.4420	0.45	0.46	0.46	0.46	0.47	0.47	0.47	0.47	0.47
FJD/AUD	0.6385	0.63	0.62	0.63	0.63	0.63	0.63	0.64	0.64	0.64
FJD/EUR	0.3869	0.39	0.39	0.39	0.39	0.39	0.38	0.38	0.38	0.39
FJD/JPY	71.86	71	71	71	71	70	69	68	67	66
FJD/NZD	0.7782	0.76	0.76	0.74	0.72	0.72	0.71	0.71	0.71	0.71
AUD/USD	0.6912	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73	0.73
EUR/USD	1.1413	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.21
USD/JPY	162.63	158	156	154	152	150	148	146	144	142
NZD/USD	0.5674	0.59	0.60	0.62	0.64	0.65	0.66	0.66	0.66	0.66

Source: Bloomberg, Westpac Economics Market Outlook, Westpac Pacific Economics

Fiji's medium-term growth forecast

Sectors	2020	2021	2022	2023	2024	2025	2026	2027	2028
Primary	-3.8%	9.1%	3.0%	3.8%	4.4%	4.0%	2.4%	4.6%	3.8%
Industry	-15.3%	-8.8%	10.2%	0.3%	2.4%	1.1%	0.2%	1.6%	1.0%
Service	-20.9%	-6.9%	25.1%	13.5%	3.6%	3.3%	2.3%	3.2%	3.0%
Net taxes	-17.2%	-4.3%	17.7%	9.4%	3.5%	3.1%	2.0%	3.2%	2.9%
Real GDP	-17.2%	-4.3%	17.7%	9.4%	3.5%	3.1%	2.0%	3.2%	2.9%

Source: Westpac Pacific Economics

Economic growth forecasts (year average)

Country	2021	2022	2023	2024	2025	2026	2027	2028
World	6.6	3.8	3.5	3.3	3.4	3.1	3.3	3.3
United States	6.2	2.5	2.9	2.8	2.1	2.1	1.8	1.9
China	8.4	3.1	5.4	5.0	5.0	4.7	4.6	4.4
Japan	3.6	1.3	0.7	-0.2	1.1	0.6	0.8	0.9
India	9.7	7.6	7.2	7.1	7.6	6.5	6.7	6.6
Europe	6.4	3.7	0.5	0.9	1.5	0.2	1.1	1.5
Australia	5.4	4.2	2.1	1.0	2.0	1.7	1.3	2.3
New Zealand	5.5	2.6	2.2	-0.3	0.2	1.5	2.7	3.4

Source: Westpac Economics Market Outlook

Fiji Government yields

Month	3 mths	6 mths	12 mths	10 yrs	15 yrs	20 yrs	25 yrs
May-26	0.20	0.45	1.17	3.90	4.15	5.75	7.25
Apr-26	0.20	0.45	1.13	3.90	4.15	5.75	7.01
Mar-26	0.20	0.45	1.12	3.90	4.15	5.75	7.20
Feb-26	0.20	0.45	1.12	3.90	4.15	5.75	7.00
Jan-26	0.20	0.45	1.12	3.90	4.15	5.75	7.16
Dec-25	0.20	0.45	1.12	3.90	4.15	5.75	7.16
Nov-25	0.20	0.45	1.12	3.90	4.15	5.75	7.16
Oct-25	0.20	0.45	1.13	3.90	4.15	5.46	6.75

Source: Westpac Pacific

Interest rate forecast

Economies	Latest	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Australia										
Cash	4.35	4.85	4.85	4.85	4.85	4.85	4.85	4.60	4.35	4.10
10 Year Bond	4.72	4.90	4.90	4.90	4.85	4.85	4.85	4.85	4.85	4.90
United States										
Fed Funds	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625
10 Year Bond	4.38	4.50	4.50	4.55	4.55	4.60	4.65	4.70	4.75	4.80
New Zealand										
Cash	2.25	2.50	2.75	3.25	3.50	3.75	4.00	4.00	4.00	4.00
10 Year Bond	4.36	4.40	4.55	4.80	5.00	5.05	5.05	5.05	5.05	5.05

Source: Westpac Economics Market Outlook



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