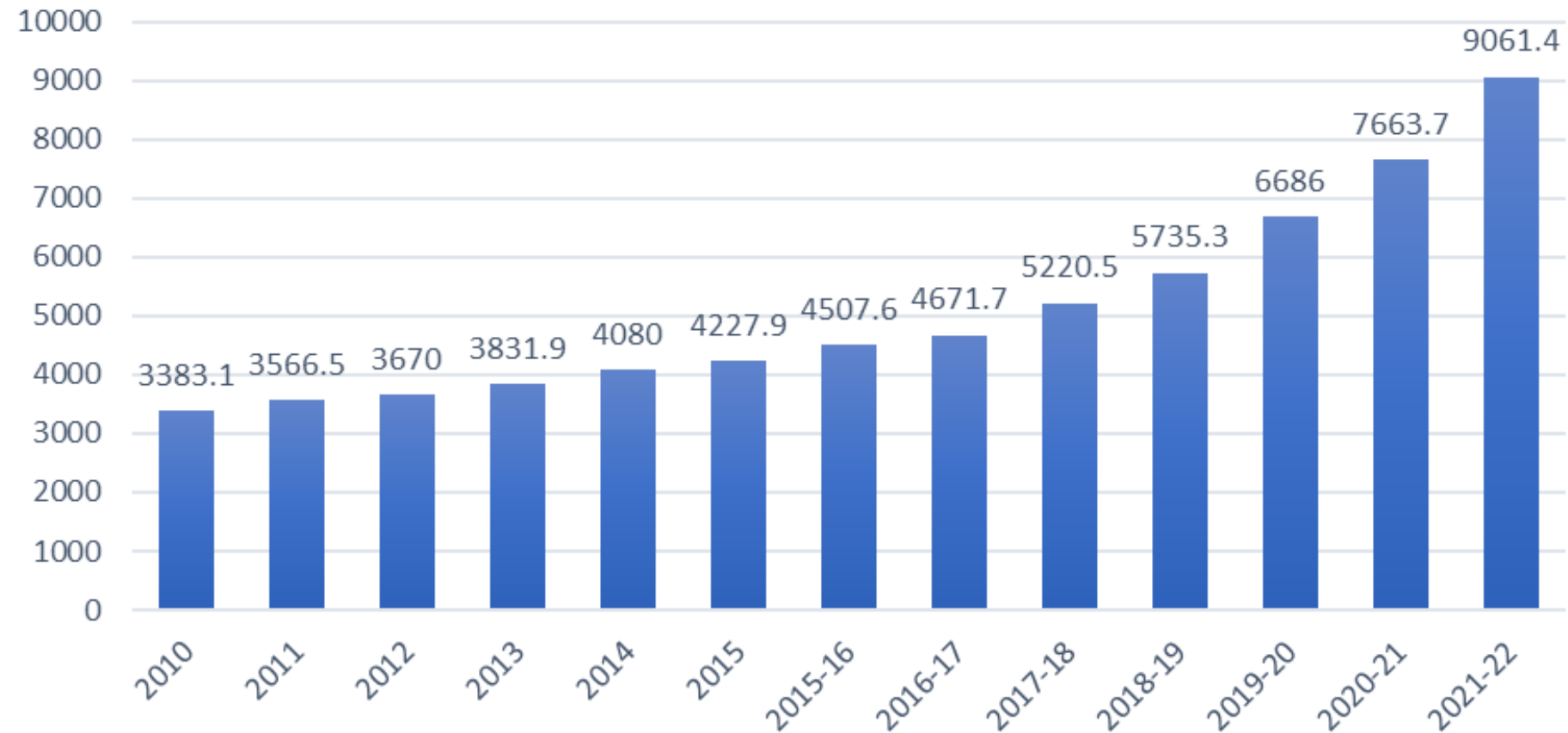


Fiji Sovereign Debt Profile

As of Sept 2022

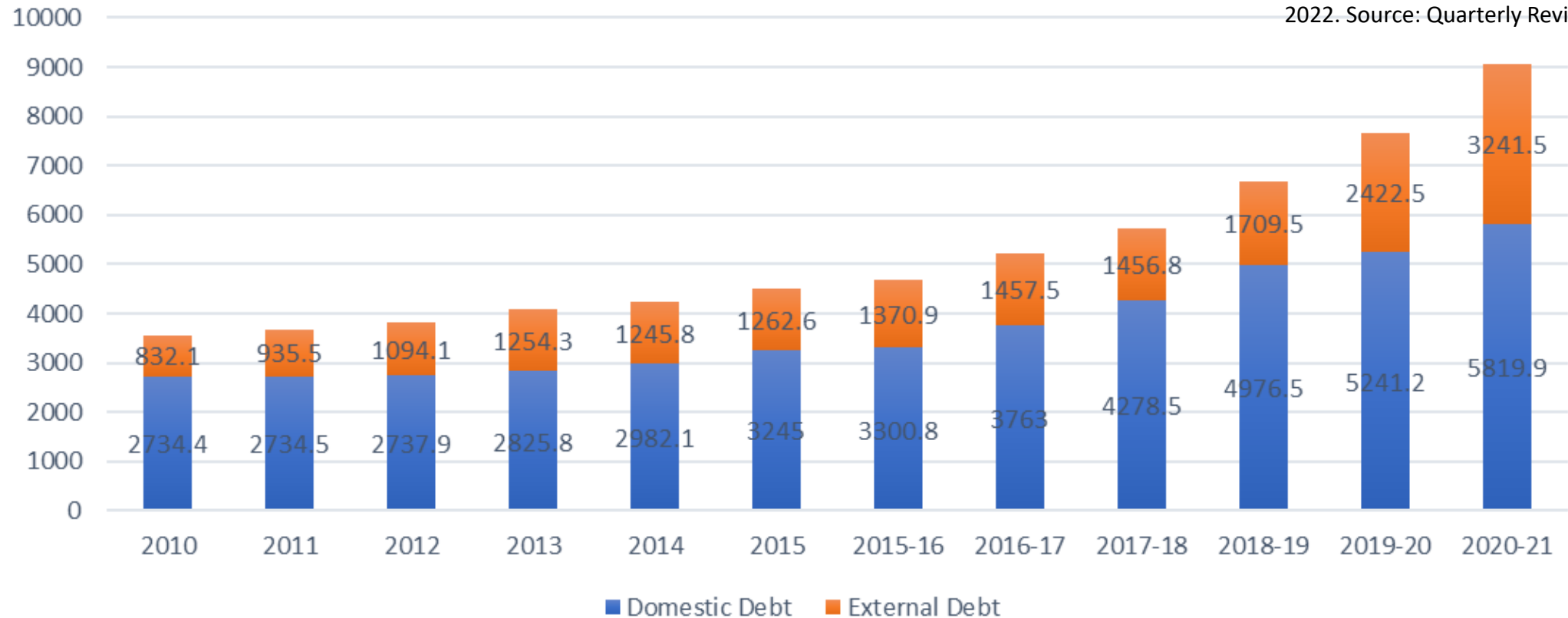
Total Public Debt (FJ millions)



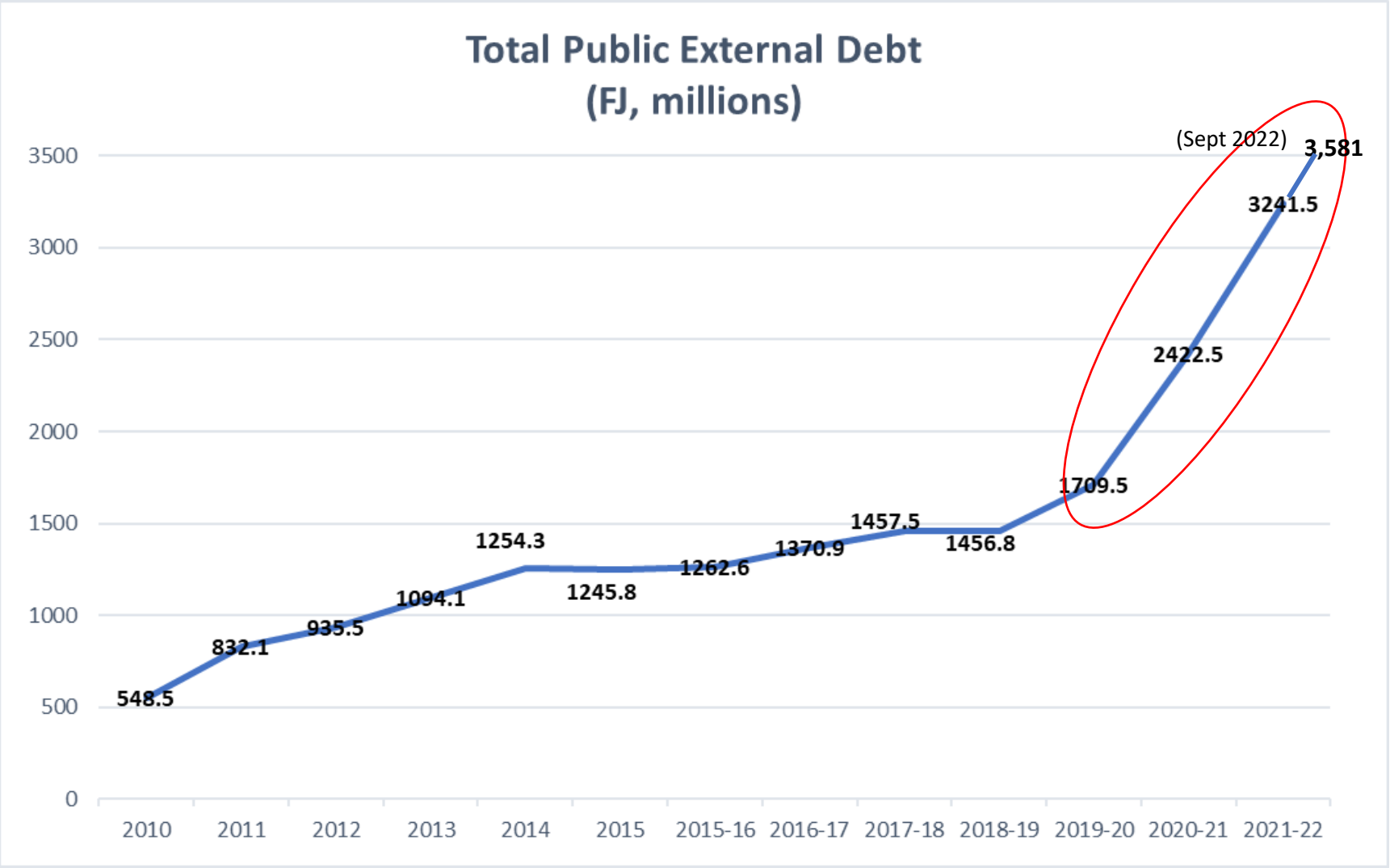
Total public debt has been accumulating at a higher rate in more recent years compared with a decade ago. Between 2010 to 2016, public debt grew on average $x\%$ yoy, compared to $y\%$ from 2017-22. In particular it jumped by $x\%$ from 2019 to 2020 and peaked again by $x\%$ from 2021-2022.

Total Domestic & External Debt (FJ Millions)

Government debt stood at \$9,413.7 million in September 2022, or 86.9 percent of GDP (Graph 12). In comparison to external debt, which totalled \$3,581.6 million (33.1% of GDP), domestic debt made up a higher portion, totalling \$5,832.0 million (53.8% of GDP). The stock of Government debt increased by 3.8 percent (by \$344.6m) in September from June 2022. Source: Quarterly Review Sept 2022 by RBF

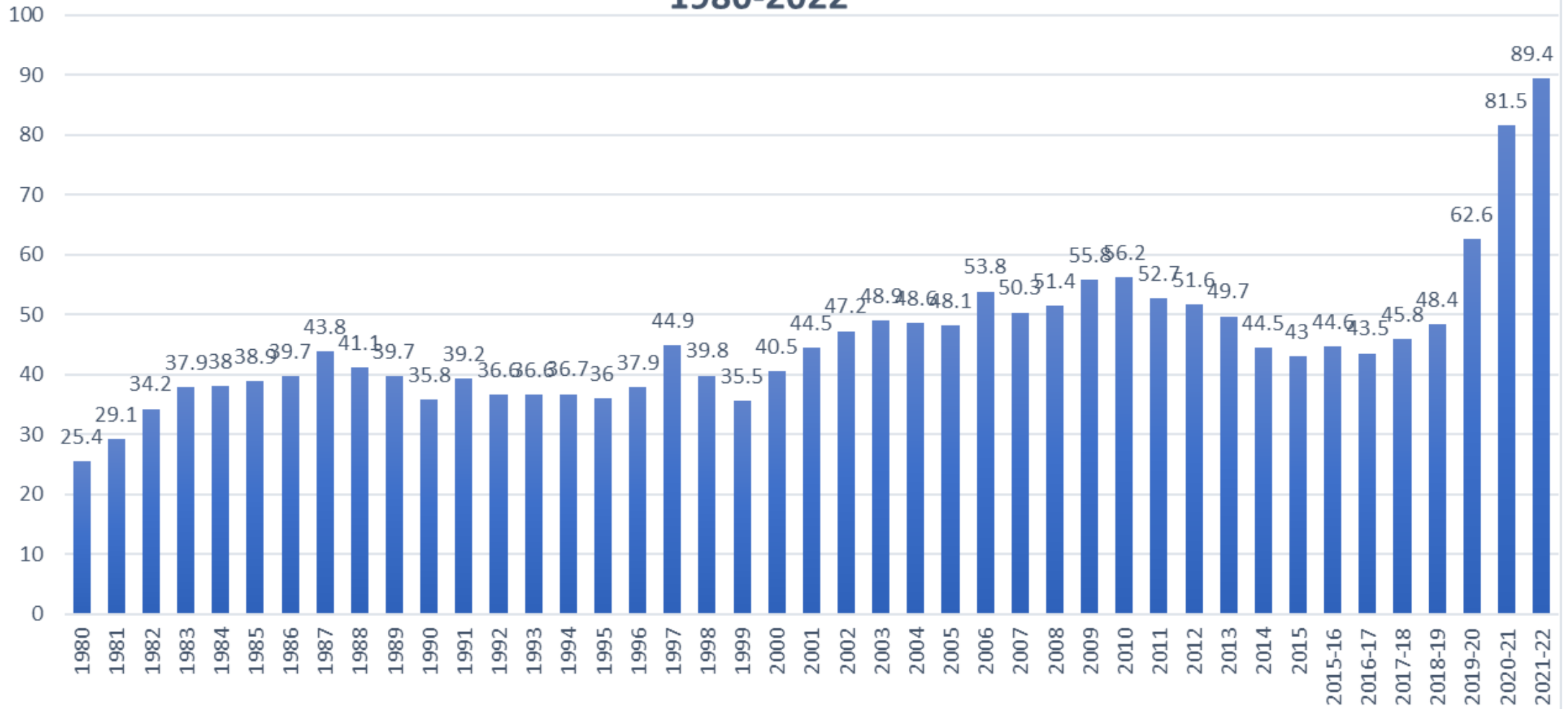


While domestic debt has accounted for the bulk of its total public debt, external public debt has been growing at a faster rate especially in recent years. Between 2010 -2016, x% of its total public debt was domestic, while z% was external. This ratio began to tilt towards external debt from 2016 to 2021, rising from z% to x%.



Sharp increase in external public debt virtually doubling between 2020 to 2022 (July)

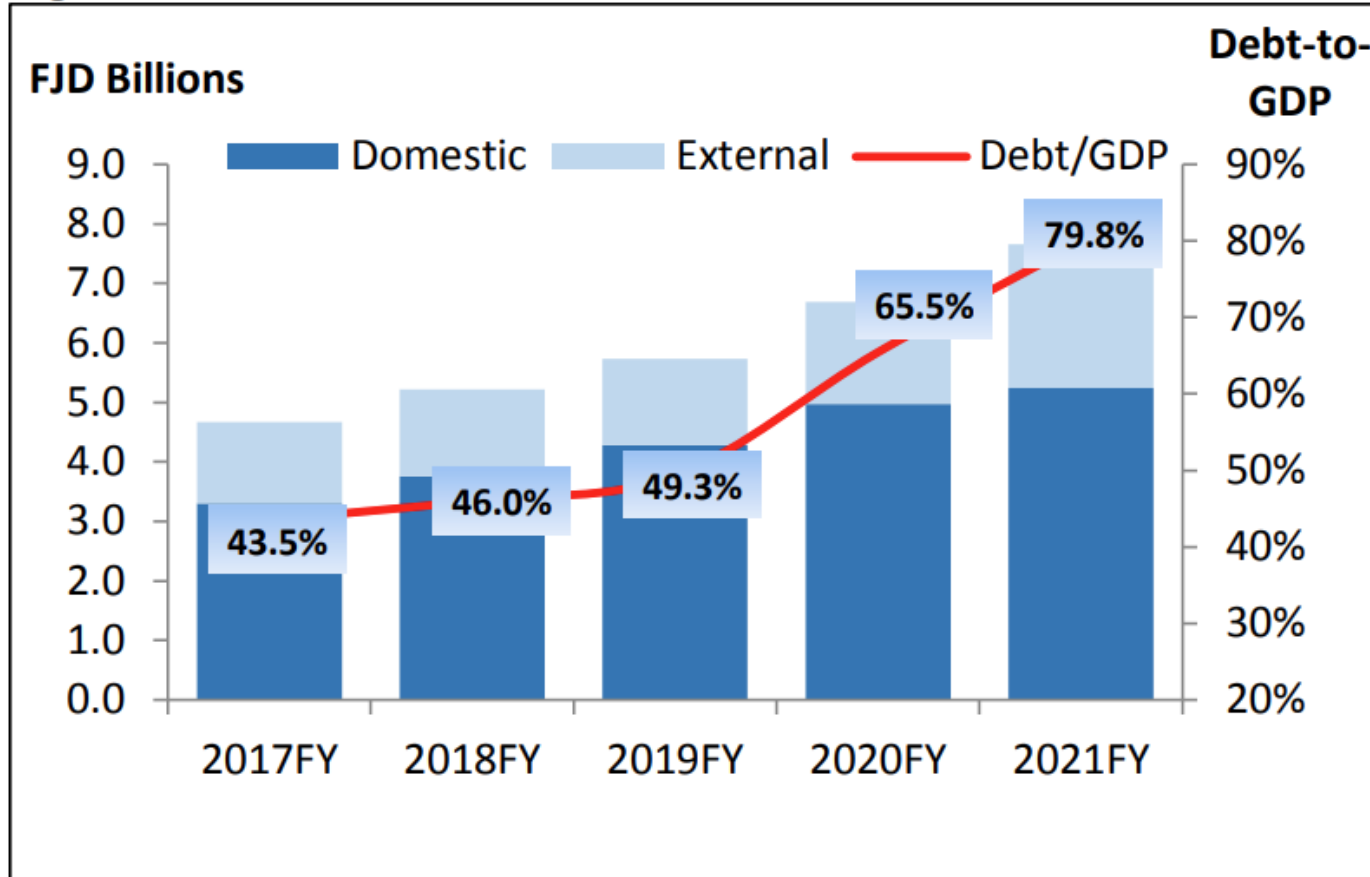
Total Public Debt to GDP 1980-2022



Source: Ministry of Economics

Consequently, total public debt to GDP has breached its historical average (2009-2019) of approximately 50%. As it stands, it has increased by more than 40 percentage points since 2019. It was forecasted in July 2022 by the Reserve Bank of Fiji to peak at 89.4%, the highest it has ever been. Debt to GDP ratio is a typical measure of debt sustainability. As a rule of thumb, debt to gdp ratio of more than 70% for emerging economies is of concern.

Figure 1: Central Government Debt and Debt to GDP ratio



89.4% Jul22(F) by the ministry of economics on 15 July 2022

Source: Reserve Bank of Fiji & Ministry of Economy

Consequently due to the greater borrowings from external sources, the domestic to external debt ratio has exceeded, the government's own target of a 70/30 mix as articulated in its MDTs 2021-2023. Nonetheless this greater willingness to rely on external funding sources, reflects the government's conclusion to take advantage of lower financing costs from external lenders. As of Jul22, external debt as % of total debt is forecasted to be at 36.7% while the remaining 63.3% are domestic debt. As pointed out in the government MDTs, this higher than planned ratio of external debt will increase the level of exposure to FX risk.

Latest Debt Position as of July 2022 , 89.4% of GDP

Table 8: Government's Debt Position (\$M) FY2017-18 to FY2021-22

Particulars	Jul-18	Jul-19	Jul-20	Jul-21	July-22(f)
Domestic Debt	3,763.0	4,278.5	4,976.5	5,241.2	5,767.4
External Debt	1,457.5	1,456.8	1,709.5	2,422.5	3,337.1
Total Debt	5,220.5	5,735.2	6,686.0	7,663.7	9,104.5
Debt (as a % of GDP)	45.9%	48.9%	62.6%	81.5%	89.4%
Domestic Debt to Total Debt (%)	72.0%	75.0%	74.0%	68.4%	63.3%
External Debt to Total Debt (%)	28.0%	25.0%	26.0%	31.6%	36.7%
<i>Nominal GDP</i>	<i>11,381.8</i>	<i>11,734.4</i>	<i>10,686.1</i>	<i>9,406.8</i>	<i>10,185.3</i>

(Source: Ministry of Economy)

Since external debt is largely denominated in foreign currencies, the significant strengthening of the US dollar has also pushed the value of the external debt higher in Fiji dollar terms. Together with GDP growth still picking up from aftermath of the pandemic, the debt to gdp ratio has reach a all time high.

Source: ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, Ministry of Economy 15 July 2022

Consequently due to the greater borrowings from external sources, the domestic to external debt ratio has exceeded, the government's own target of a 70/30 mix as articulated in its MDTs 2021-2023. Nonetheless this greater willingness to rely on external funding sources, reflects the government's conclusion to take advantage of lower financing costs from external lenders. As of Jul22, external debt as % of total debt is forecasted to be at 36.7% while the remaining 63.3% are domestic debt. As pointed out in the government MDTs, this higher than planned ratio of external debt will increase the level of exposure to FX risk.

Recent Debt Dynamics

Total Public External Debt

CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ Millions)					
PARTICULARS	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
EXTERNAL DEBT	1,370.9	1,457.5	1,456.8	1,709.5	2,422.5
BONDS (Global Bond)	402.3	420.3	433	424.3	-
LOANS:	968.6	1,037.20	1,023.80	1,285.20	2,422.5
ADB	344.3	383.6	389.3	525.4	932.4
AIIB	-	-	-	-	104.2
EXIM China	501.3	489.3	462.0	409.0	444.9
JICA	13.2	11.5	9.7	50.9	290.3
World Bank Group	107.6	150.6	160.3	297.6	650.1
IFAD	2.1	2.2	2.5	2.3	0.7
% of External Debt to Total Debt	29.3%	27.9%	25.4%	25.6%	31.6%
% External Debt to GDP	12.8%	12.8%	12.5%	16.7%	25.2%

Table 10: Government External Debt (\$M)

Particulars	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22 (f)
Loans	1,037.2	1,023.8	1,285.3	2,422.5	3,337.1
Global Bonds	420.3	433.0	424.2	-	-
Total External Debt	1,457.5	1,456.8	1,709.5	2,422.5	3,337.1
<i>External Debt to GDP (%)</i>	<i>12.8%</i>	<i>12.4%</i>	<i>16.0%</i>	<i>25.8%</i>	<i>32.8%</i>

(Source: Ministry of Economy)

Source: ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, Ministry of Economy 15 July 2022

External debt exclusively in the form of loans after govt bought back their sovereign bond in 2020 (issues in 2006) with cheaper financing provided by the multilateral development banks (MDBs) when Fiji qualified to be an IDA-blend country in 2019. Their biggest creditors are the MDBs, followed by China and Japan.

In terms of currency composition, the USD continues its dominance in the external debt portfolio at 70.4 percent, followed by the Chinese Renminbi Yuan ('CNY') at 18.4 percent and 11.2 percent in the JPY currency.

According to govt's Quarterly Debt Bulletin Jan 2022 published by the Ministry of Economy, pg 2 "approximately 52.3 percent of the total external debt portfolio are subject to floating interest rates while 47.7 percent are under fixed interest rate terms representing both bilateral (JICA and EBOC loans) and multilateral loans (IDA Concessional loans)." [Not clear to me where this 52.3% of the portfolio is. Available data only shows official loans, no commercial loans visible]

Debt Service Suspension Initiative (DSSI)

At the start of the pandemic, the World Bank and the International Monetary Fund urged the G20 to set up the DSSI. Established in May 2020, ended in Dec 2021

Country ⁴ ^	DSSI Participation? ⁵ v	Risk of external debt distress ² v	Risk of overall debt distress ² v	Latest DSA v	Estimated Deferred Debt Service 2020 ⁶		Potential DSSI Savings (January - December 2021) ¹	
					% of GDP v	In millions of US dollars v	% of GDP v	In millions of US dollars v
Fiji ³	Yes ⁵	...	...		0.2	10.5	0.5	29.6

Source: World Bank

The Fijian Government participated in the Debt Service Suspension Initiative ('DSSI') rolled out by the G20 member countries and the Paris Club to benefit from the suspension windows of debt servicing owed to bilateral creditors. The two bilateral creditors that are eligible under the DSSI are the Export and Import ('EXIM') Bank of China and JICA.

³ As of April 2021, Government had finalised Debt Suspension Agreements with the EXIM Bank of China. This resulted in the

suspension of debt servicing amounting to CNY143.8 million (equivalent to \$45.2 million). The temporary suspension of these amounts has created fiscal space allowing the Government to channel funds into COVID-19 responses, in the form of social, health and economic programs.

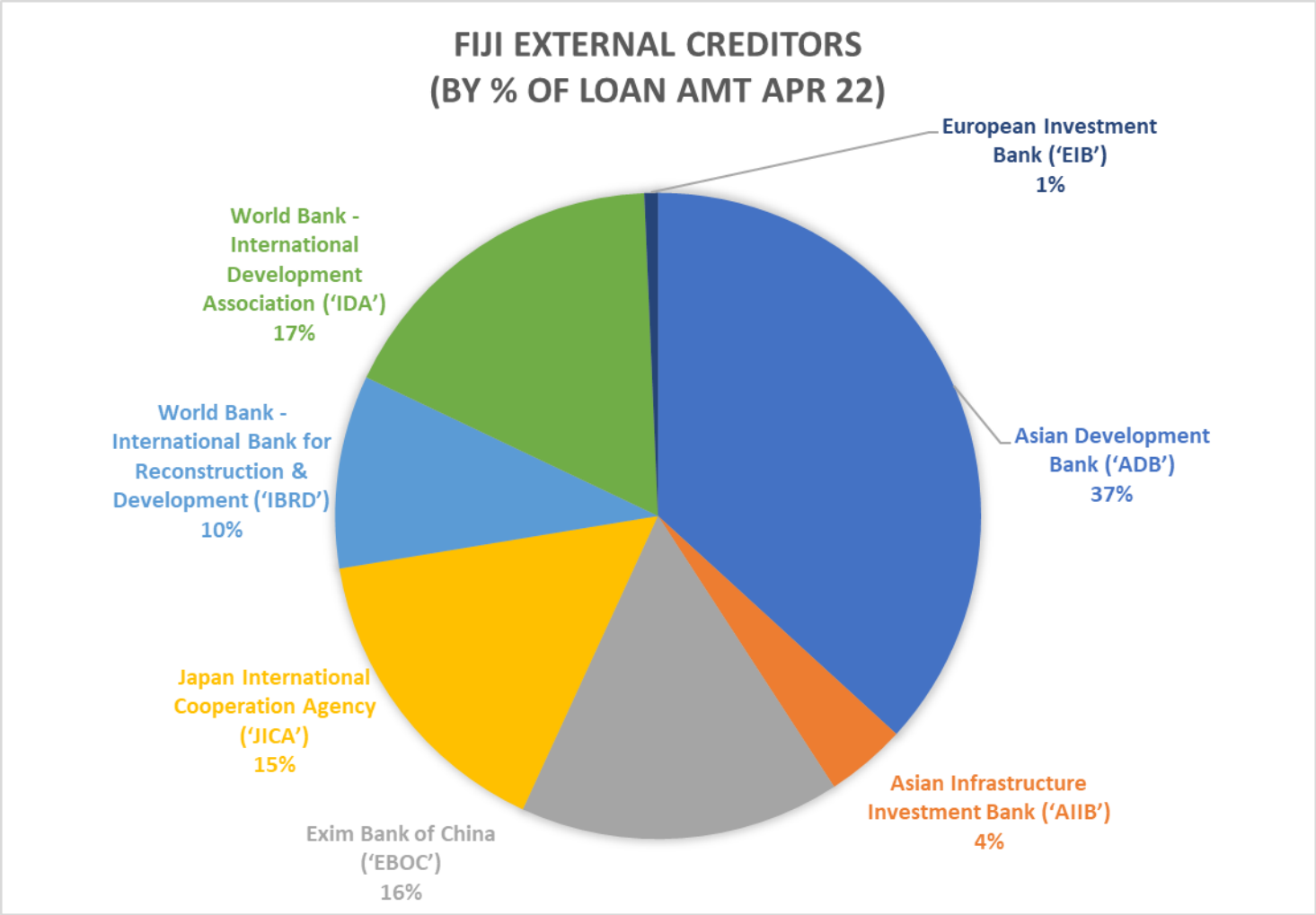
Source:

International sovereign bond held by commercial creditors bought over in 2020

\$ millions, unless otherwise indicated	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary external debt stock by creditor type									
Long-term External debt stocks	1,135.1	1,144.7	1,126.1	1,058.3	1,110.5	1,108.5	1,107.5	1,198.3	1,399.8
<i>Public and publicly guaranteed debt from:</i>	649.7	694.3	741.1	677.7	710.2	753.4	737.9	713.1	903.3
Official creditors	399.7	444.3	491.1	470.8	510.2	553.4	537.9	513.1	903.3
Multilateral	133.8	139.0	137.8	130.1	172.8	224.3	253.4	263.0	638.4
of which: World Bank	..	..	..	..	..	..	..	..	142.1
Bilateral	265.9	305.3	353.3	340.7	337.4	329.0	284.4	250.1	264.8
Private creditors	250.0	250.0	250.0	206.9	200.0	200.0	200.0	200.0	0.0
Bondholders	250.0	250.0	250.0	206.9	200.0	200.0	200.0	200.0	0.0
Commercial banks and others	..	..	..	..	..	..	..	..	..
<i>Private nonguaranteed debt from:</i>	485.4	450.4	385.0	380.6	400.2	355.2	369.7	485.2	496.6
Bondholders	..	..	..	..	..	..	..	..	..
Commercial banks and others	485.4	450.4	385.0	380.6	400.2	355.2	369.7	485.2	496.6

Although Fiji is a middle-income economy, the World Bank approved its inclusion as an IDA-eligible economy in March 2019, making it eligible for concessional financing. The authorities replaced their global bond of USD 200 million in October 2020 with loans from the ADB and the World Bank.

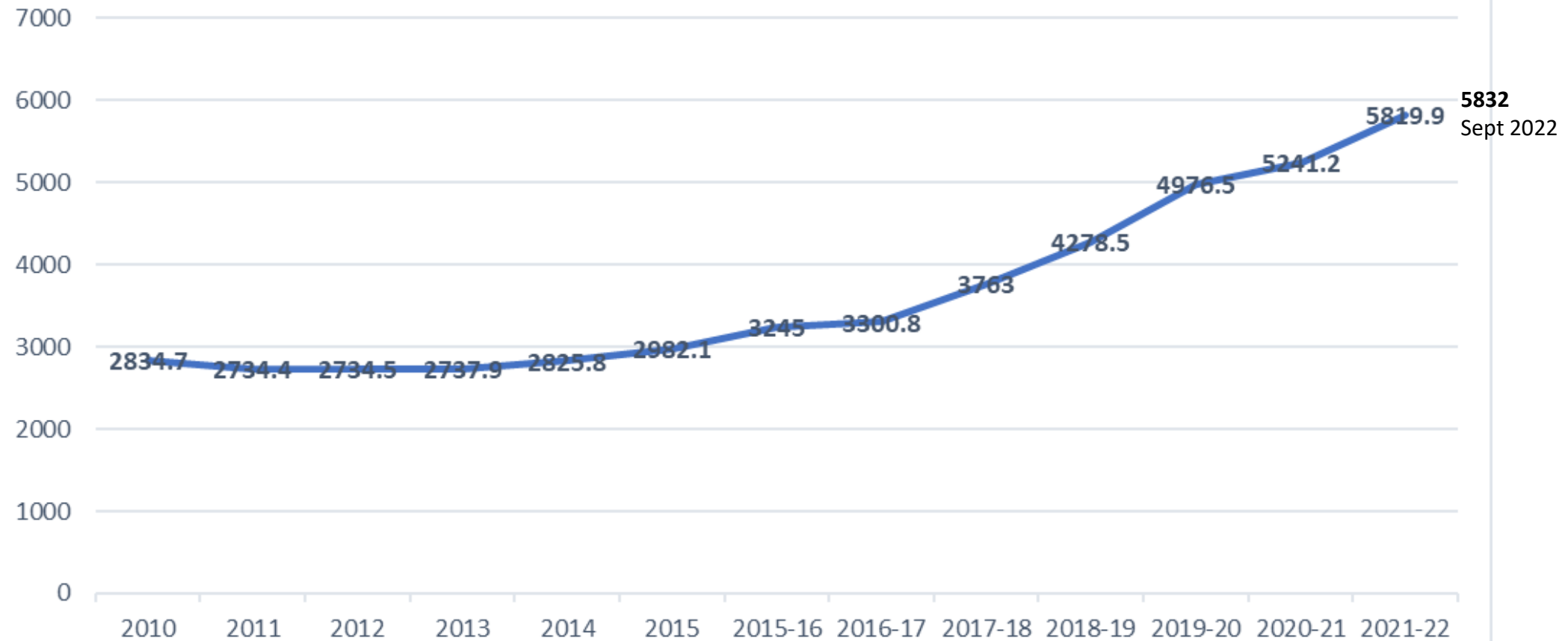
Fiji only has official external creditors as of Sept 2022



Source: Ministry of Economy
Quarterly Debt Bulletin – April 2022. Chart and calculation by author

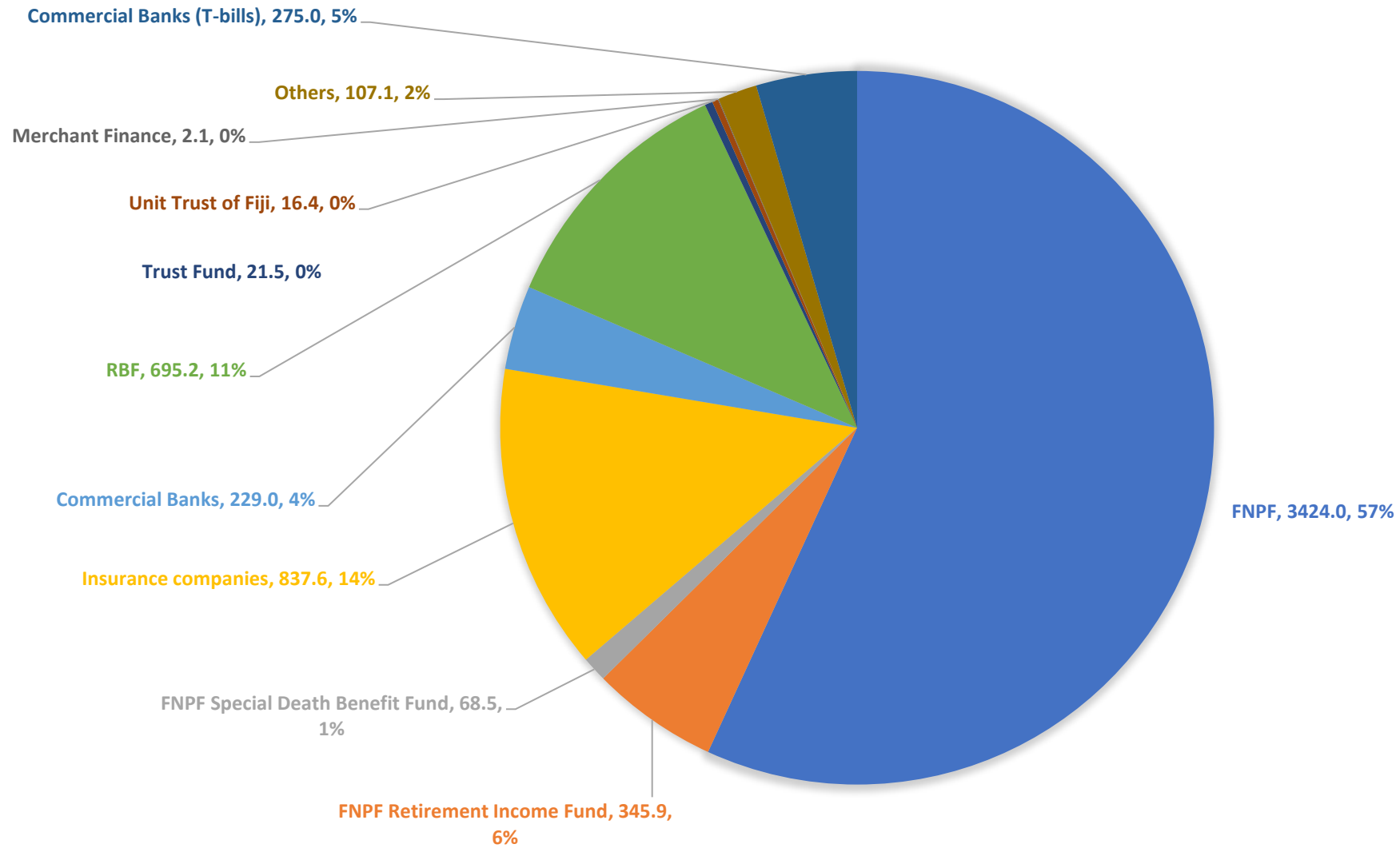
DOMESTIC DEBT

Public Domestic Debt (Bonds and Bills) (FJ, millions)



Public domestic debt has been steadily increasing over the decade and has doubled since 2010. Domestic debt constitutes the bulk of Fijian public debt

TOTAL PUBLIC DOMESTIC DEBT, FJ\$6BN (FEB 2023)



Total Public Domestic Debt

CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ Millions)					
PARTICULARS	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
DOMESTIC DEBT	3,300.8	3,763.0	4,278.5	4,976.5	5,241.2
BONDS:	3,204.4	3,575.5	3,971.0	4,681.0	4,967.7
FDL	1,864.1	1,752.7	1,545.1	1,415.6	1,235.8
FIB	1,304.6	1,680.3	2,278.6	3,019.3	3,488.0
FGB	-	100.0	100.0	100.0	100.0
CRB	-	-	-	90.0	90.0
Viti Bonds	35.7	42.5	47.3	56.2	54.0
T-BILLS	96.4	187.5	307.5	269.7	273.5
LOANS:	-	-	-	25.7	-
FNPF	-	-	-	25.7	-
% of Domestic Debt to Total Debt	70.7%	72.1%	74.6%	74.4%	68.4%
% Domestic Debt to GDP	30.7%	33.2%	36.8%	48.7%	54.6%

All public domestic debt in bonds.

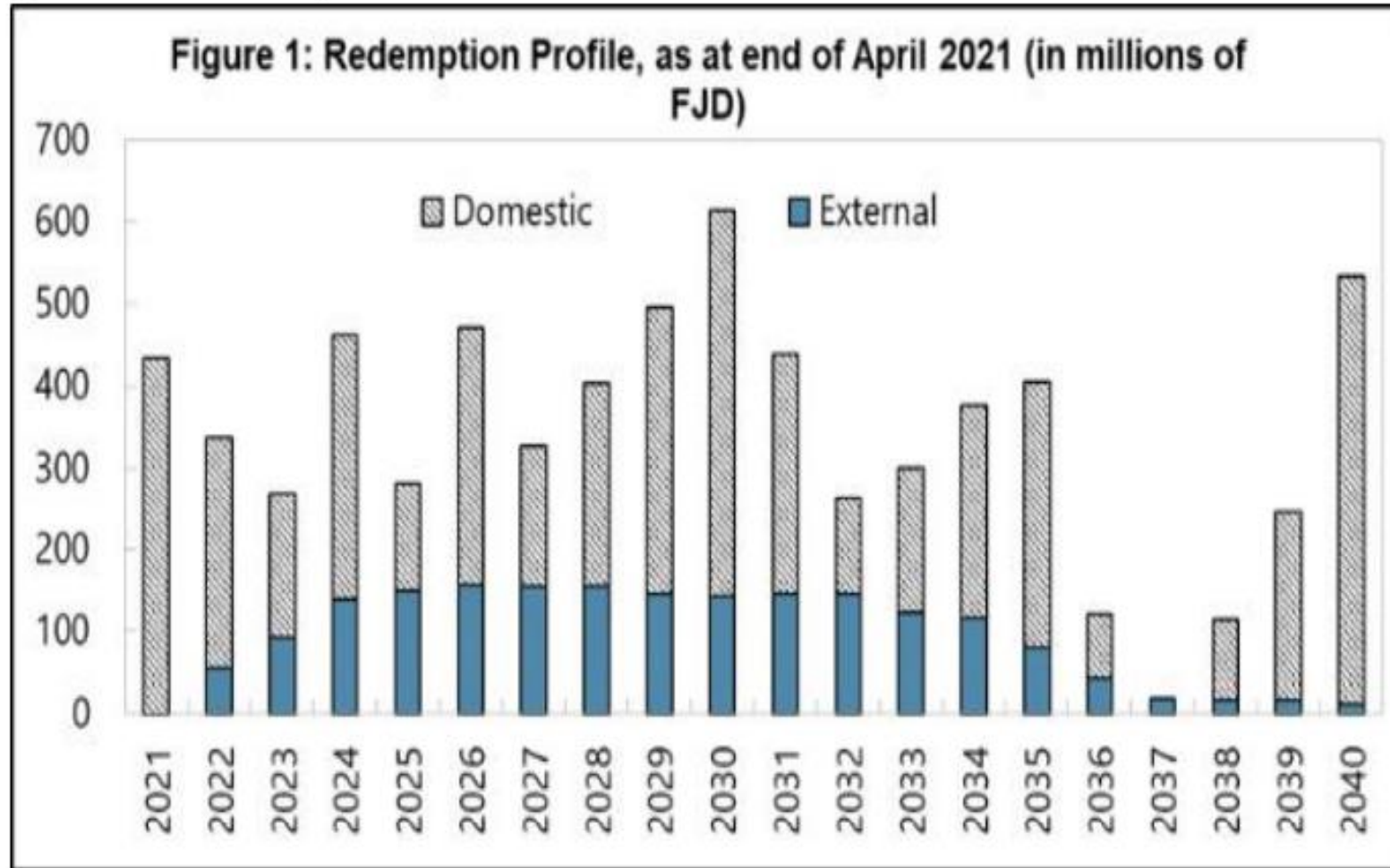
Table 9: Government's Domestic Debt Stock (\$M)

Particulars	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22 (f)
Bonds	3,575.5	3,971.0	4,681.0	4,967.7	5,483.9
Treasury Bills	187.5	307.5	269.7	273.5	283.5
Loan	-	-	25.84	-	-
Total Domestic Debt	3,763.0	4,278.5	4,976.5	5,241.2	5,767.4
Domestic Debt to GDP (%)	33.1%	36.5%	46.6%	55.7%	56.6%

(Source: Ministry of Economy)

Source: ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, Ministry of Economy 15 July 2022

Figure 1: Redemption Profile, as of 30 April 2021 (\$millions)

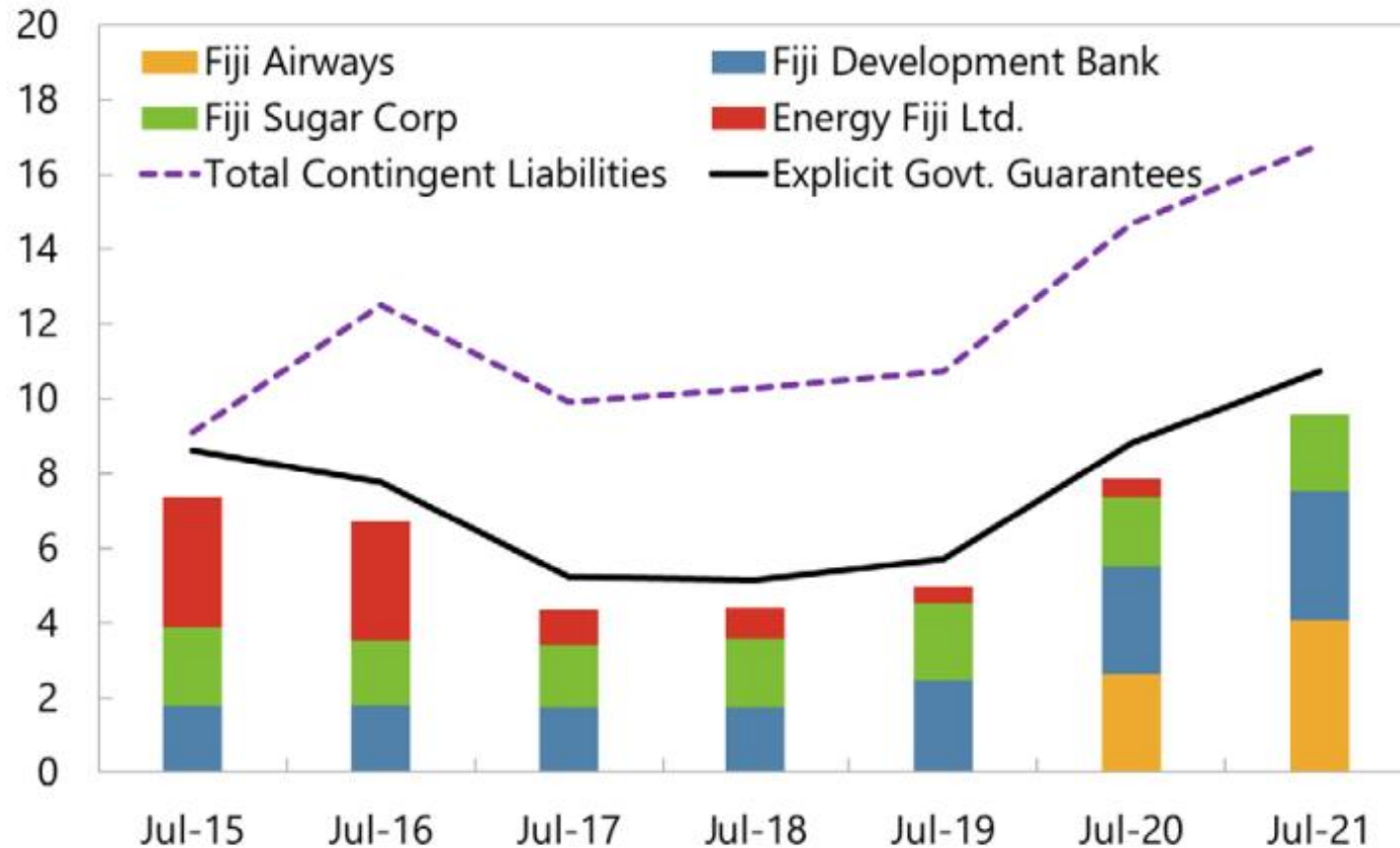


Source: Ministry of Economy Quarterly Debt Bulletin – April 2021. Published May 2021

CONTINGENT LIABILITIES & PUBLIC GUARANTEES

Contingent Liabilities, 2015-2021

(In percent of GDP)



GOVERNMENT GUARANTEES

Government guaranteed debt stood at \$1.1 billion, equivalent to 10.9 percent of GDP at the end of January 2022. This represents a 4.7 percent increase over the quarter and an increase of 27.2 percent when compared to the same period last year solely attributed to the utilization of approved guaranteed facilities by Fiji Airways, Fiji Development Bank and the Fiji Sugar Corporation Ltd. – Quarterly Debt Bulletin Jan 2022, Ministry of Economy by Debt Management Unit April 2022

Source: Fiji authorities.

Total contingent liabilities stood at \$1.7 billion, or 17.0 percent of GDP, at the end of May 2022. As a component of contingent liabilities, Government guaranteed debt accounted for 63.9 percent, while other explicit contingent liabilities and implicit contingent liabilities accounted for the remaining 31.4 percent and 4.7 percent, respectively.

5.26 Total Government guaranteed debt stood at \$1.1 billion, equivalent to 10.9 percent of GDP, at the end of May 2022. This represents a 5.3 percent increase over the previous financial year (ending July 2021) attributed to the utilisation of approved guaranteed facilities by Fiji Airways (FA), Fiji Development Bank (FDB), Fiji Sugar Corporation Limited (FSC) and Pacific Fishing Company Pte. Limited (PAFCO)

CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ Millions)					
PARTICULARS	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
CONTINGENT LIABILITIES (FJ\$ Millions)					
Government Guarantees (Explicit) (A)					
% of Government Guarantees to GDP	5.2%	5.2%	5.8%	9.2%	11.0%
Annual Growth (Government Guarantees) (%)	-28.6%	4.4%	14.8%	39.5%	11.9%
Total Government Guarantees	562.2	586.7	673.3	939.0	1,051.0
Fiji Airways (FA)	-	-	-	279.0	421.7
Fiji Development Bank (FDB)	190.6	200	291.9	307.8	308.8
Energy Fiji Ltd (EFL)	99.2	94.5	53.9	50.2	-
Fiji Hardwood Corporation Ltd (FHCL)	5.1	5.2	3.6	1.7	0.7
Fiji Pine Ltd (FPL)	2.5	1.8	-	-	-
Fiji Sugar Corporation Ltd (FSCL)	178.2	210.2	241.3	199.2	216.9
Housing Authority of Fiji (HA)	69.4	59.7	68.0	90.2	102.2
Fiji Broadcasting Corporation Ltd (FBC)	14.6	12.6	10.5	8.3	-
Pacific Fishing Company Pte Ltd (PAFCO)	2.6	2.7	4.1	2.5	0.8
Other Explicit Contingent Liabilities (B)					
International Bank for Reconstruction & Development (IBRD)	229.9	303.0	312.2	305.9	300.6
Asian Development Bank (ADB)	193.9	202.2	204.2	204.7	204.2
Implicit Contingent Liabilities (C)					
Other Implicit contingent liabilities*	81.7	81.3	74.8	112.0	91.1
<i>*includes provincial & municipal councils' debt and FRCS litigation claims</i>					
Total Other Contingent Liabilities (B+C)	505.4	586.5	591.2	622.6	595.9
% of Other Contingent Liabilities to GDP	4.7%	5.1%	5.1%	6.1%	6.2%
Total Contingent Liabilities (A+B+C)	1,067.6	1,173.2	1,264.6	1,561.6	1,646.9
% of Total Contingent Liabilities to GDP	9.9%	10.3%	10.9%	15.3%	17.2%

Source: ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, Ministry of Economy 15 July 2022

Table 12: Contingent Liabilities (\$M)

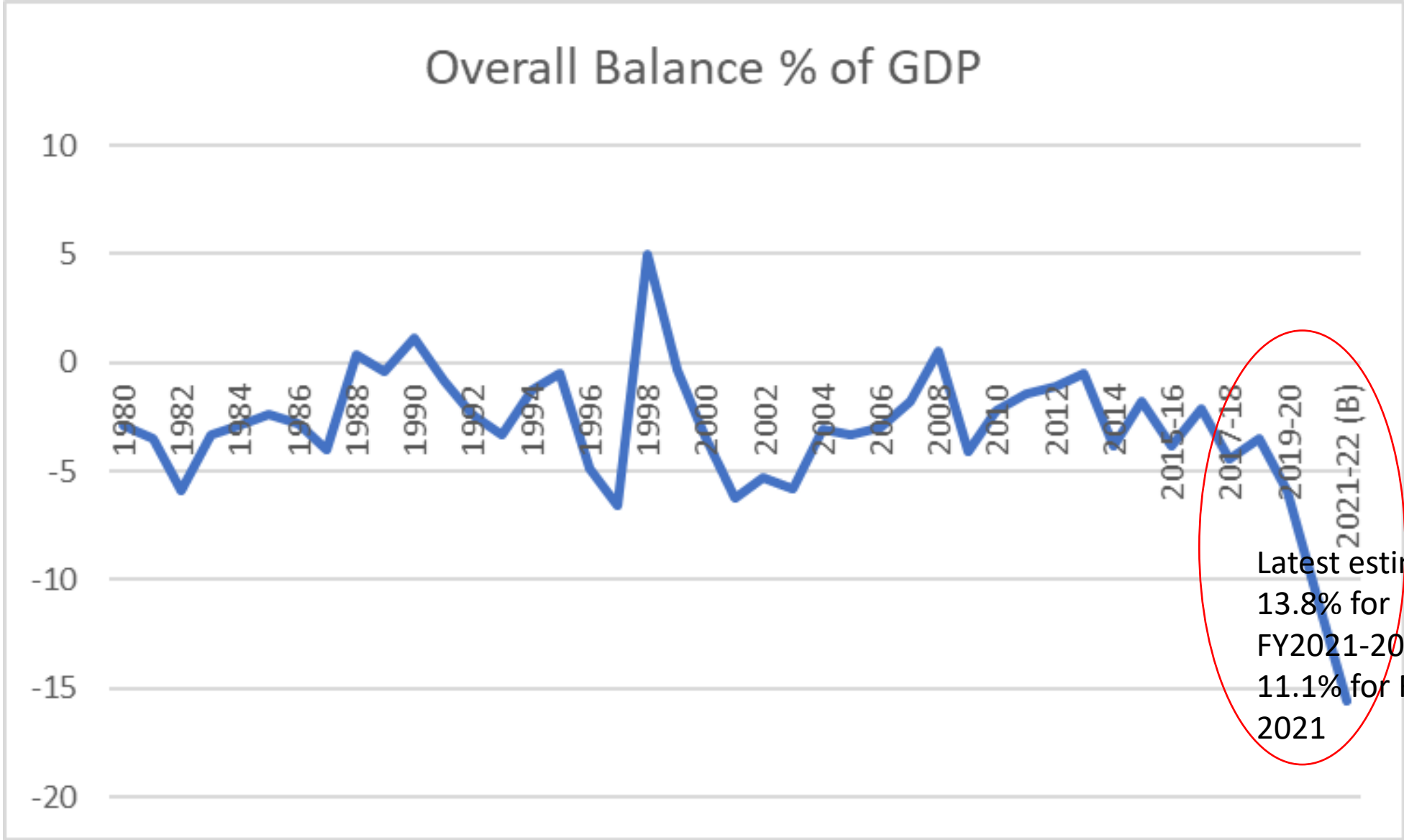
Government Guarantees	Jul-18	Jul-19	Jul-20	Jul-21	May-22
Fiji Airways			279.0	421.7	458.9
Fiji Development Bank (FDB)	200.0	291.9	307.8	308.8	327.1
Energy Fiji Limited (EFL)	94.5	53.9	50.2	-	-
Fiji Harwood Corporation Limited (FHCL)	5.2	3.6	1.7	0.7	-
Fiji Pine Limited (FPL)	1.8	-	-	-	-
Fiji Sugar Corporation Limited (FSC)	210.2	241.3	199.2	216.9	237.8
Housing Authority (HA)	59.7	68.0	90.2	102.2	81.7
Fijian Broadcasting Corporation Limited (FBCL)	12.6	10.5	8.3	-	-
Pacific Fishing Company Pte. Limited (PAFCO)	2.7	4.1	2.5	0.8	1.0
Total Explicit Government Guarantees (A)	586.7	673.3	939.0	1,051.0	1,106.4
% of Government Guarantees to GDP	5.2%	5.7%	8.8%	11.2%	10.9%

Government Guarantees	Jul-18	Jul-19	Jul-20	Jul-21	May-22
International Bank for Reconstruction & Development (IBRD)	303.0	312.2	305.9	300.6	311.0
Asian Development Bank (ADB)	202.2	204.2	204.7	204.2	211.3
Asian Infrastructure Investment Bank (AIIB)			21.2	20.8	21.6
Total Other Explicit Contingent Liabilities (B)	505.2	516.4	531.8	525.6	543.9
National Bank of Fiji – Asset Management Bank	2.4	0.7	0.7	0.4	-
Fiji Revenue & Customs Services (FRCS)	53.6	51.2	90.8 (r)	58.5 (r)	62.9
Provincial Council	1.4	1.2	0.9	0.8	1.2
Municipal Council	23.8	21.6	19.4	18.5	17.2
Total Implicit Contingent Liabilities (C)	81.3	74.8	111.8 (r)	78.1 (r)	81.3
Total Other Contingent Liabilities (B+C)	586.5	591.2	643.6 (r)	603.7 (r)	625.1
Total Contingent Liabilities (A+B+C)	1,173.2	1,264.6	1,582.5 (r)	1,654.7 (r)	1,731.5
Total Contingent Liabilities to GDP (%)	10.3%	10.8%	14.8%	17.6%	17.0%

(Source: Ministry of Economy) (r) – revised according to FRCS Audited figures

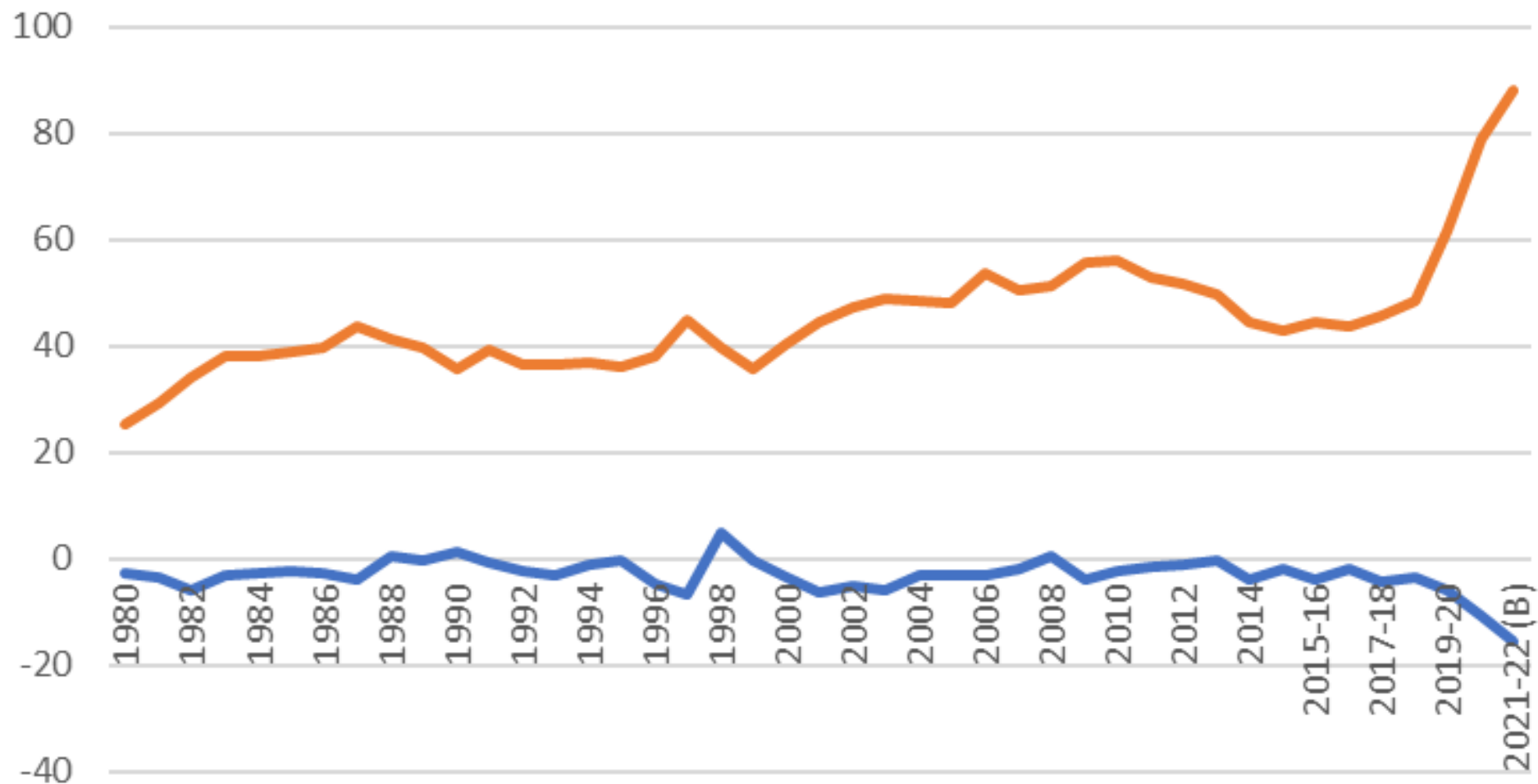
Source: ECONOMIC AND FISCAL UPDATE
SUPPLEMENT TO THE 2022-2023 BUDGET
ADDRESS, Ministry of Economy 15 July 2022

Debt Sustainability – FISCAL BALANCE

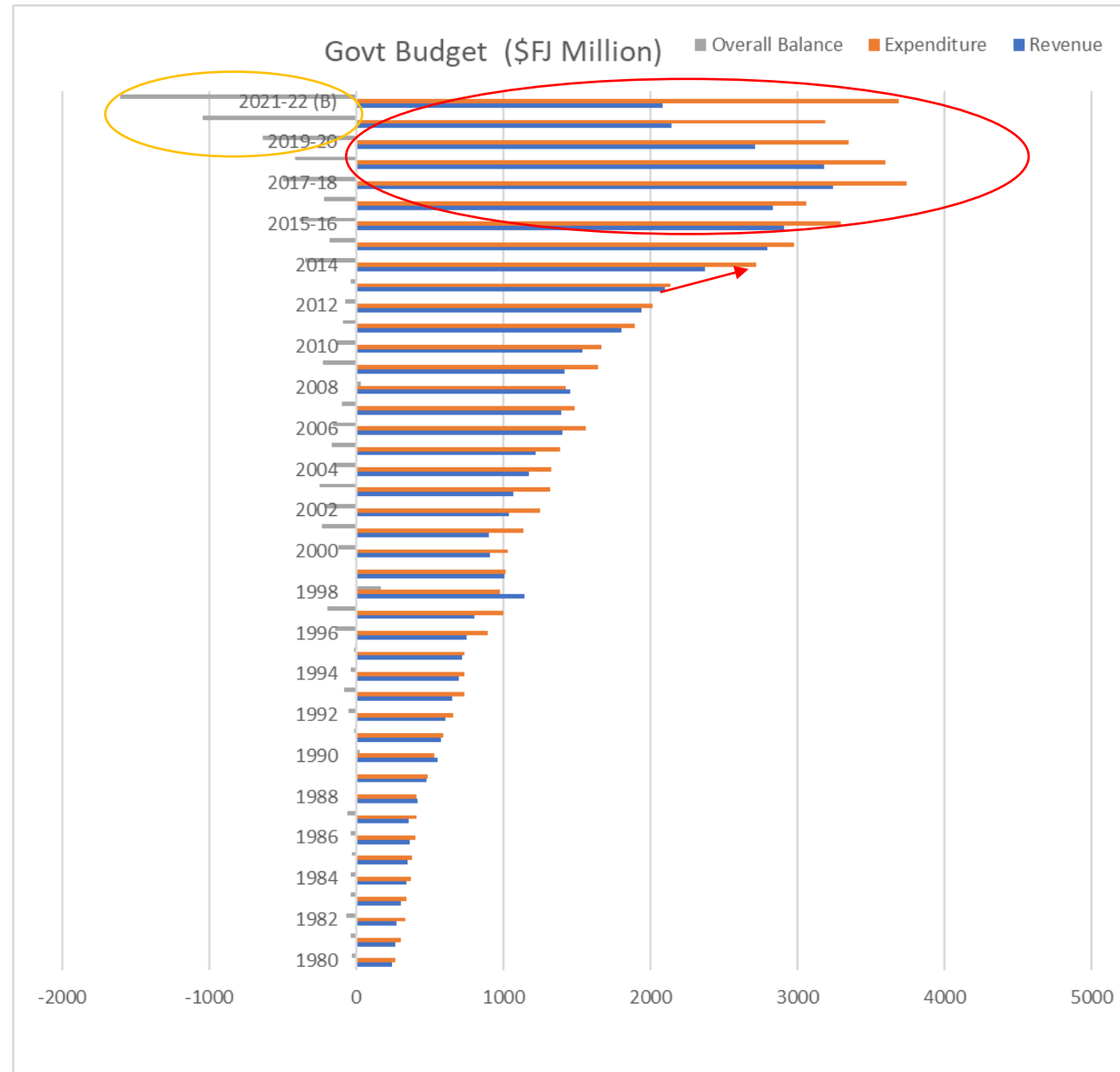


Source: Ministry of Economics

Debt/ Primary Balance to GDP



Revenue that has been incrementally increasing albeit at a slower rate than expenditure, went into reverse due to covid and its restrictions in an economy highly dependent on tourism. At the same time, big jump in fiscal expenditure in 2012 and have remained elevated and a higher average rate of increase in recent years compared to historic averages. **Resulting in its highest ever fiscal deficit.**



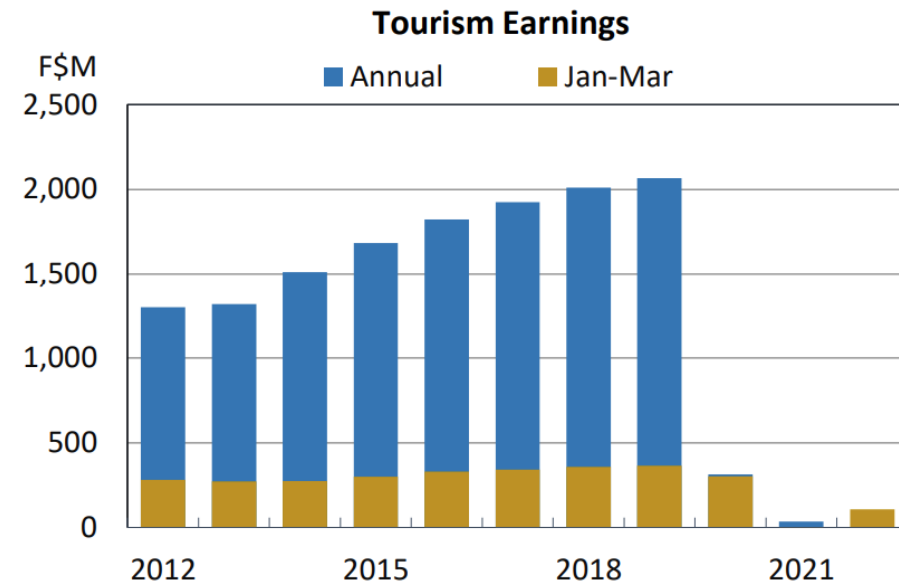
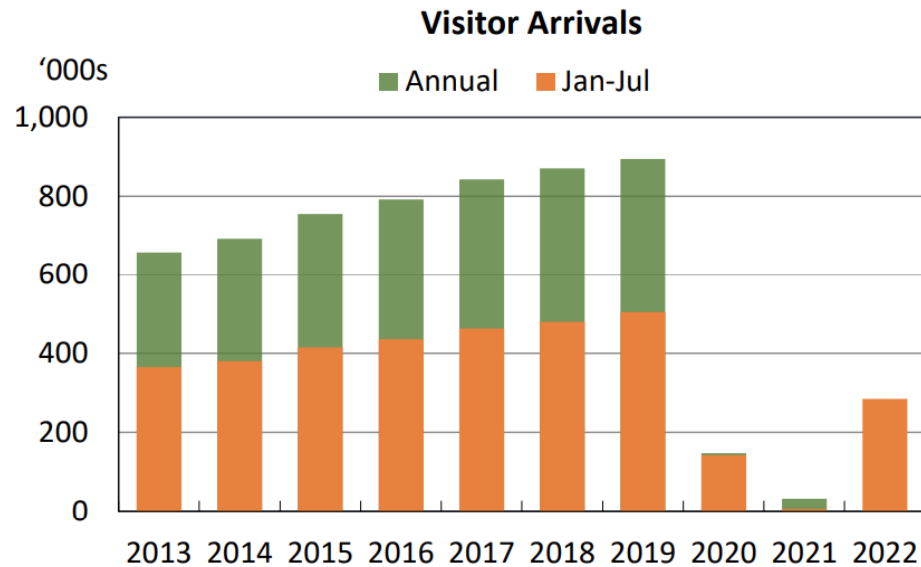
Source: Ministry of Economics

Table 10: Tourism Statistics 2018–2024

	2018	2019p	2020p	2021p	2022f	2023f	2024f
Visitors	870,309	894,389	146,905	31,618	491,914	760,231	894,389
Average length of stay (days)	11.2	11.1	11.0	12.6	12.5	12.5	12.5
Visitors days (millions)	7.7	8.0	1.5	0.1	5.2	8.0	9.4
Earnings (F\$M)	2,010.3	2,065.5	314.9	36.5	1,390.2	2,089.9	2,412.7

(Source: Fiji Bureau of Statistics, Macroeconomic Committee; p = provisional, f = forecast)

Source excerpt: ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, Ministry of Economy 15 July 2022



Source: RBF, Chartbook Jul 2022

DEBT SERVICING

CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ Millions)					
PARTICULARS	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
TOTAL DEBT SERVICING	423.7	498.5	617.2	609.2	1,050.3
Domestic Bonds & Loans	330.6	406.7	508.0	494.6	573.4
<i>Principal</i>	99.6	160.7	235.3	194.1	222.5
<i>Interest</i>	231.0	246.0	272.7	300.5	350.9
External Loans	93.1	91.8	109.2	114.6	478.8
<i>Principal</i>	49.3	44.8	54.8	58.7	452.1
<i>Interest</i>	43.8	47.0	54.4	55.9	26.7

With the exception of the Export-Import Bank of the People's Republic of China ('EXIM China') loans which were covered under the DSSI agreement, Government continued to meet all debt obligations during the fiscal year. At the end of the fiscal year, total debt servicing amounted to \$FJ1.1 billion, a substantial increase of 72.4 percent as compared to the previous year mainly due to the settlement of the US\$200 million global bond.

During the quarter (apr 2022?), total debt servicing amounted to \$119.7 million, comprising \$36.1 million in principal repayments and \$83.6 million in interest payments.

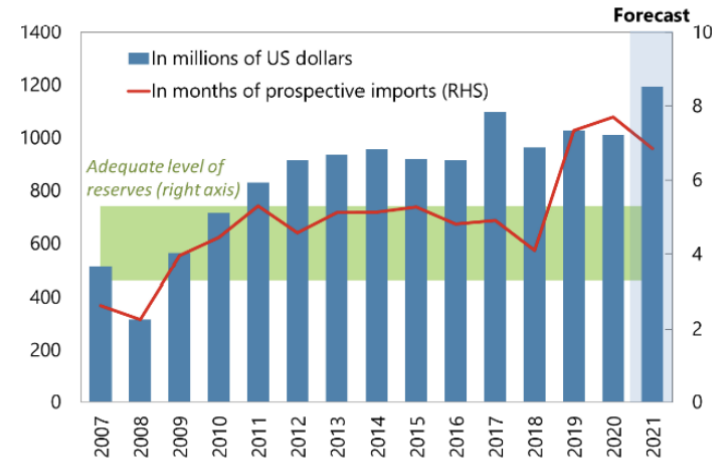
CENTRAL GOVERNMENT DEBT STATISTICS (FJ\$ Millions)					
PARTICULARS	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
TOTAL BORROWING	447.2	606.0	645.7	1,265.8	1,627.5
FIB Bonds/Viti Bonds/FGB/CRB	224.2	531.8	630.8	904.1	483.5
External loans (includes Cap. Interest)	223.0	74.2	14.9	361.7	1,144.0

DEBT RATIOS

Debt Ratios/ Dashboard

\$ millions, unless otherwise indicated	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt ratios									
External debt stocks to exports (%)	50.7	52.1	49.6	52.5	54.6	49.9	45.5	49.7	117.4
External debt stocks to GNI (%)	33.2	31.3	27.9	28.0	27.9	25.7	23.9	26.6	35.7
Debt service to exports (%)	4.5	4.7	5.8	14.5	4.5	6.7	3.9	7.8	21.3
Short-term to external debt stocks (%)	2.5	2.9	5.3	6.6	7.5	5.0	3.6	3.9	1.4
Multilateral to external debt stocks (%)	10.5	10.8	10.7	10.6	13.3	17.7	20.3	19.6	42.1
Reserves to external debt stocks (%)	72.4	73.2	70.9	74.5	69.9	88.0	76.0	77.5	..
Gross national income (GNI)	3,825.4	4,108.2	4,631.6	4,398.2	4,658.2	4,930.3	5,221.5	5,045.6	4,255.1

Reserves



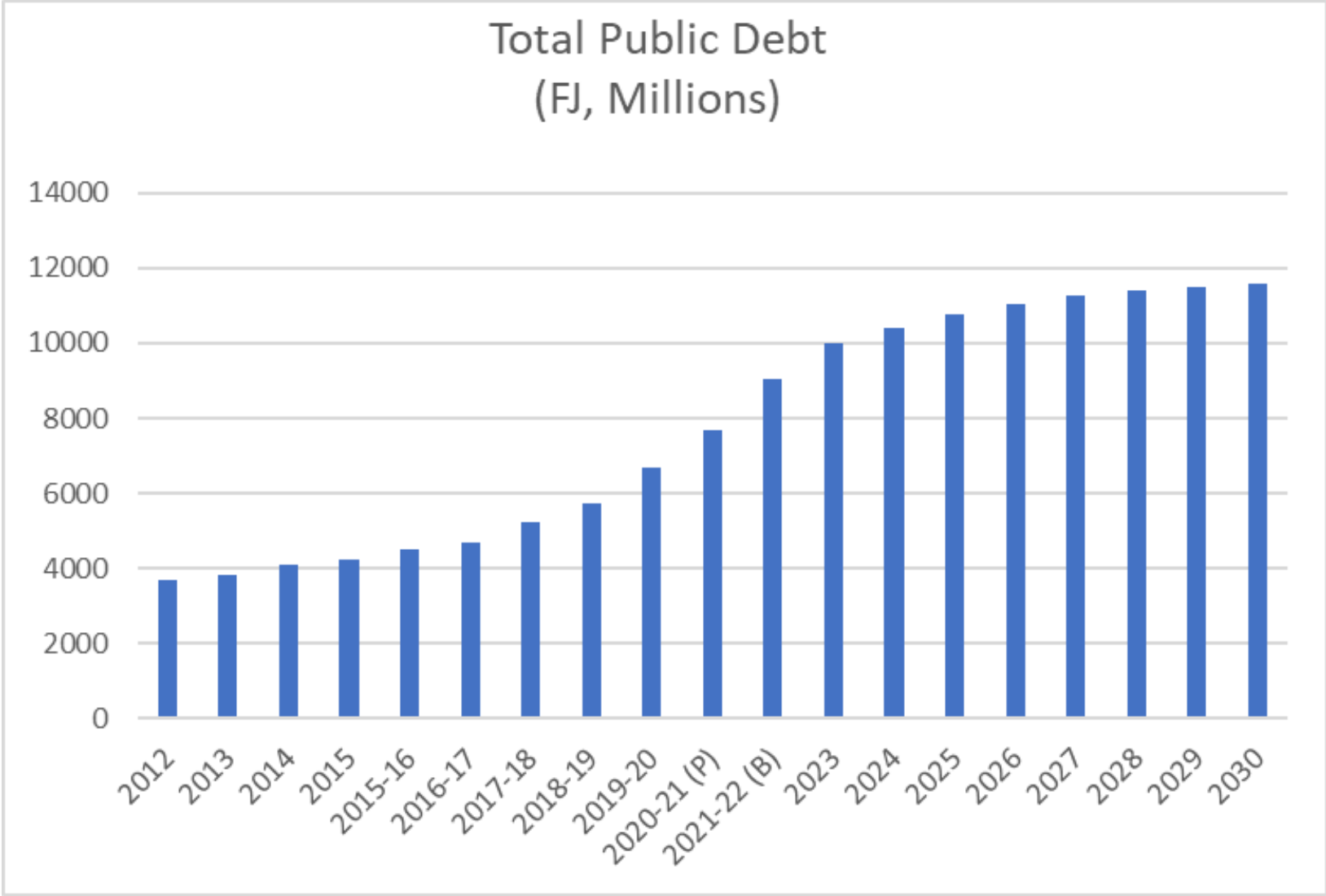
Sources: RBF and IMF staff calculations.

These debt ratios are the latest figures from the World Bank's International Debt Statistics 2022 (Edition II). Fiji's debt ratios have deteriorated sharply in 2020 and are probably worse in 2021 and 2020 given the higher levels of debt. Its debt to export ratios have spiked to 117% from a historical average over the last decade of approximately 50%. Its debt to GDP (WB uses GNI) ratio has also increased as total or external debt only as shown above. Its debt service to exports has also spiked. Its short-term debt has improved and also its level of multilateral debt levels, consistent with the shift to borrowings from MDBs. However, the shift to MDBs is a reflection of overall weaker economic performance and prospects. Its reserves level is in line with historic trend, and appears to be improving at 7 months of imports. However, this also reflects a fall in import demand, and a slowing economy.

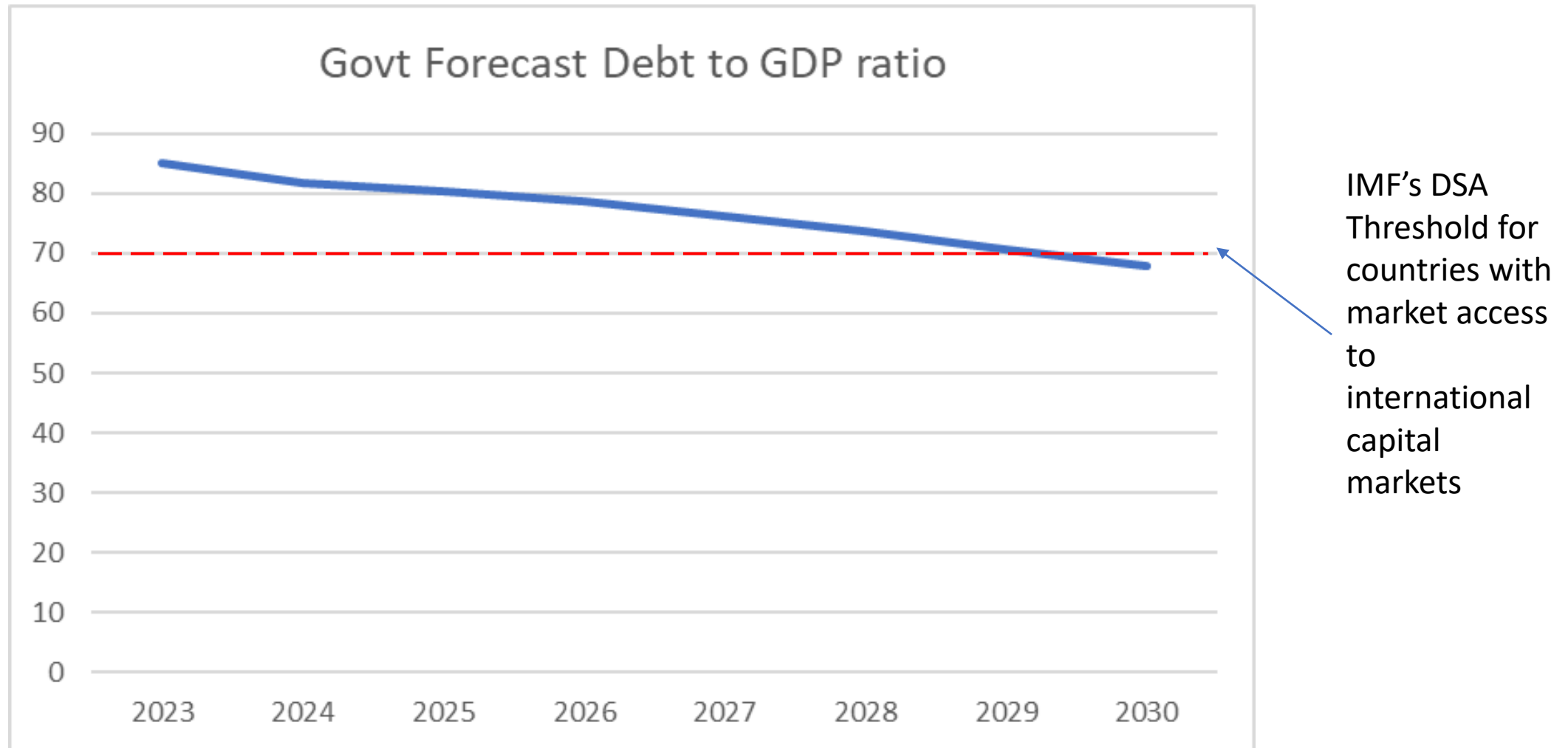
Note: Should compare these ratios against other Pacific and similar economies

Debt Sustainability - FORECAST

GOVT FORECAST

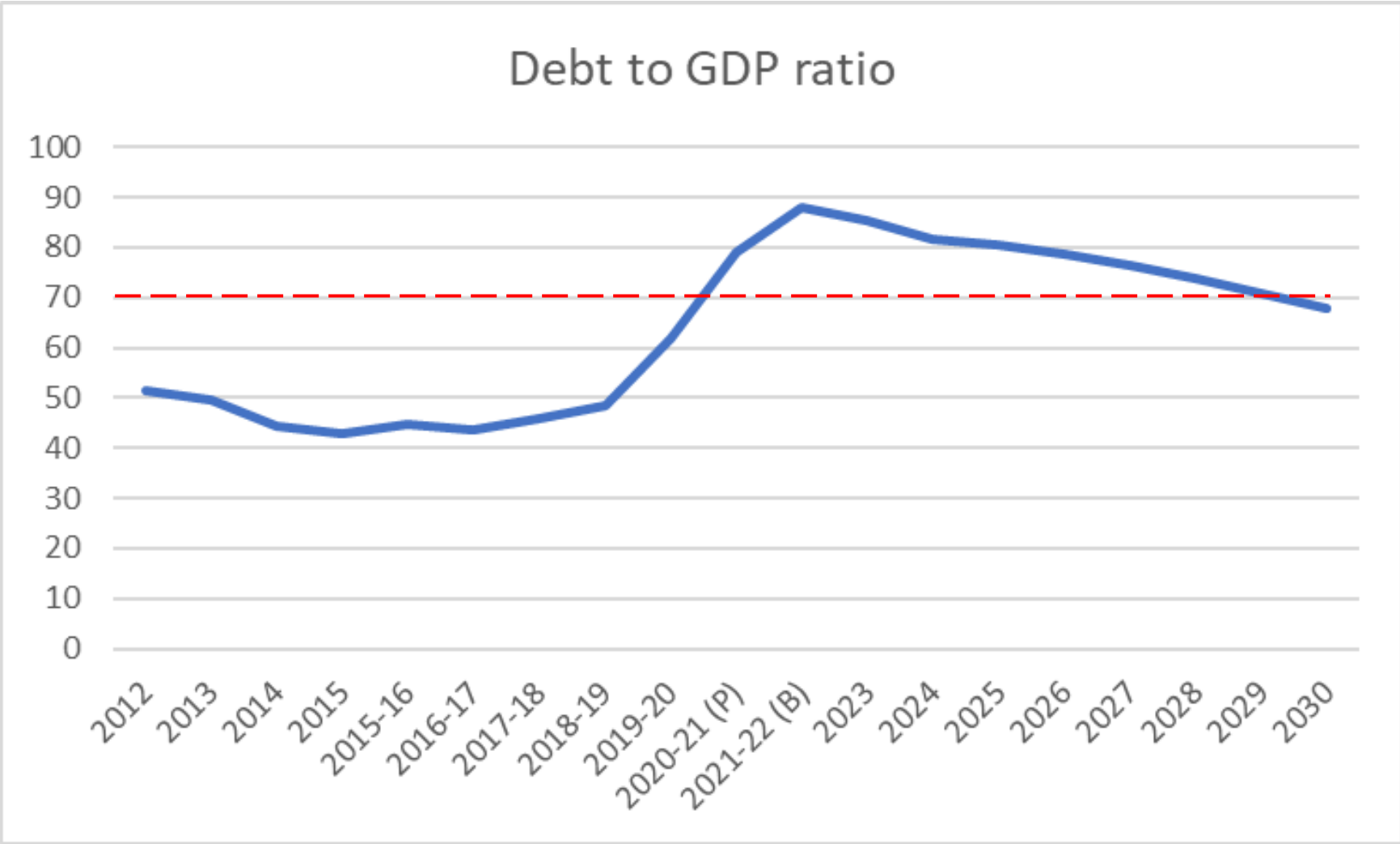


GOVT FORECAST



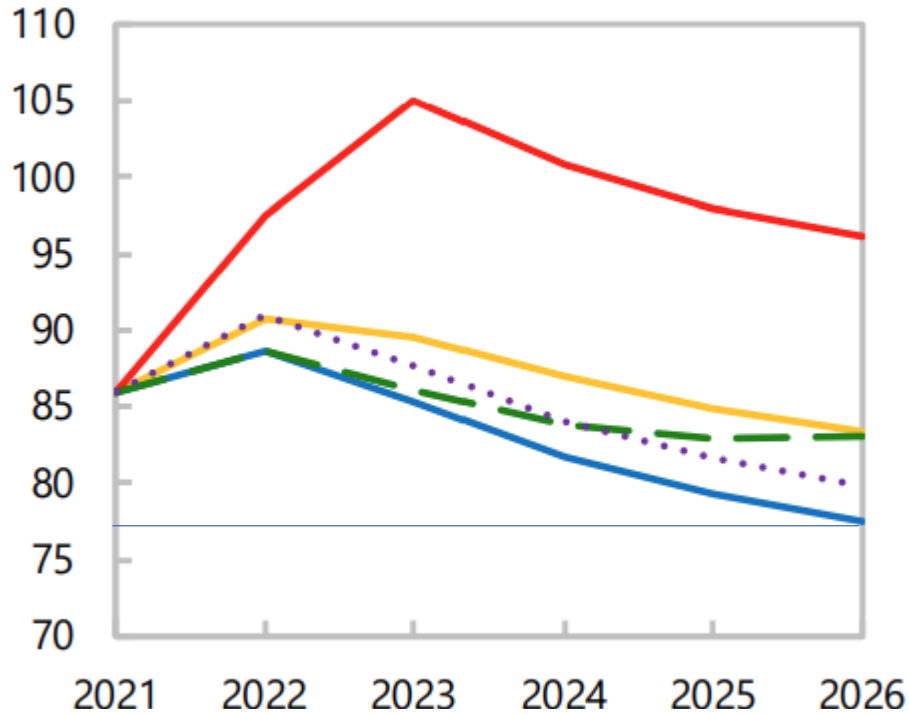
Source: Govt's Medium Term Fiscal Targets from, ECONOMIC AND FISCAL UPDATE SUPPLEMENT TO THE 2022-2023 BUDGET ADDRESS, 15 July 2022

HISTORIC AND FORECAST



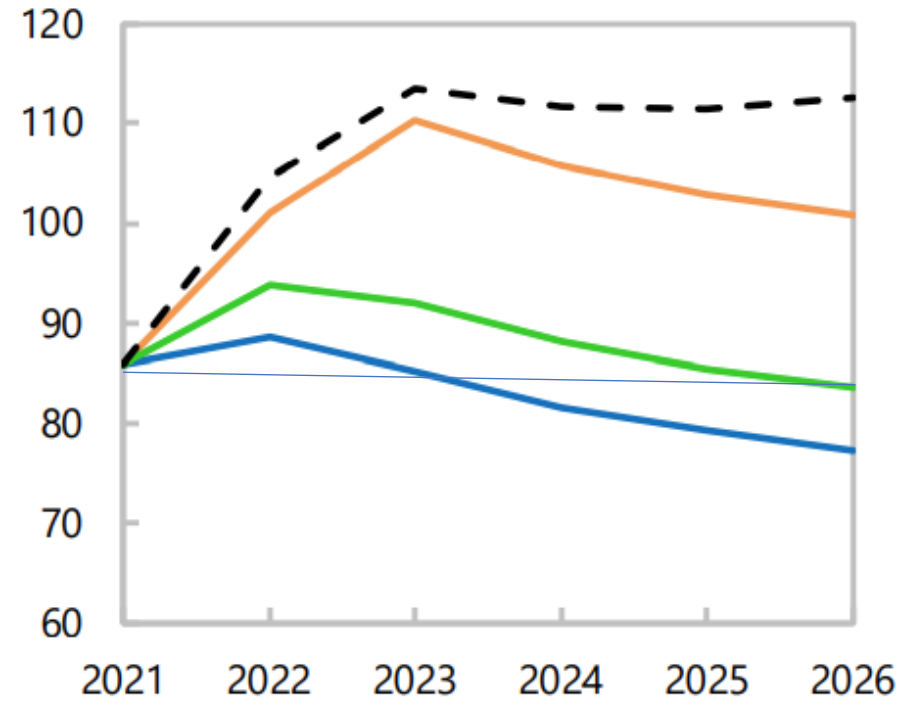
IMF Debt to GDP Forecast

Gross Nominal Public Debt
(in percent of GDP)



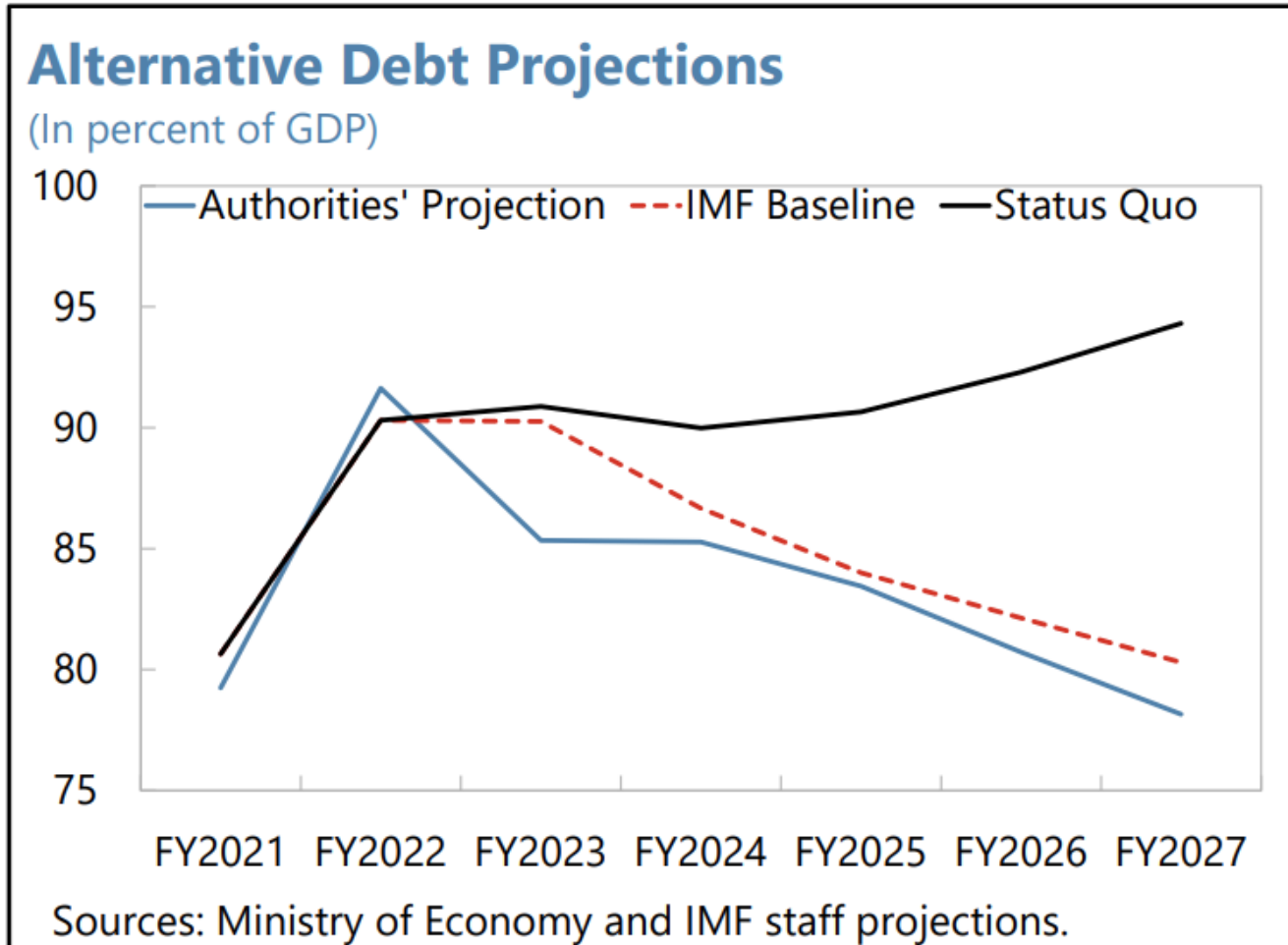
- Baseline
- Real GDP Growth Shock
- Primary Balance Shock
- ⋯ Real Exchange Rate Shock
- - Real Interest Rate Shock

Gross Nominal Public Debt
(in percent of GDP)



- Baseline
- Natural Disaster Shock
- - Combined Macro-Fiscal Shock
- Contingent Liability shock

IMF FORECAST

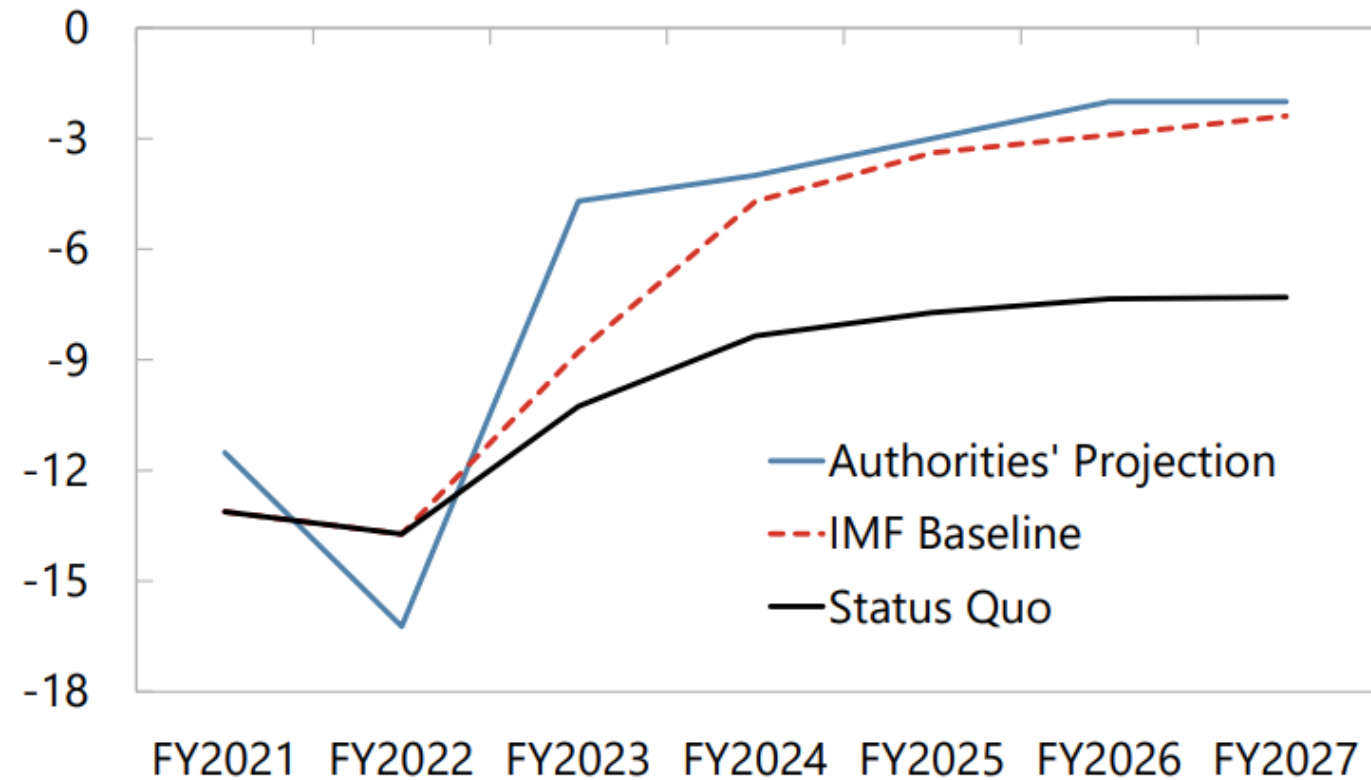


Source: IMF DSA, Nov 2021

FISCAL BALANCE FORECAST

Alternative Fiscal Balance Projections

(In percent of GDP)



Sources: Ministry of Economy and IMF staff projections.

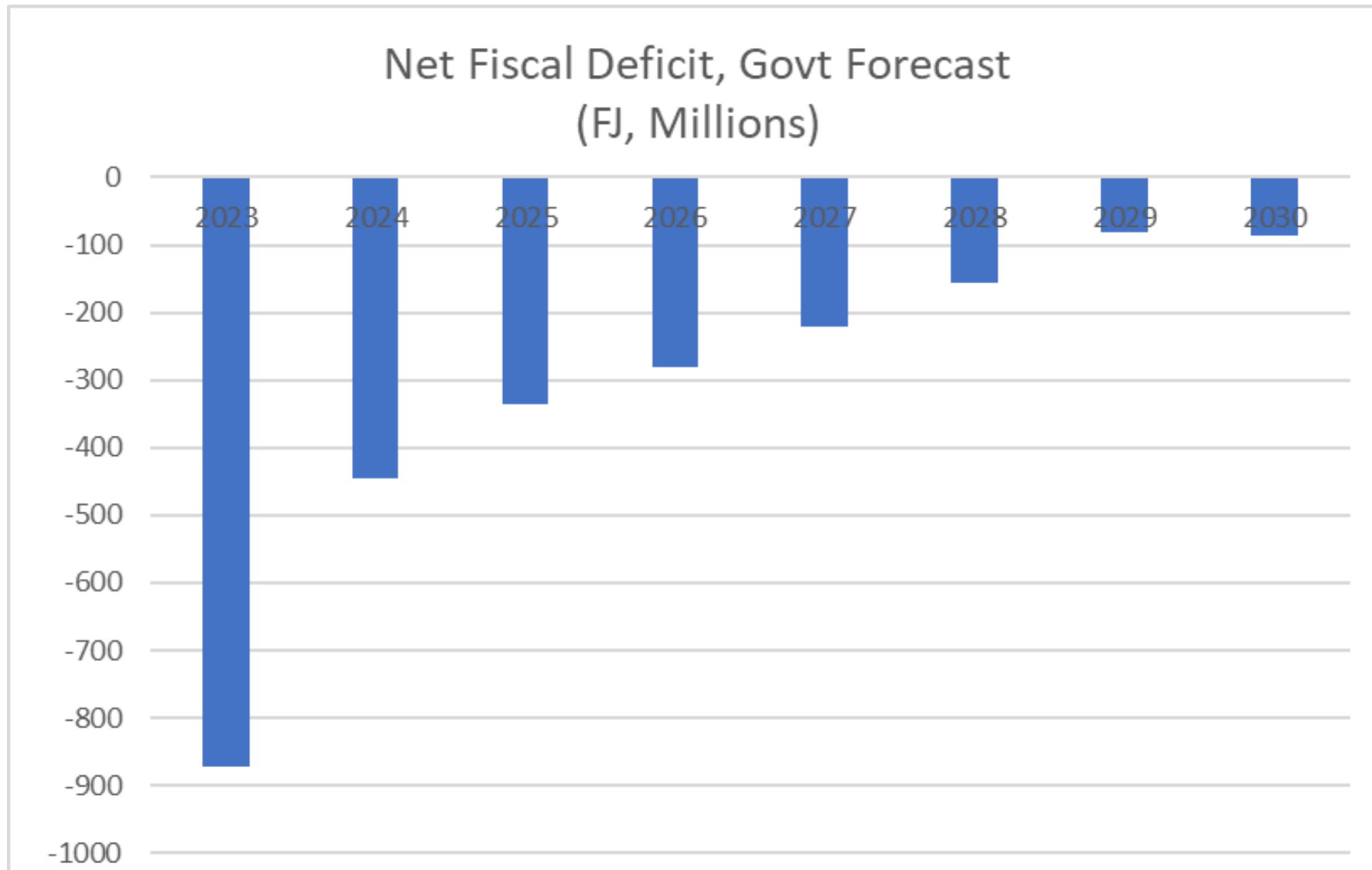
Source: IMF DSA, Nov 2021

Table 7: Medium-Term Fiscal Targets (\$M)

(\$M)	2022-2023 (Budget)	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Revenue	2,939.9	3,354.0	3,503.5	3,595.4	3,693.9	3,799.4	3,912.5	3,948.4
As a % of GDP	25.1	26.3	26.2	25.6	25.0	24.5	24.1	23.1
Expenditure	3,812.1	3,800.0	3,838.0	3,876.4	3,915.1	3,954.3	3,993.8	4,033.8
As a % of GDP	32.6	29.8	28.7	27.6	26.5	25.5	24.6	23.6
Net Deficit	(872.2)	(446.0)	(334.5)	(281.0)	(221.3)	(154.9)	(81.3)	(85.4)
As a % of GDP	(7.4)	(3.5)	(2.5)	(2.0)	(1.5)	(1.0)	(0.5)	(0.5)
Debt	9,976.7	10,422.7	10,757.3	11,038.3	11,259.5	11,414.4	11,495.8	11,581.2
As a % of GDP	85.2	81.8	80.4	78.6	76.3	73.7	70.7	67.8
GDP at Market Prices	11,708.0	12,743.7	13,380.9	14,050.0	14,752.5	15,490.1	16,264.6	17,077.8

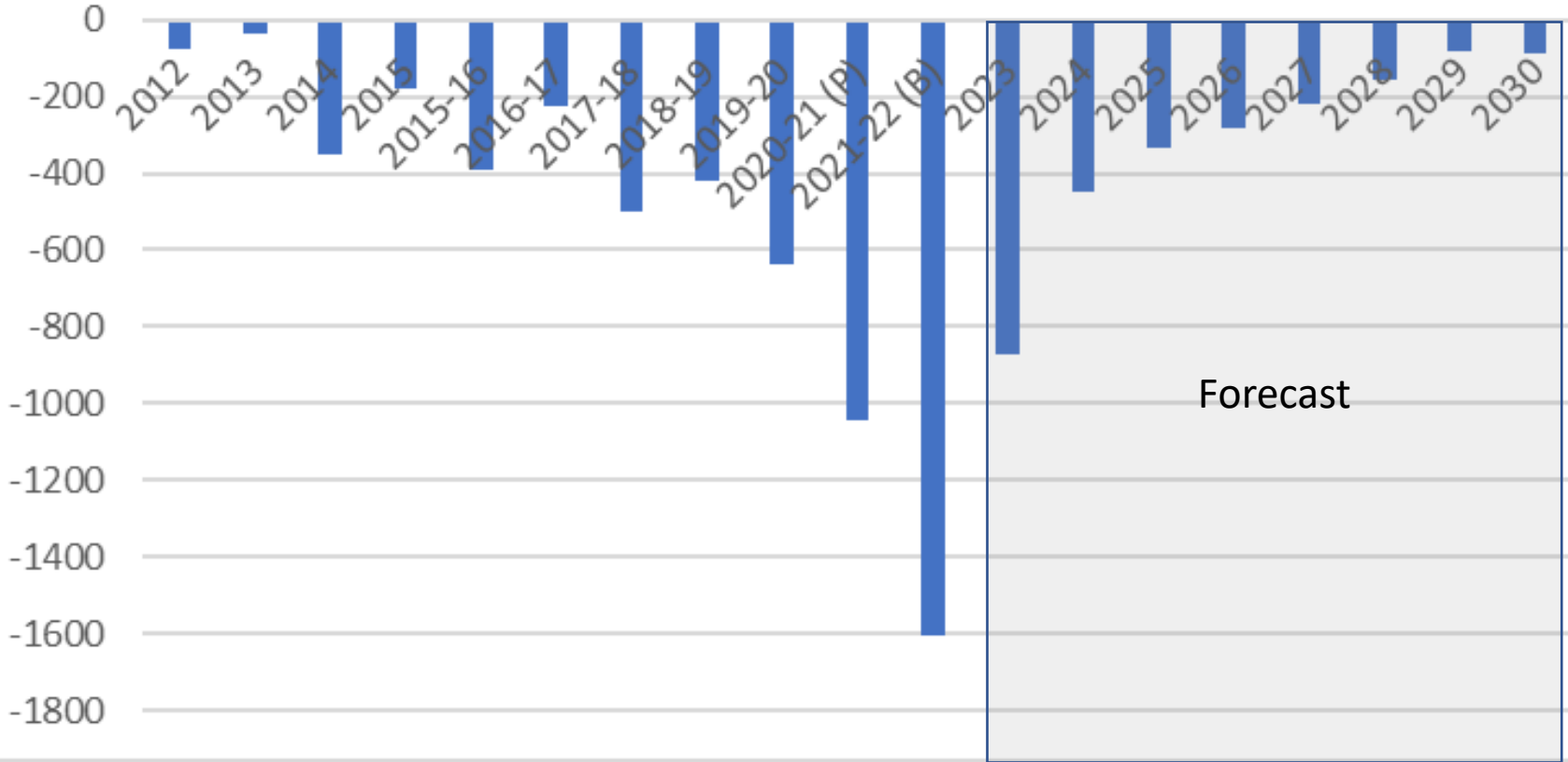
(Source: Ministry of Economy)

Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36.



Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36.

Overall Balance (FJ millions)



Overall Balance % of GDP

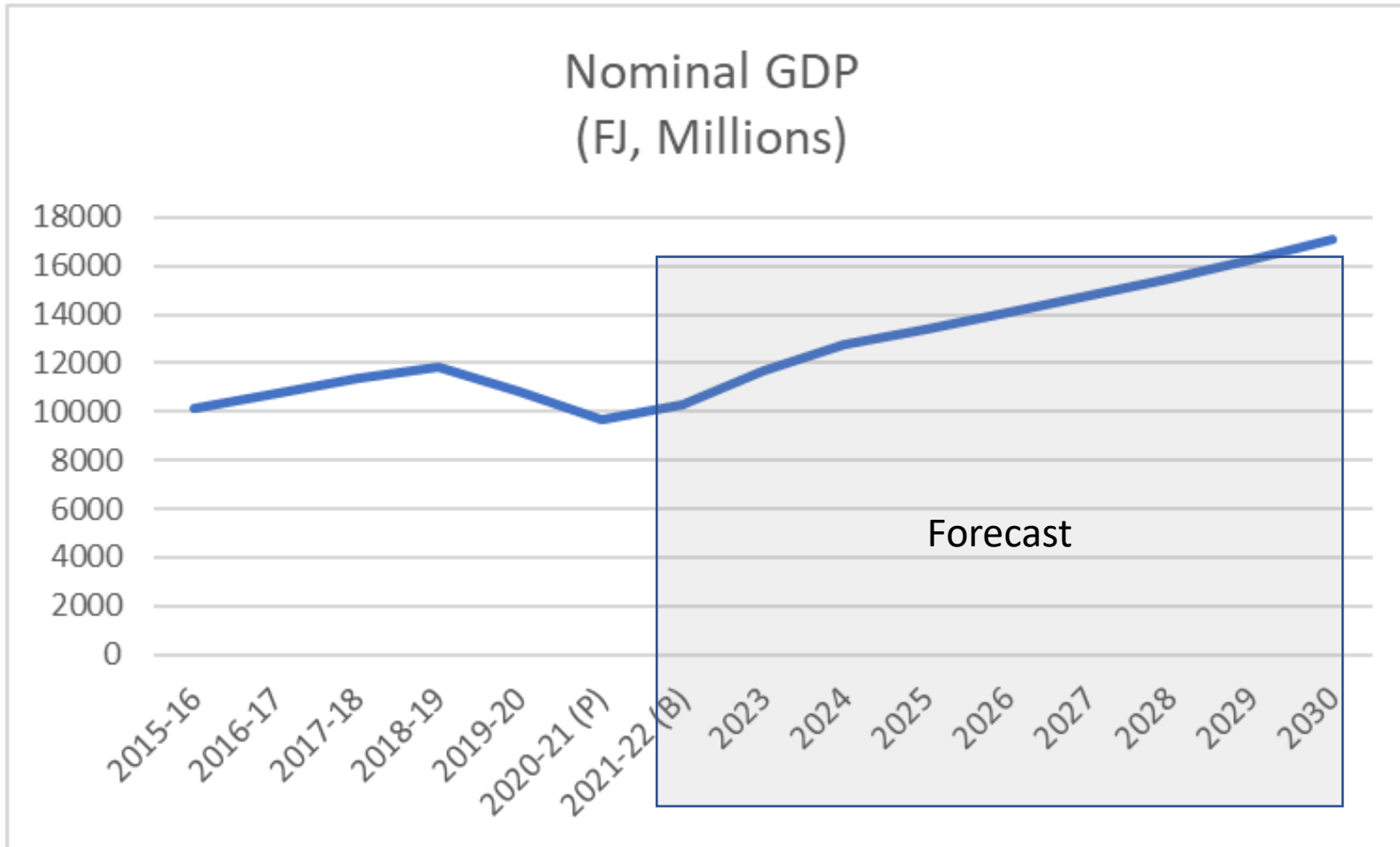


The fiscal deficit, in double digit levels for the last 2 consecutive fiscal years, is planned to be halved to around 7.4 percent of GDP in FY2022-2023.

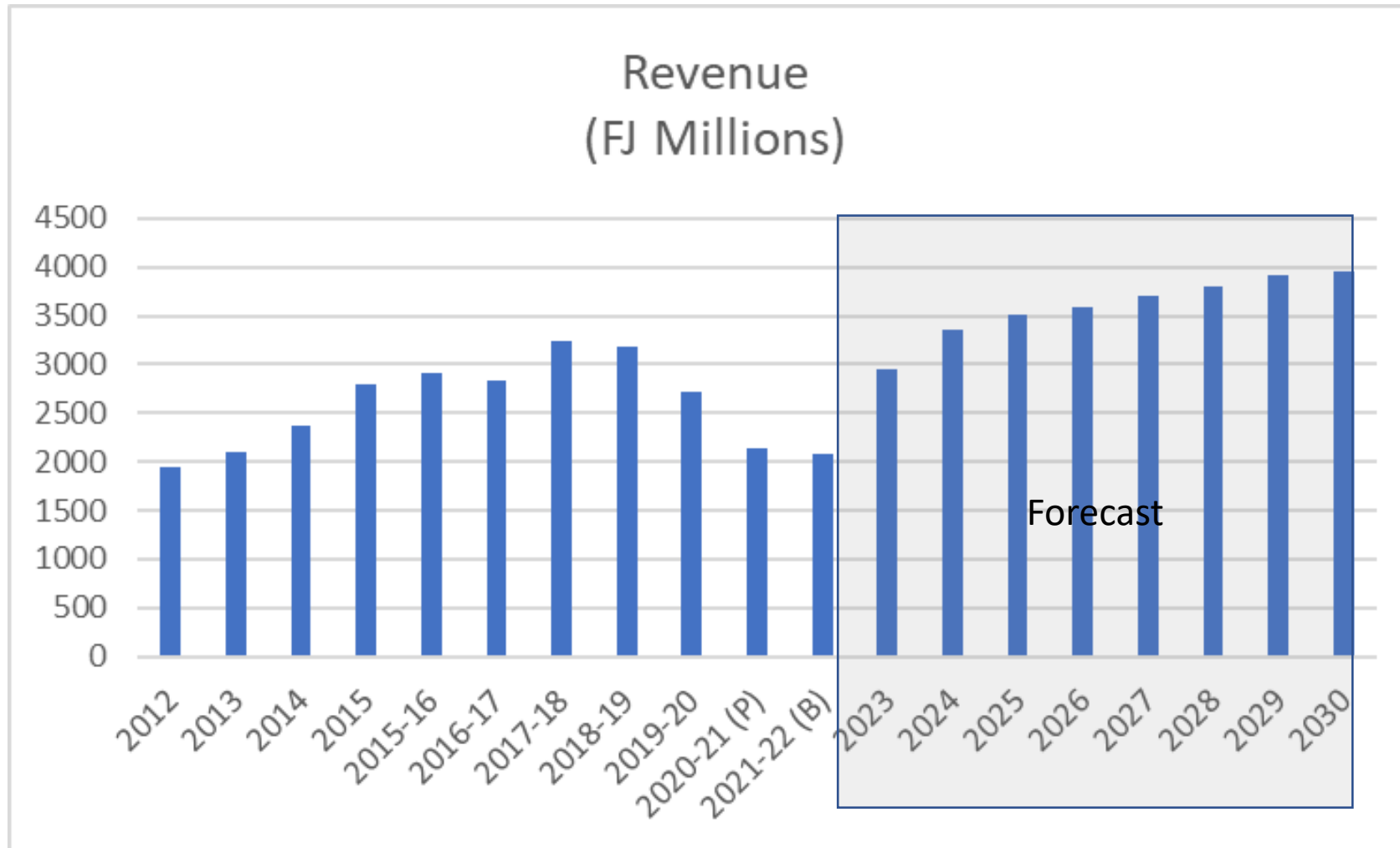
IMF Fiscal Forecasts

	2018	2019	2020	2021	2022	2023	2024	2025	2026
			Est.			Proj.			
Central government budget (percent of GDP)									
Revenue	26.9	27.3	20.4	21.4	22.2	23.8	25.0	25.4	25.7
Expenditure	32.4	29.9	33.2	37.2	33.2	30.2	28.9	28.5	28.3
Overall balance	-5.5	-2.7	-12.8	-15.8	-11.0	-6.4	-4.0	-3.1	-2.6
Primary balance	-2.8	0.1	-9.1	-11.8	-7.0	-2.5	-0.2	0.6	1.2
Central government debt	46.4	48.9	70.8	86.7	89.4	85.9	82.3	79.8	78.0

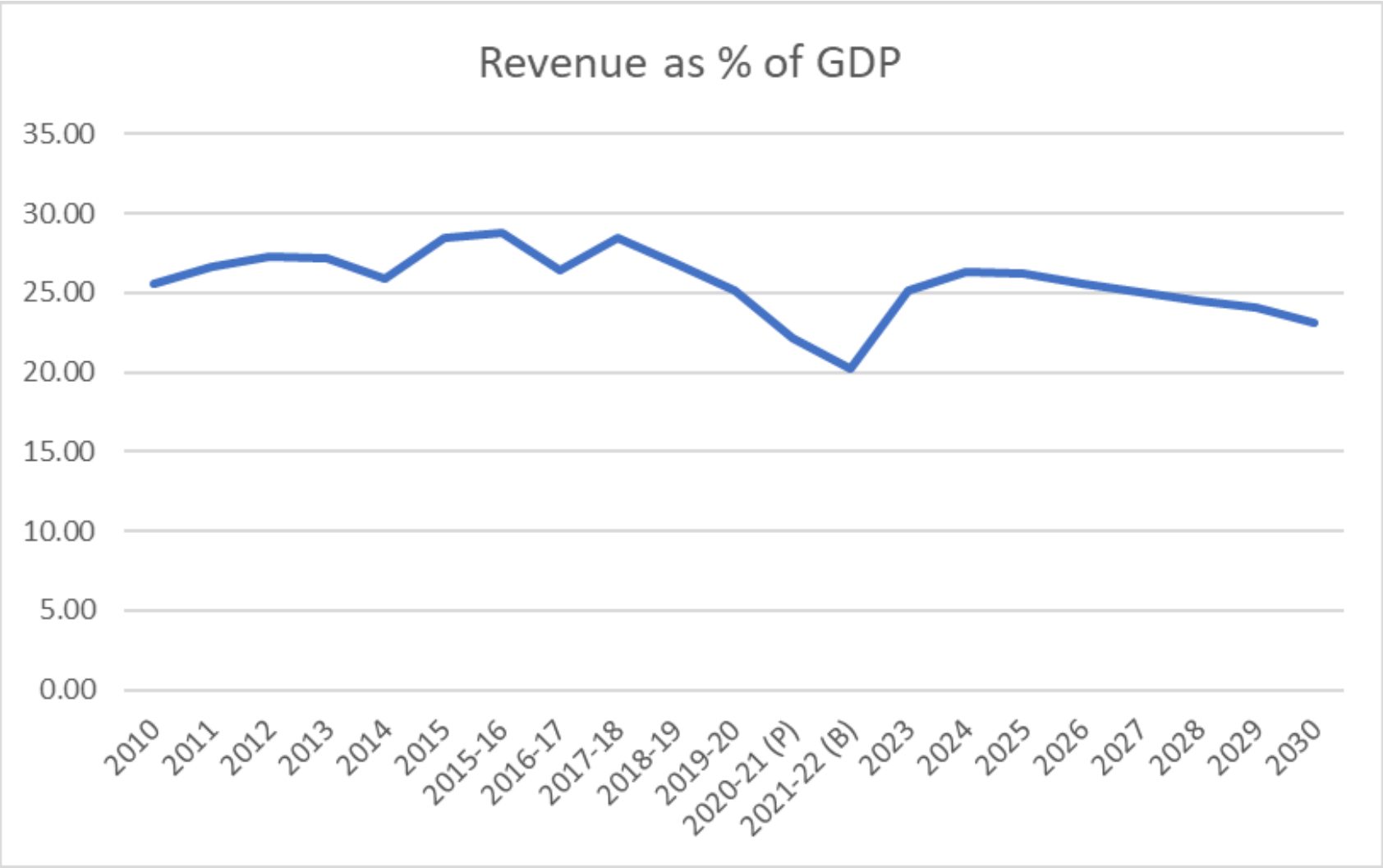
Generally approximates Fijian government's forecast albeit less optimistic as % of GDP, however this could be to IMF using real GDP as opposed to nominal GDP forecast by the Fijian government.



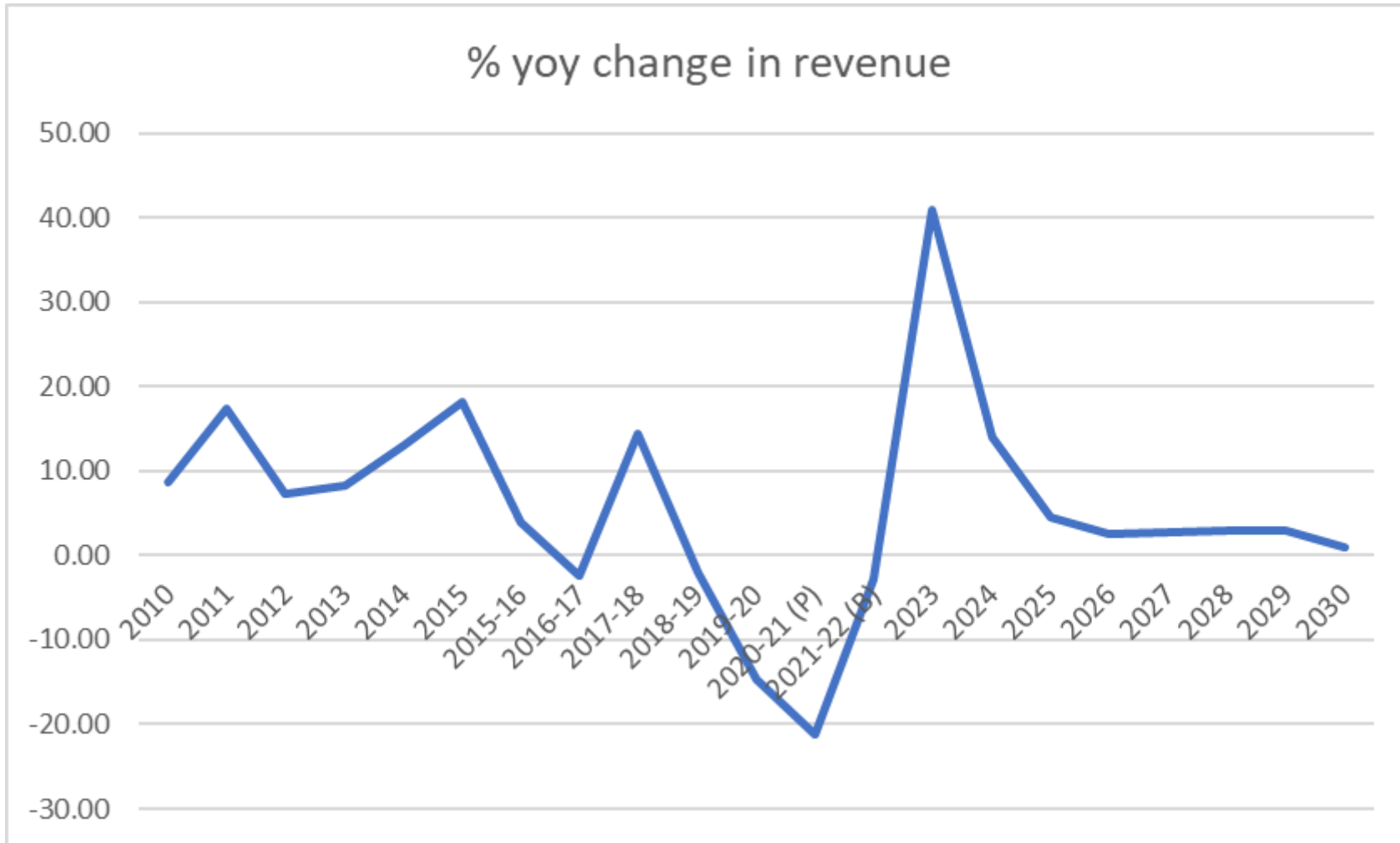
Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36



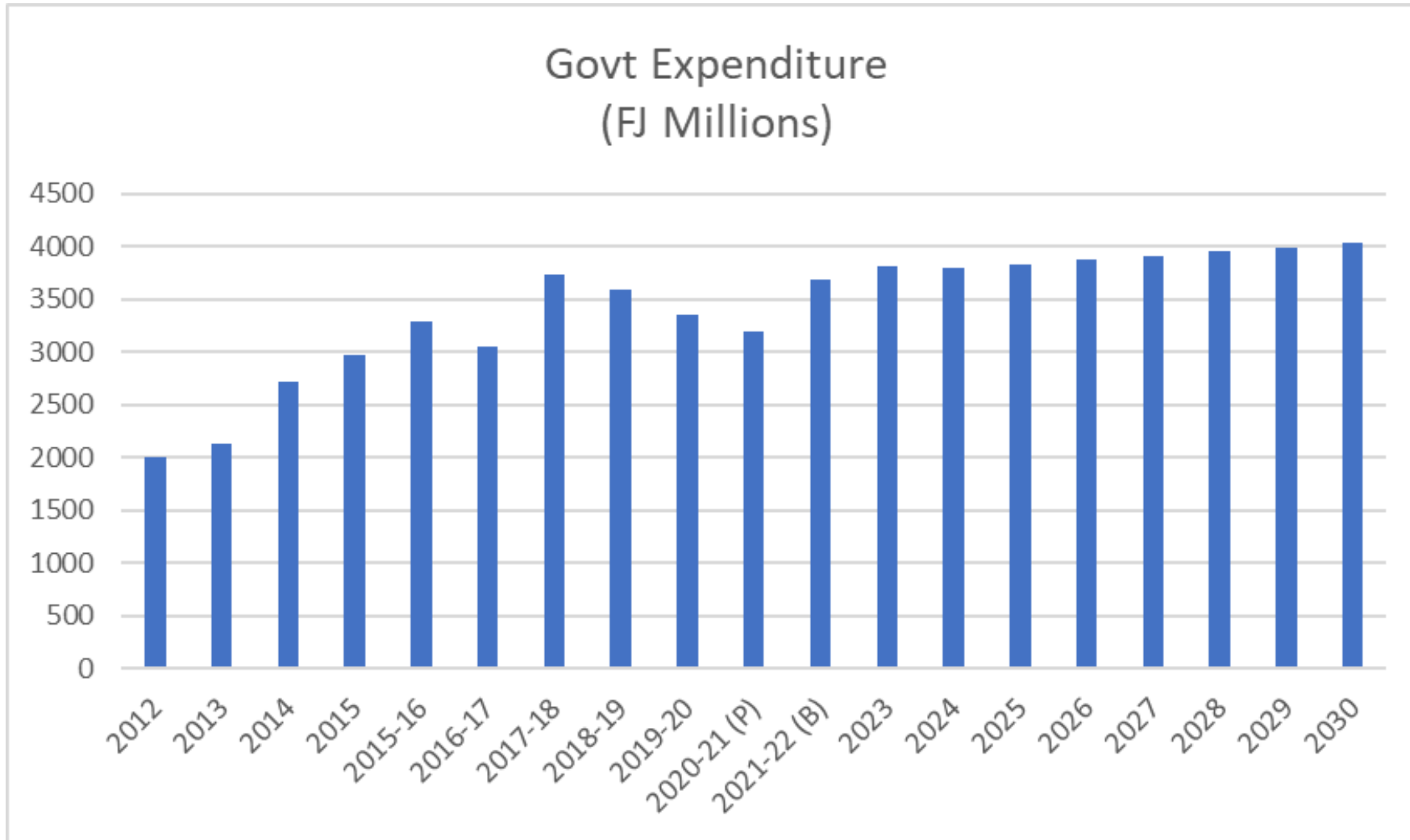
Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36



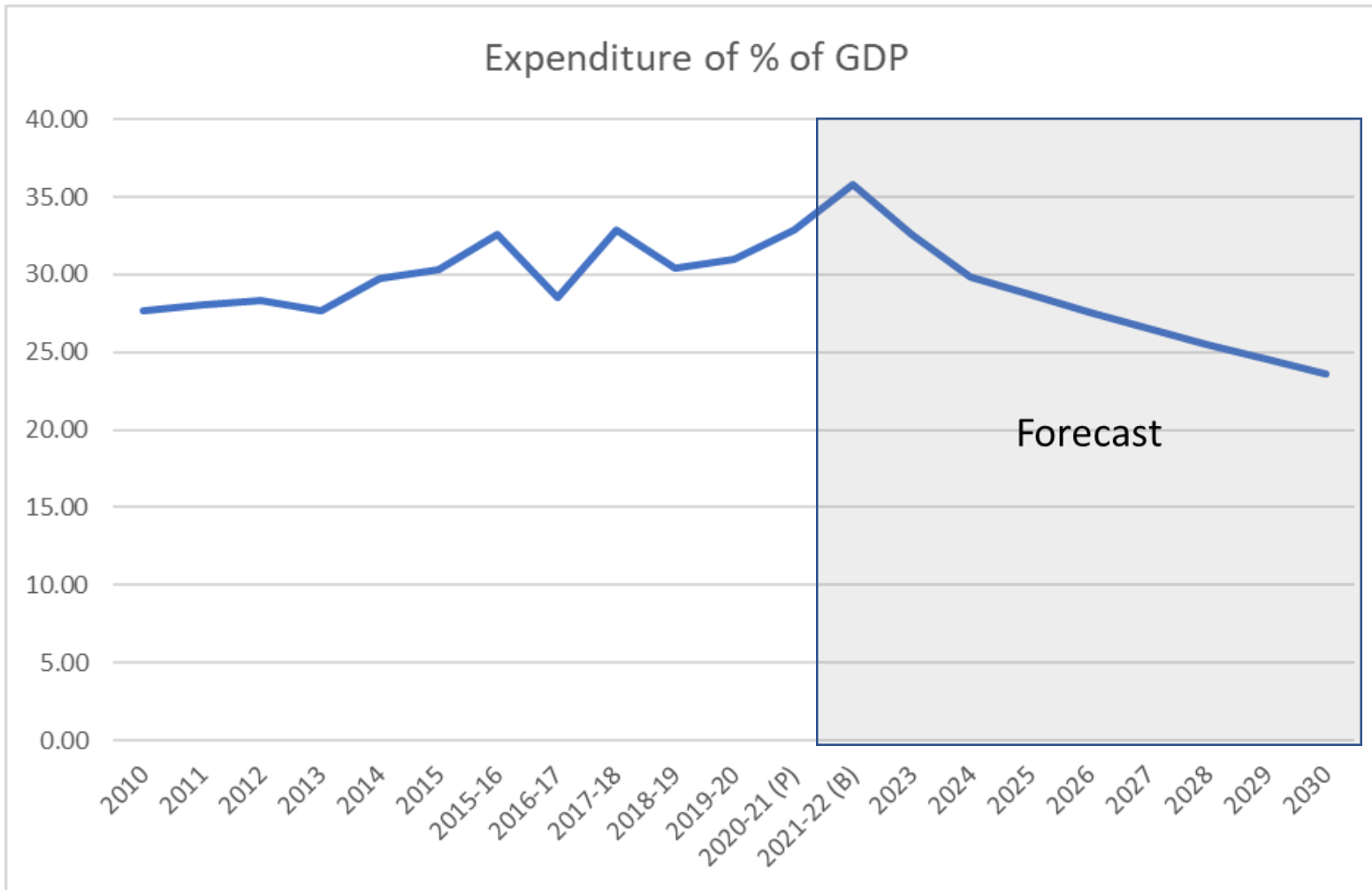
Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36



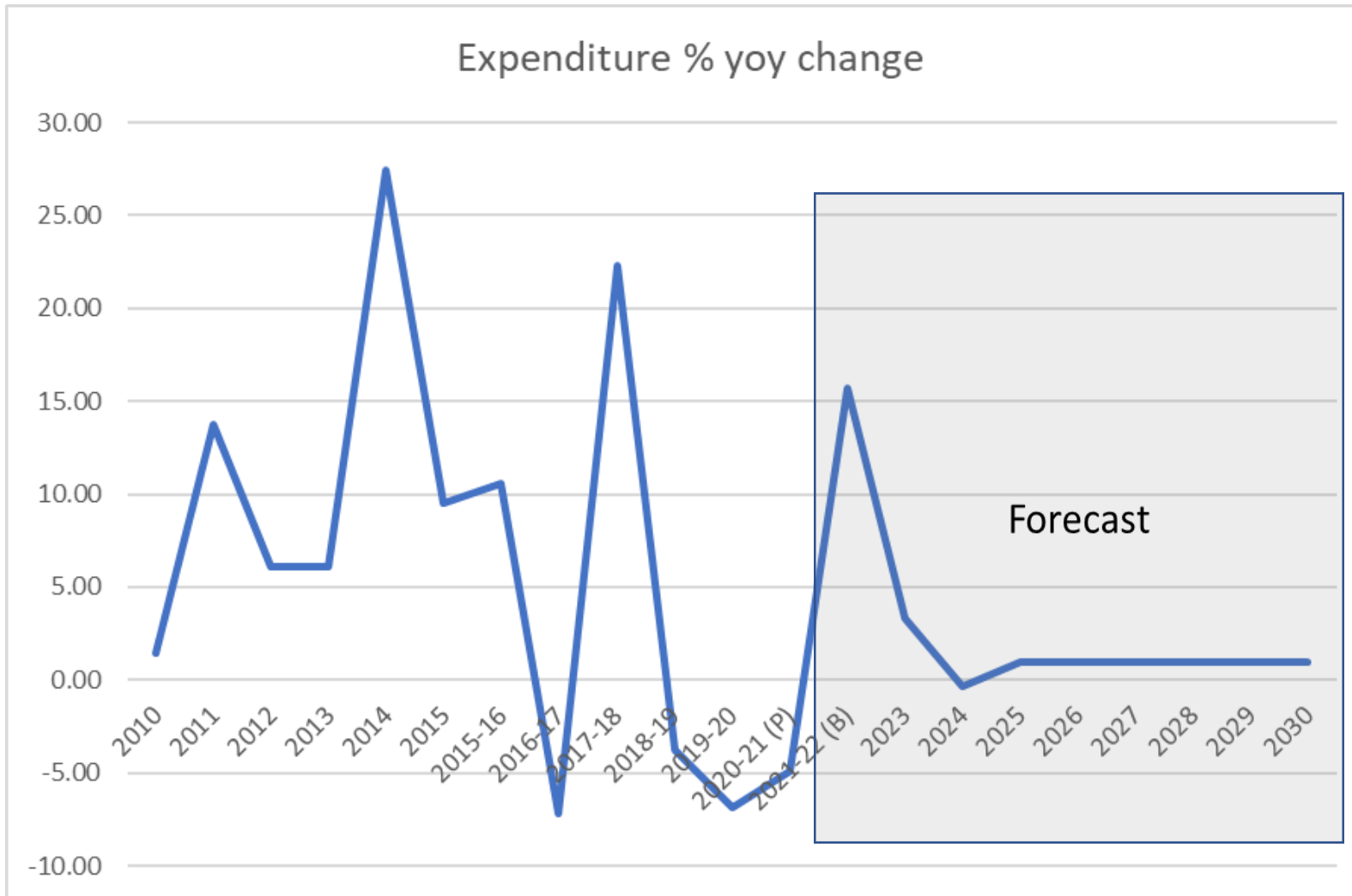
Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36. YoY change calculated by author



Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36



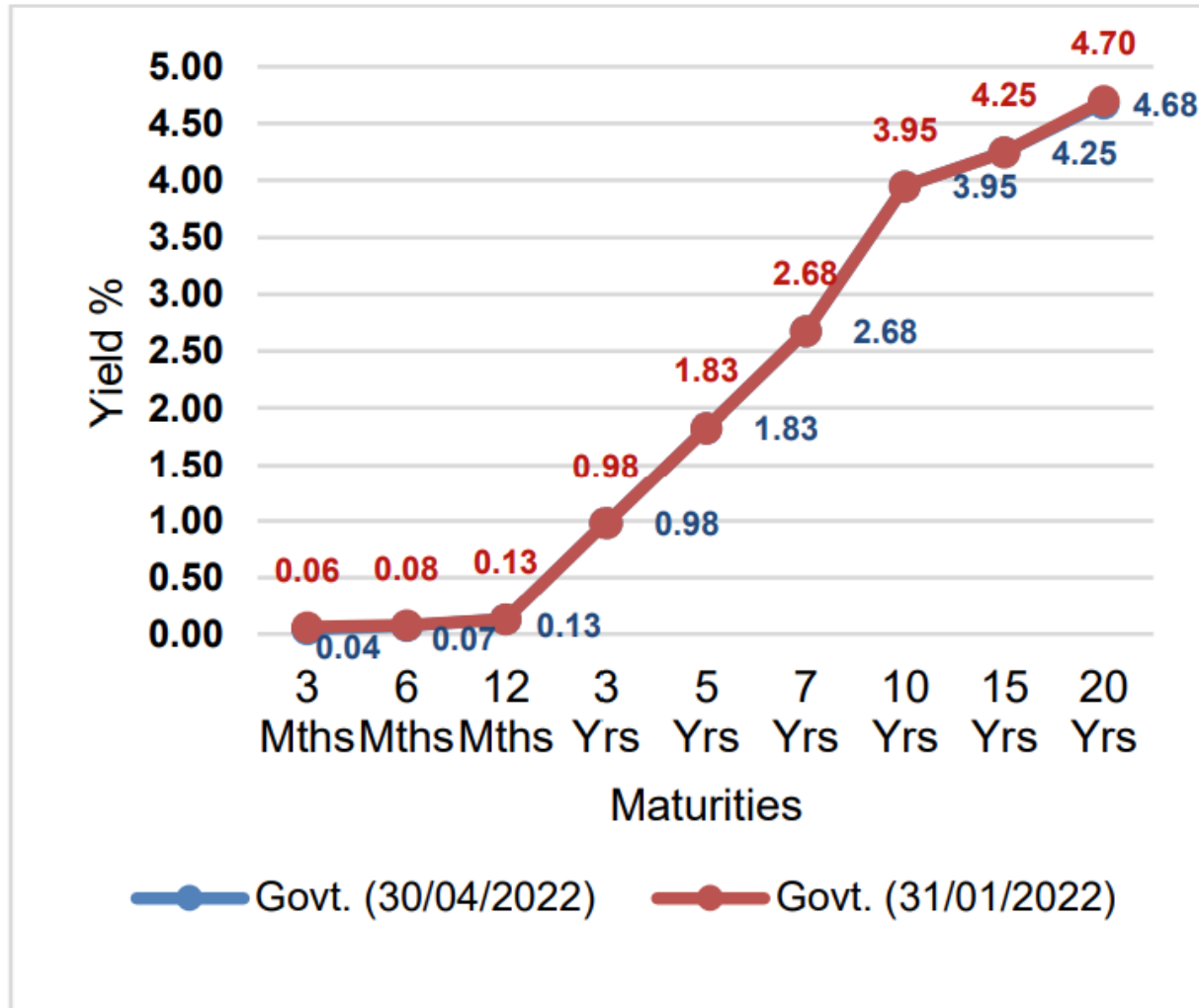
Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36



Source: Fiji Government, Economic and Fiscal Update Supplement to the 2022-2023 Budget Address. Ministry of Economy 15 July 2022. Pg 36. YoY change calculated by author

Notes

Figure 1: Government Yield Curve



With the increase in global interest rate, Fijian government will have to offer higher yields in its domestic bond issuance, unless domestic bond investors are prevented from off shore investments.

Source: Ministry of Economy and RBF

Excerpted from: Ministry of Economy
Quarterly Debt Bulletin – April 2022