



**ASIAN DEVELOPMENT BANK
CONCLUDING WORKSHOP**

**RETA 5869: Strengthening and Collection of
Financial and Monetary Statistics in Selected
Developing Member Countries (DMCs)**

ADB Headquarters, Manila, Philippines
16-18 May, 2001

**RESERVE BANK OF FIJI
Country Report**

Mereia Volavola and Jitendra Singh

Outline

- Introduction
- Present Status of Monetary, Financial and Banking Statistics
- Nature of Data Analysis and Its Use in Policy Formulation
- Workplan and Time Schedule
- Presentation of Compendium

Outline

- Problems and Issues
- **Interpretation and Analysis**
- IMF Survey
- Monitoring Process
- Data Dissemination
- Conclusion and Future Plan



Background of Monetary and Banking Statistics

*Changes since the
Inception Workshop*



Background of Monetary and Banking Statistics

- Dimensions of Indicators and Statistics
 - Stock Markets

Background of Monetary and Banking Statistics

- Past Issues and Problems
 - Delays
 - Inaccuracies
 - Late Confirmations
 - Data Entry
 - NBFIs statistics



Data Collection and Compilation

Data Collection and Compilation

- Nature of Data Analysis and Its Use in Policy Formulation
 - Economics Department
 - Financial Institutions Department



Workplan and Time Schedule

Workplan and Time Schedule

Date	Activity
4-6 April 2000	Inception Workshop
22 June 2000	RETA 5869 Seminar
August 2000	Produced Metadata / Time Series
29 December 2000	1 st submission of Metadata and time series
January 2001	Received Funds from ADB for project assistance
February 2001	2 nd submission of data to ADB

Workplan and Time Schedule

Date	Activity
19-23 March 2001	Review Mission to Fiji and Signing of MOU
April 2001	Preparation for Concluding Workshop
16-18 May 2001	Concluding Workshop
Mid Year 2001	Country data posted on ADB website
July 2001 onwards	Regular monthly submissions to ADB



Presentation of Compendium

Presentation of Compendium


- Various changes were made to the initial set of indicators
- Replacements, revisions or deletions
- Definitions
- More information

Problems and Issues

- No major problem
- Delays
- Seriousness



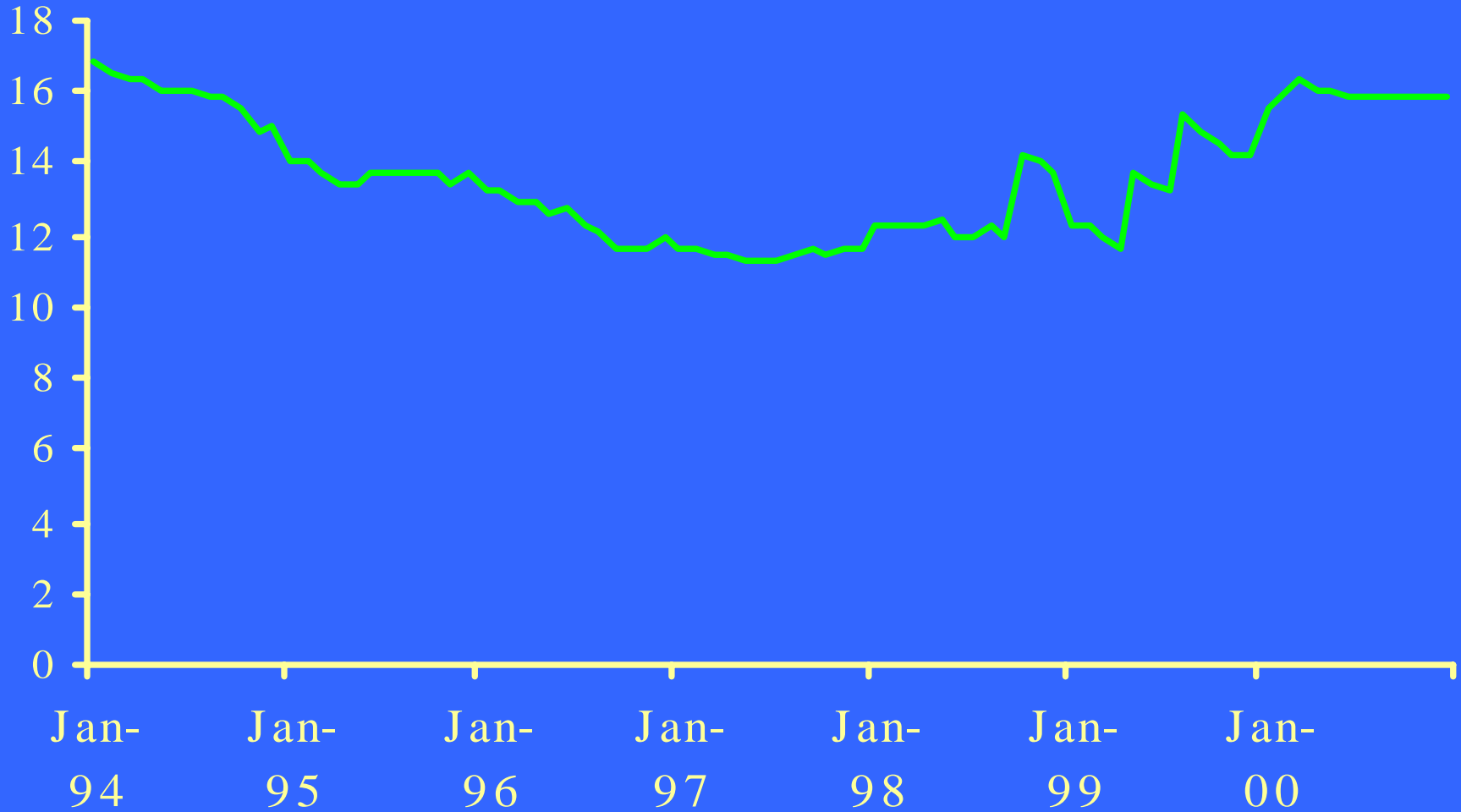
Interpretation and Analysis



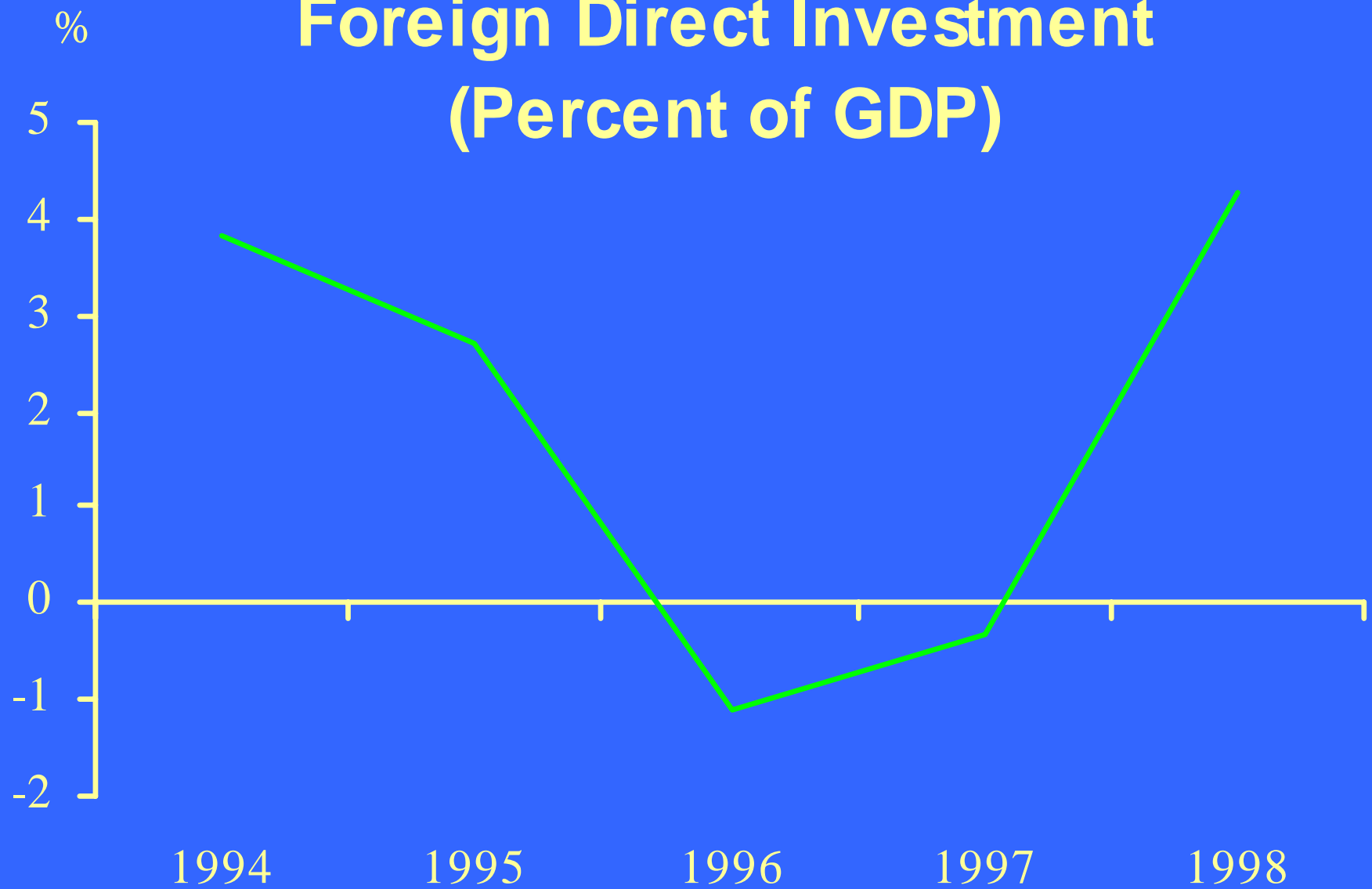
External Debt & Financial Flows

Total Debt (Percent of GDP)

Percent



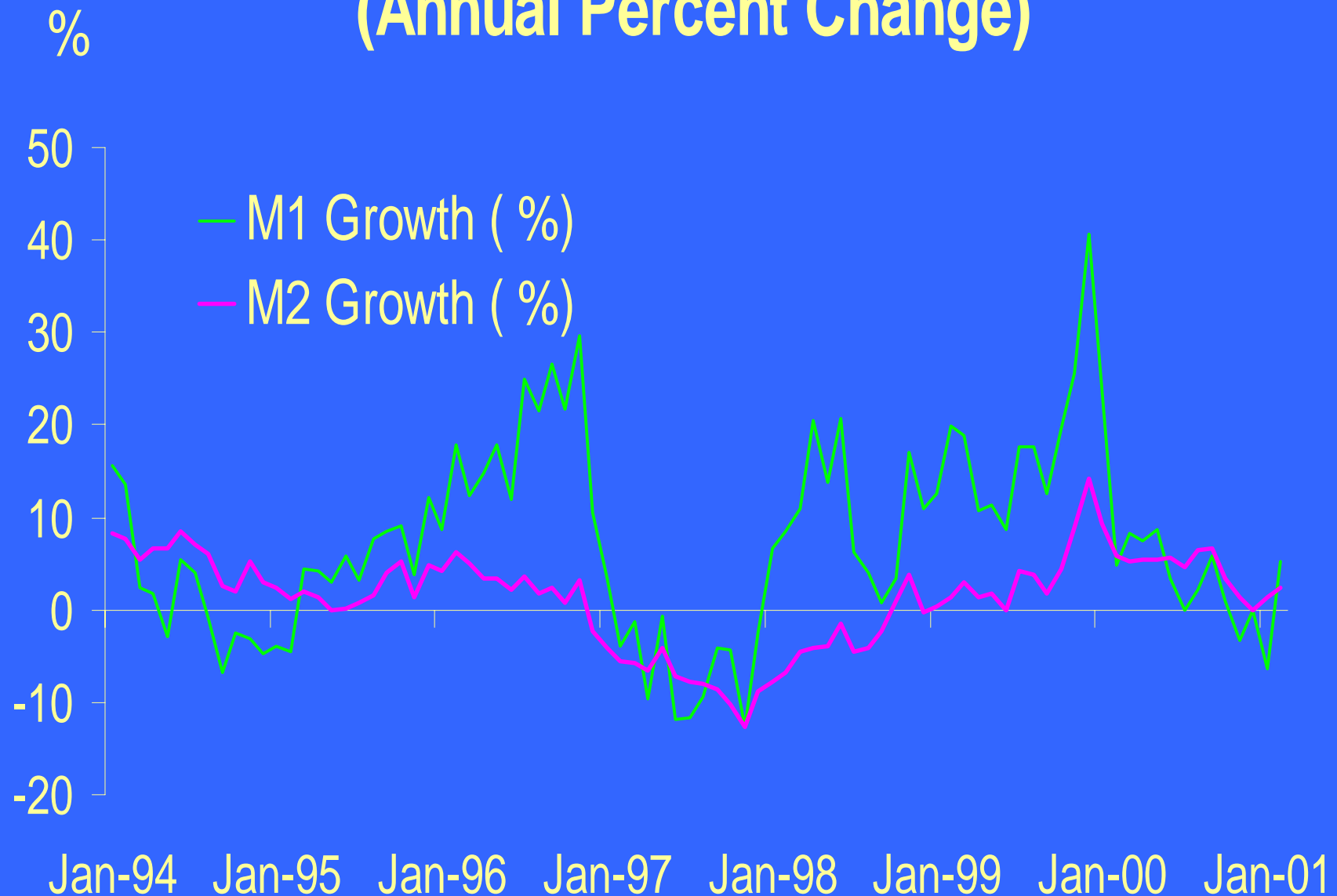
Foreign Direct Investment (Percent of GDP)



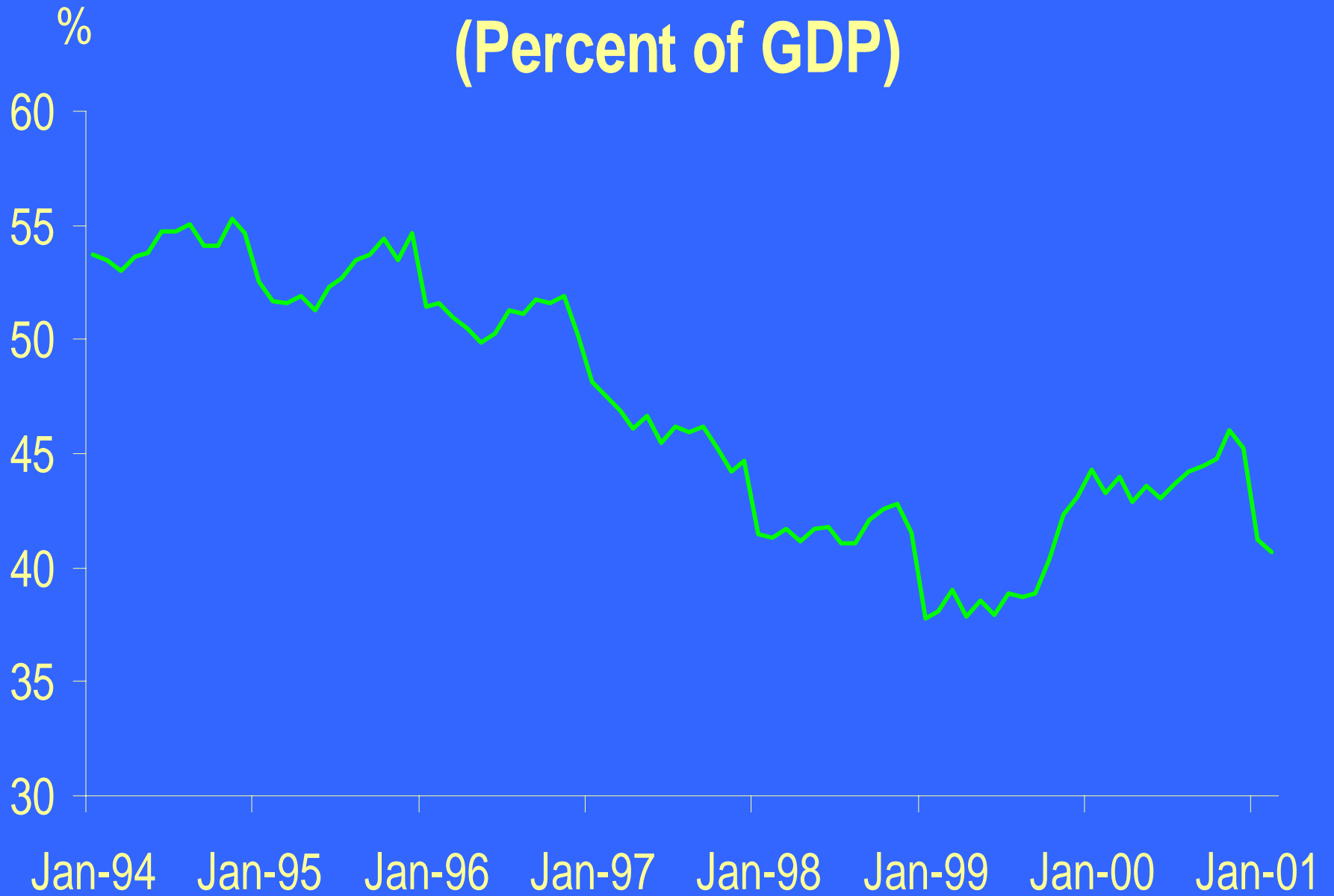


Money and Credit

NARROW (M1) and BROAD MONEY (M2) (Annual Percent Change)



Broad Money (Percent of GDP)

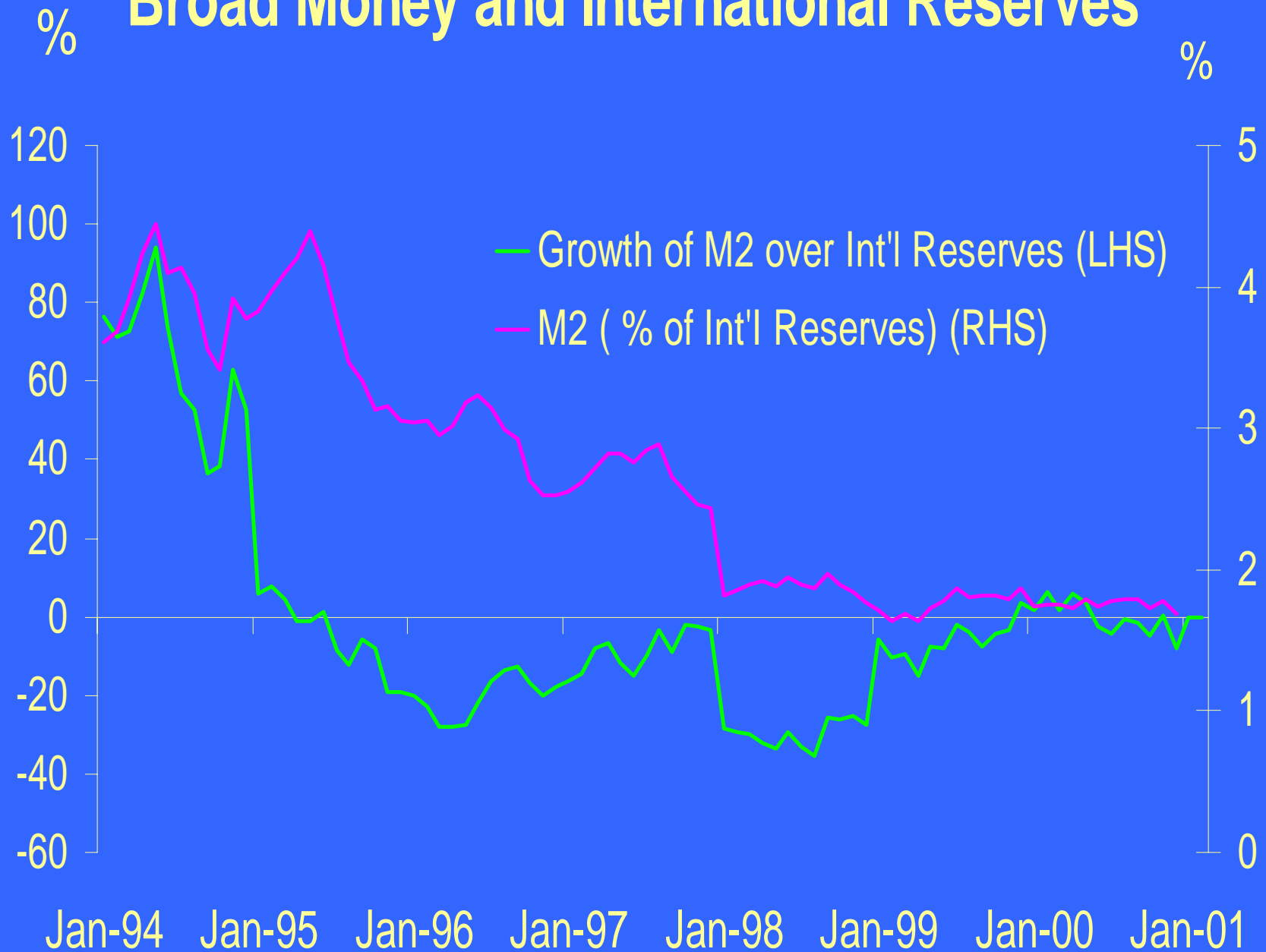


Money Multiplier Ratio

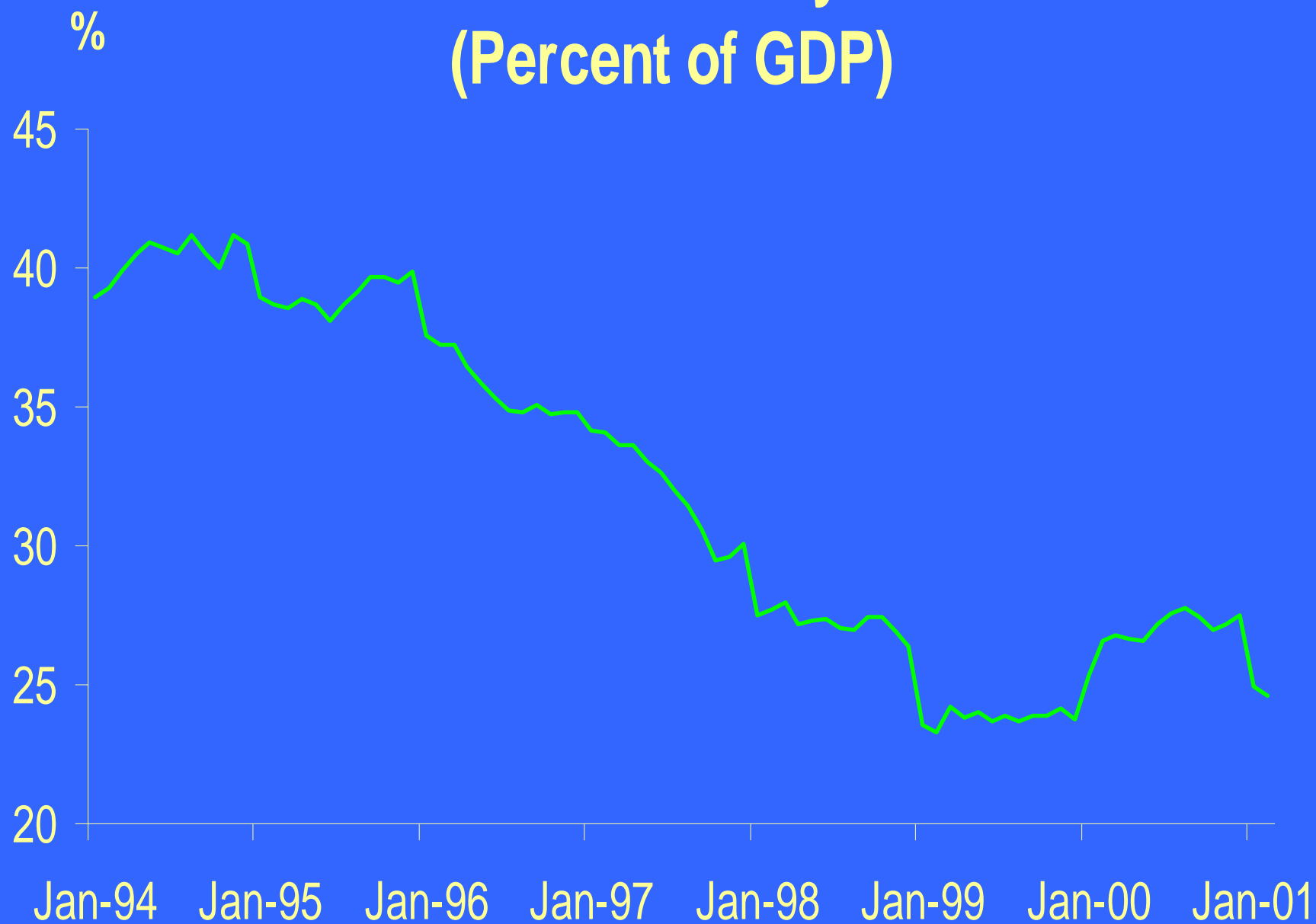
M2 / Money Base



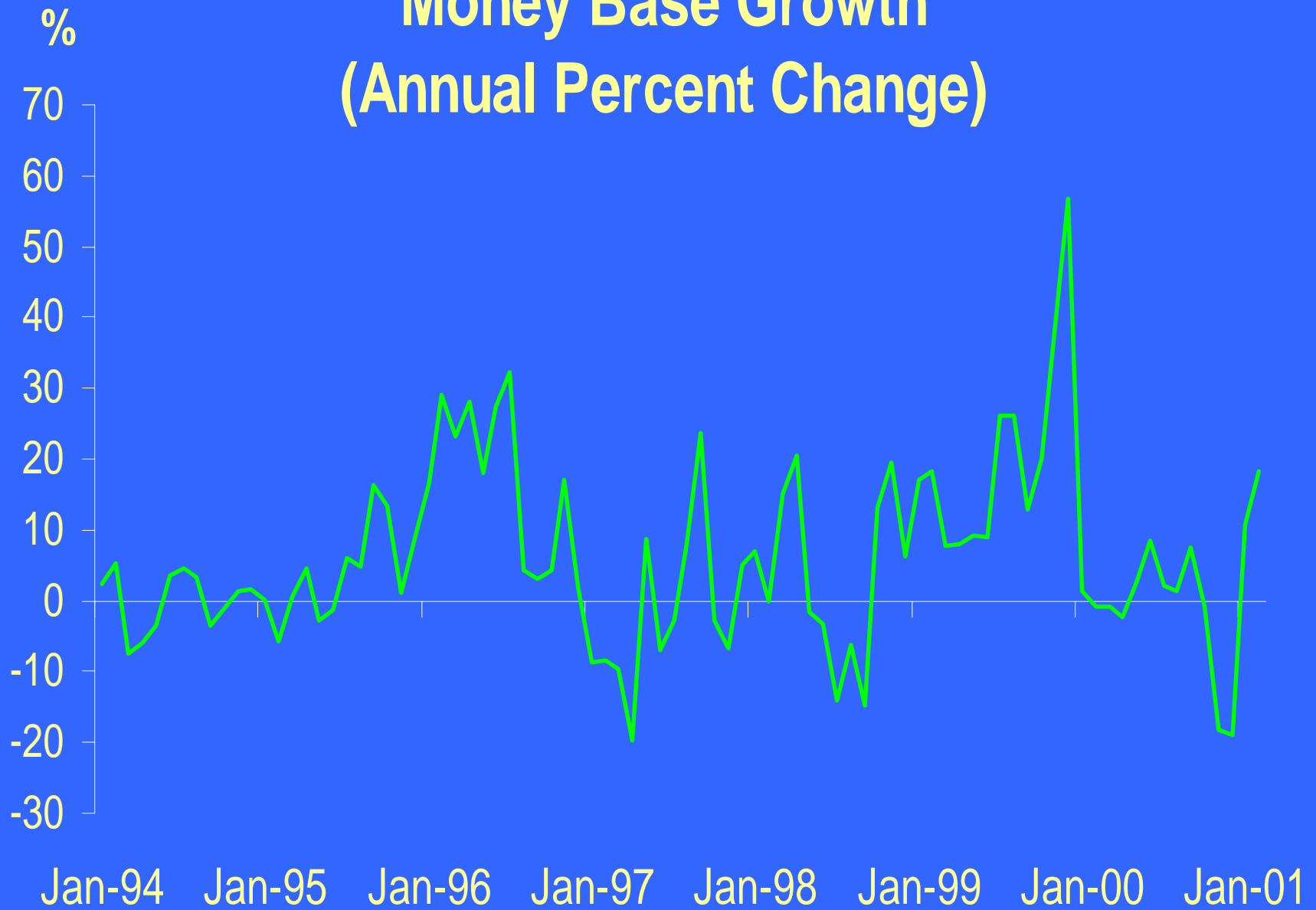
Broad Money and International Reserves



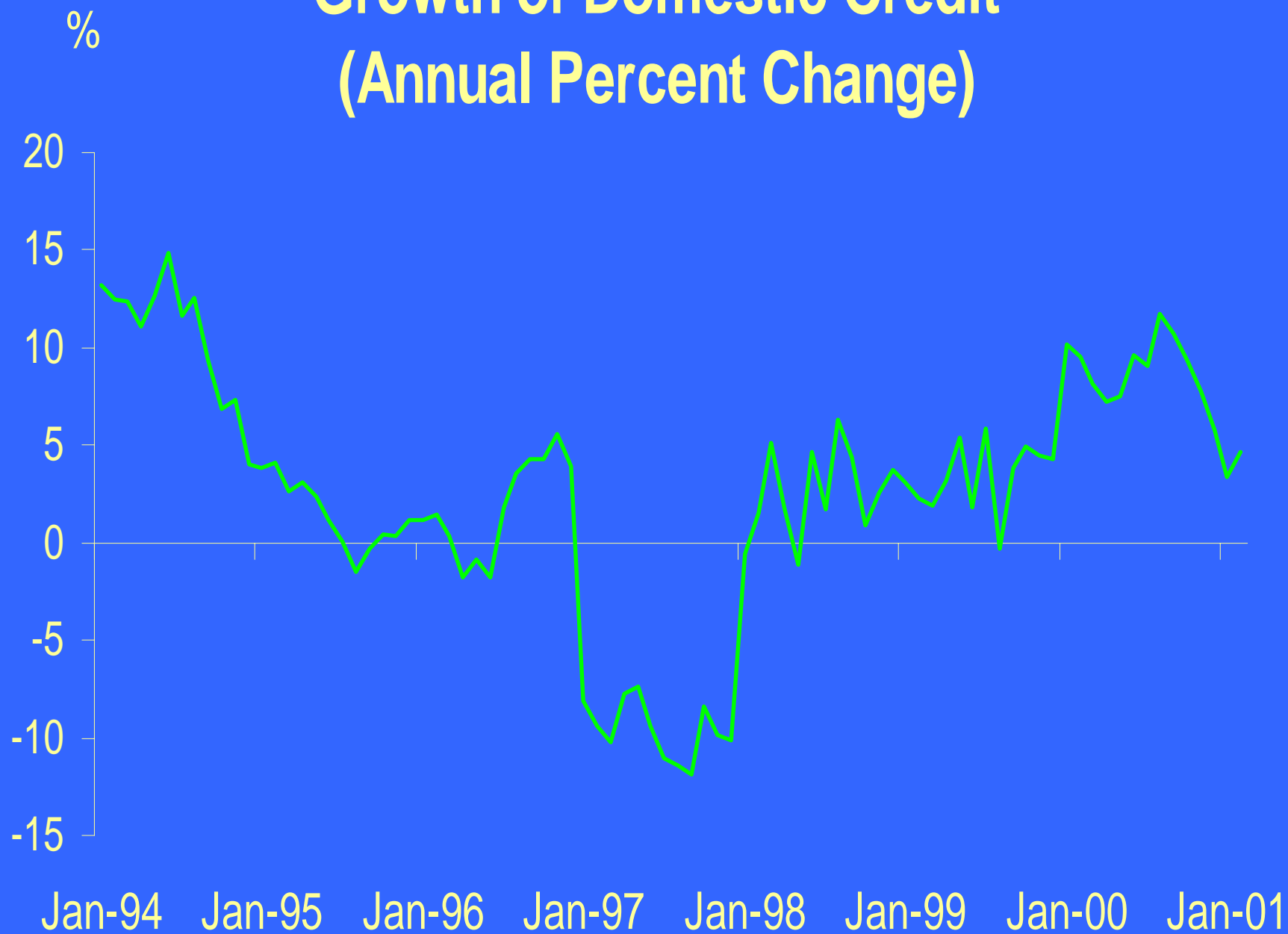
Quasi Money (Percent of GDP)



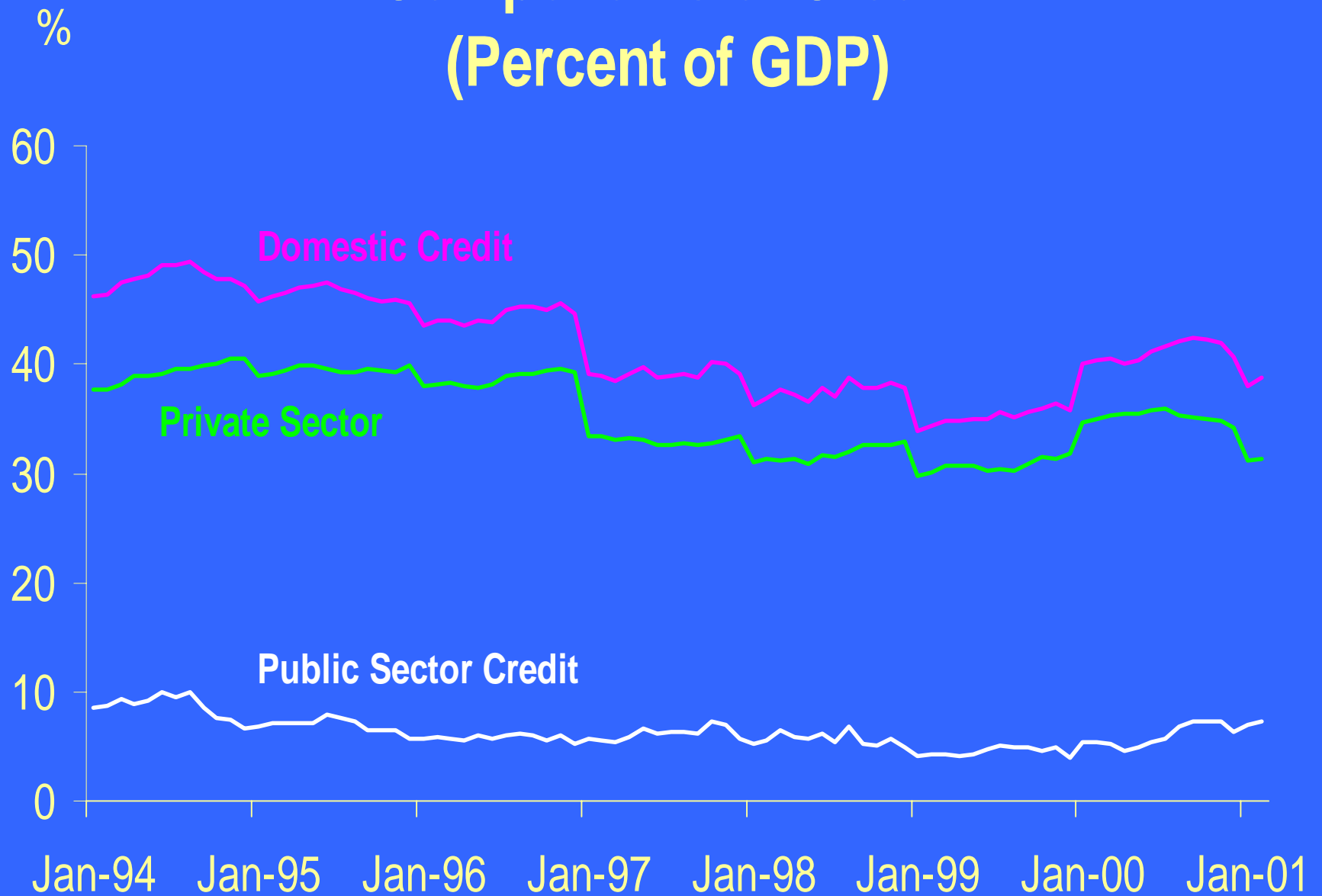
Money Base Growth (Annual Percent Change)



Growth of Domestic Credit (Annual Percent Change)

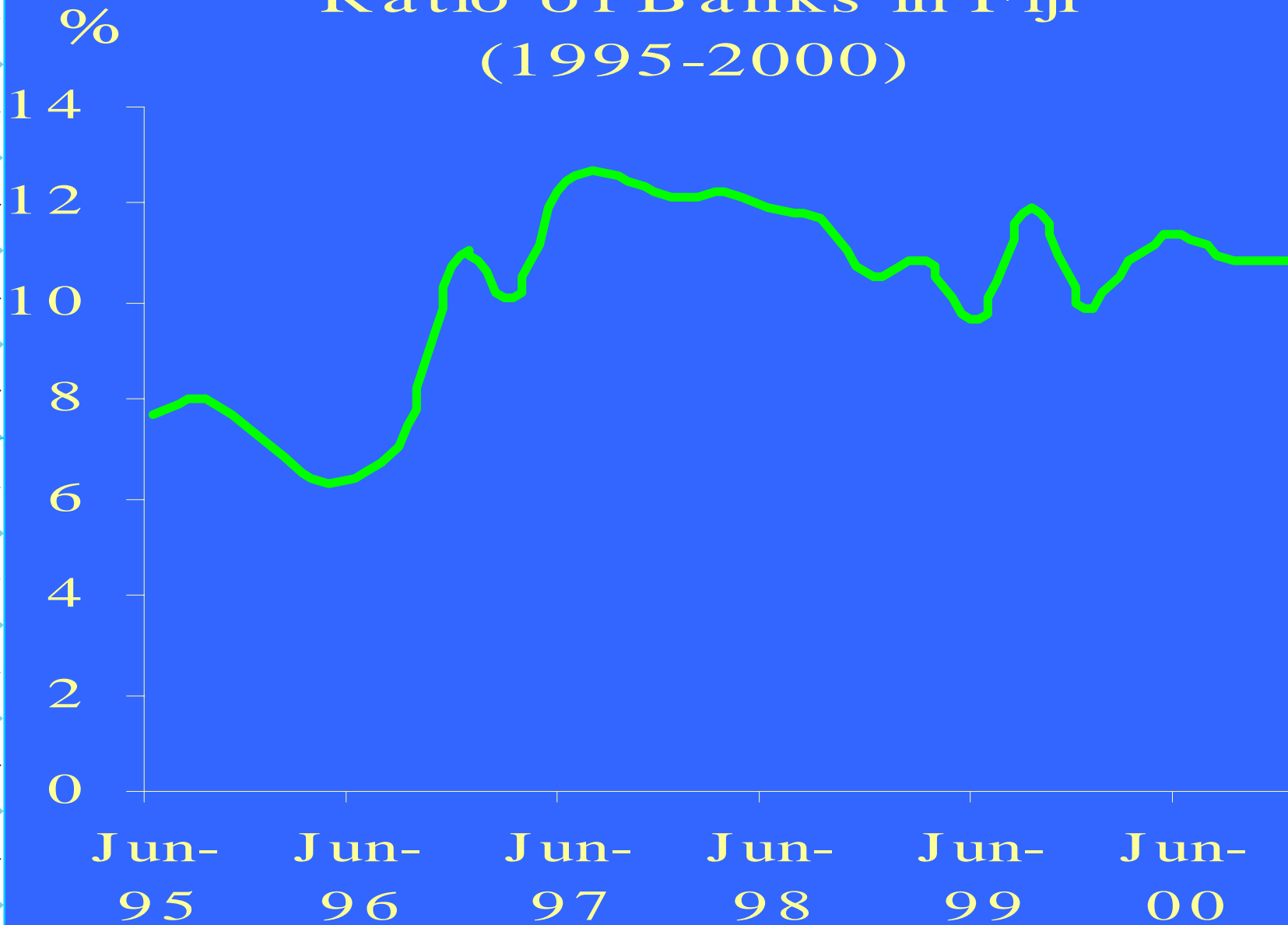


Components of Credit (Percent of GDP)

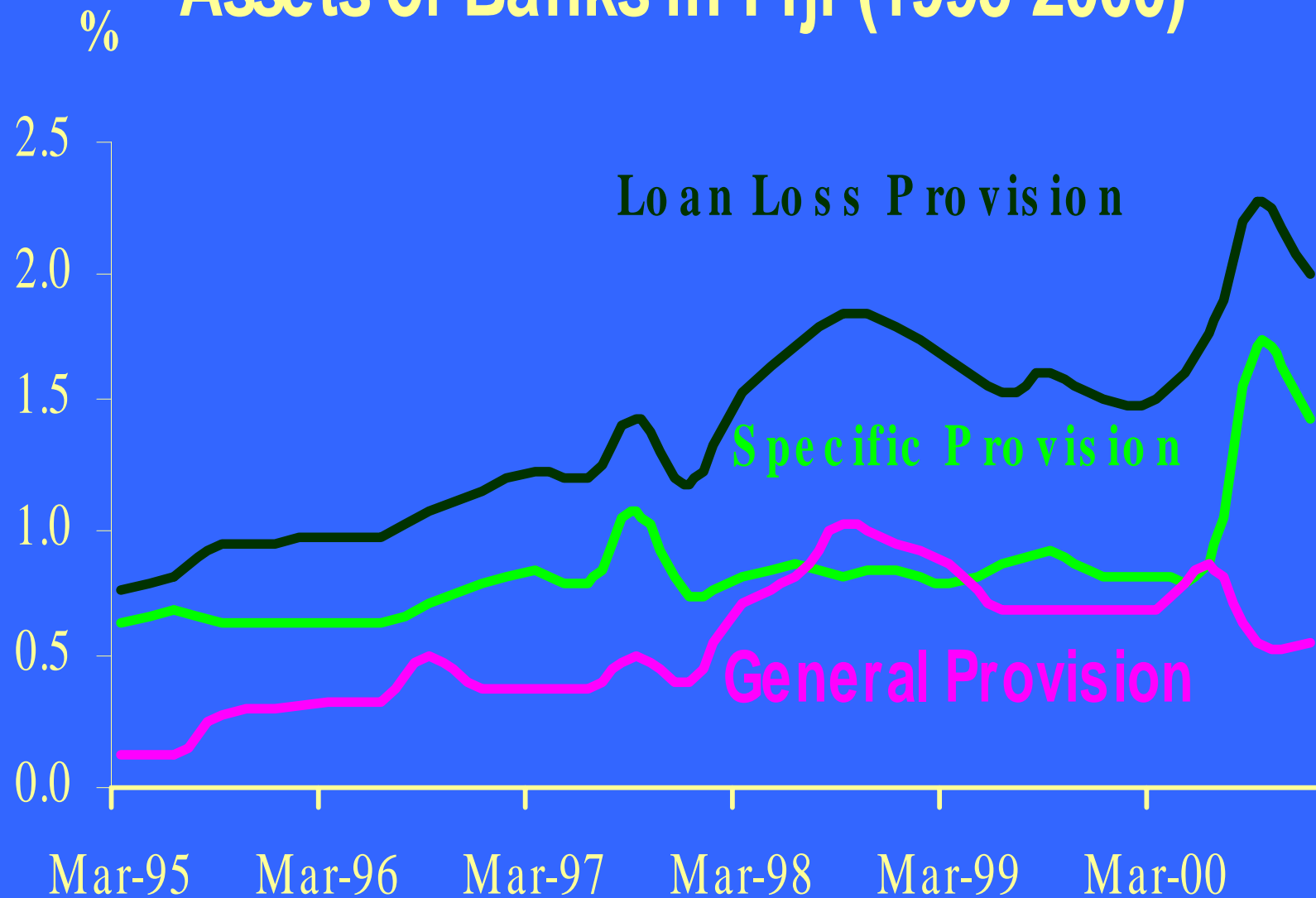


Banking

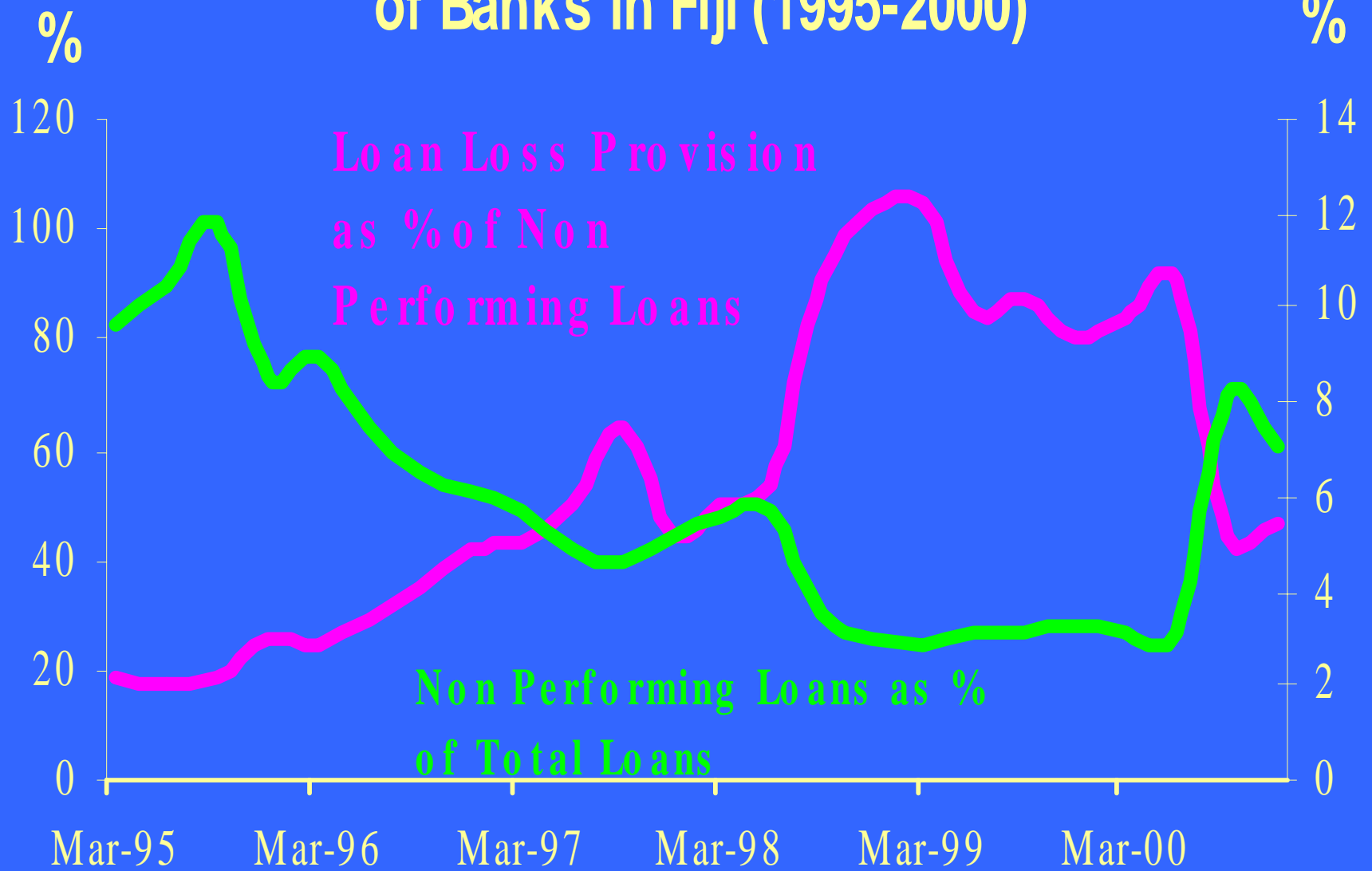
Average Capital Adequacy Ratio of Banks in Fiji (1995-2000)



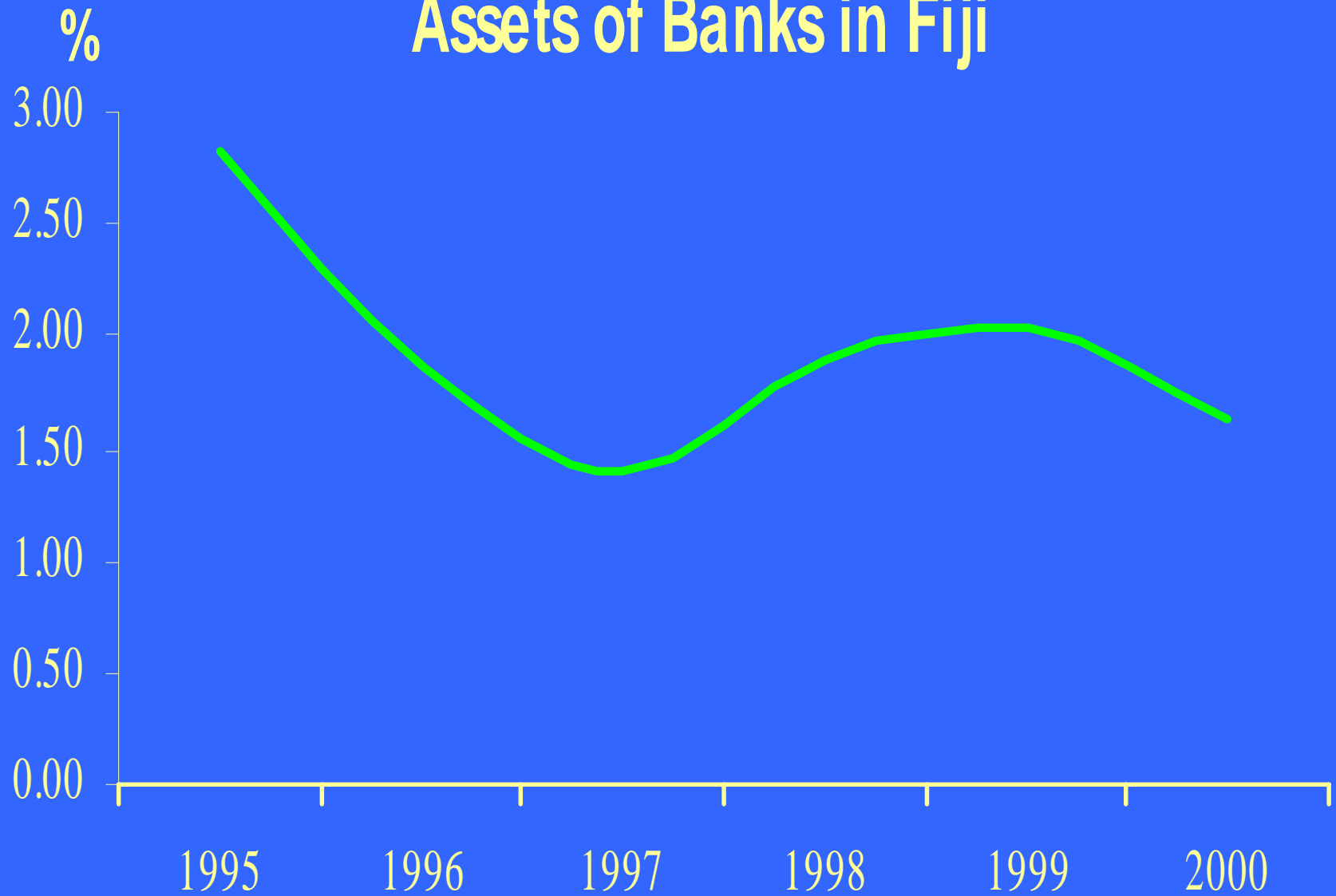
Provisions As Percentage of Total Assets of Banks in Fiji (1995-2000)



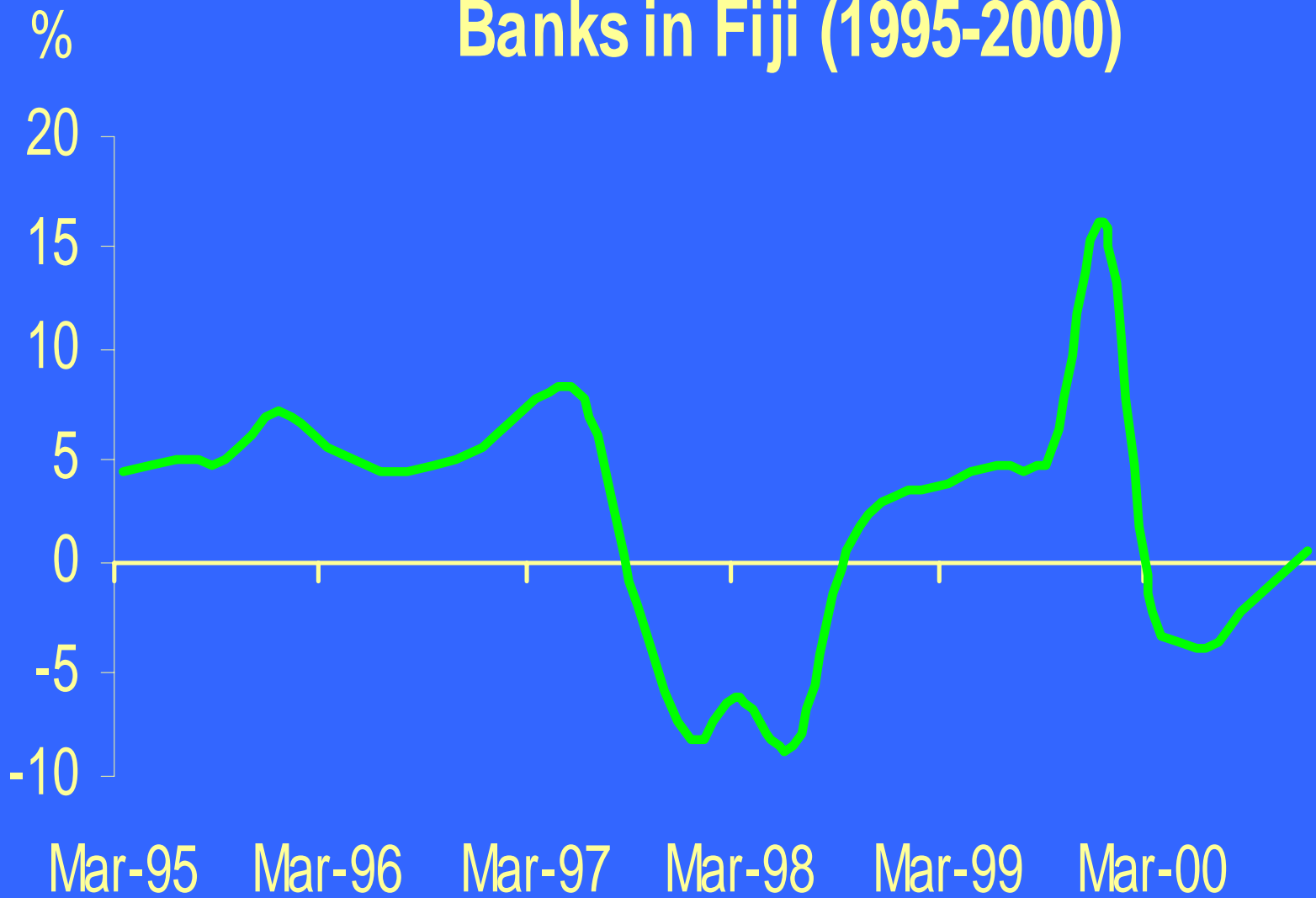
Loan Loss Provision & Non Performing Loans of Banks in Fiji (1995-2000)



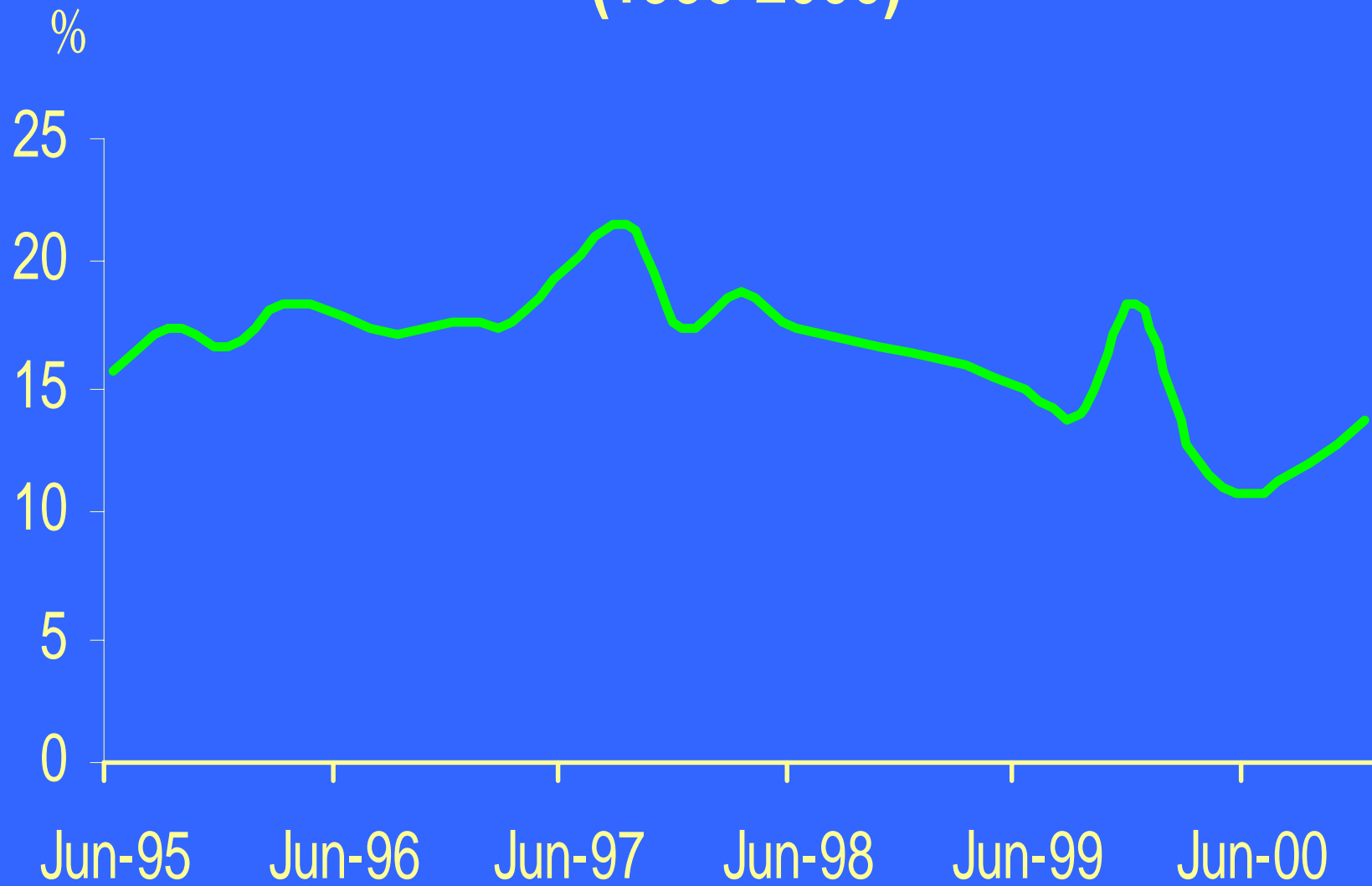
Net Profits As Percentage of Average Assets of Banks in Fiji



Average Growth Rates of Total Assets of Banks in Fiji (1995-2000)



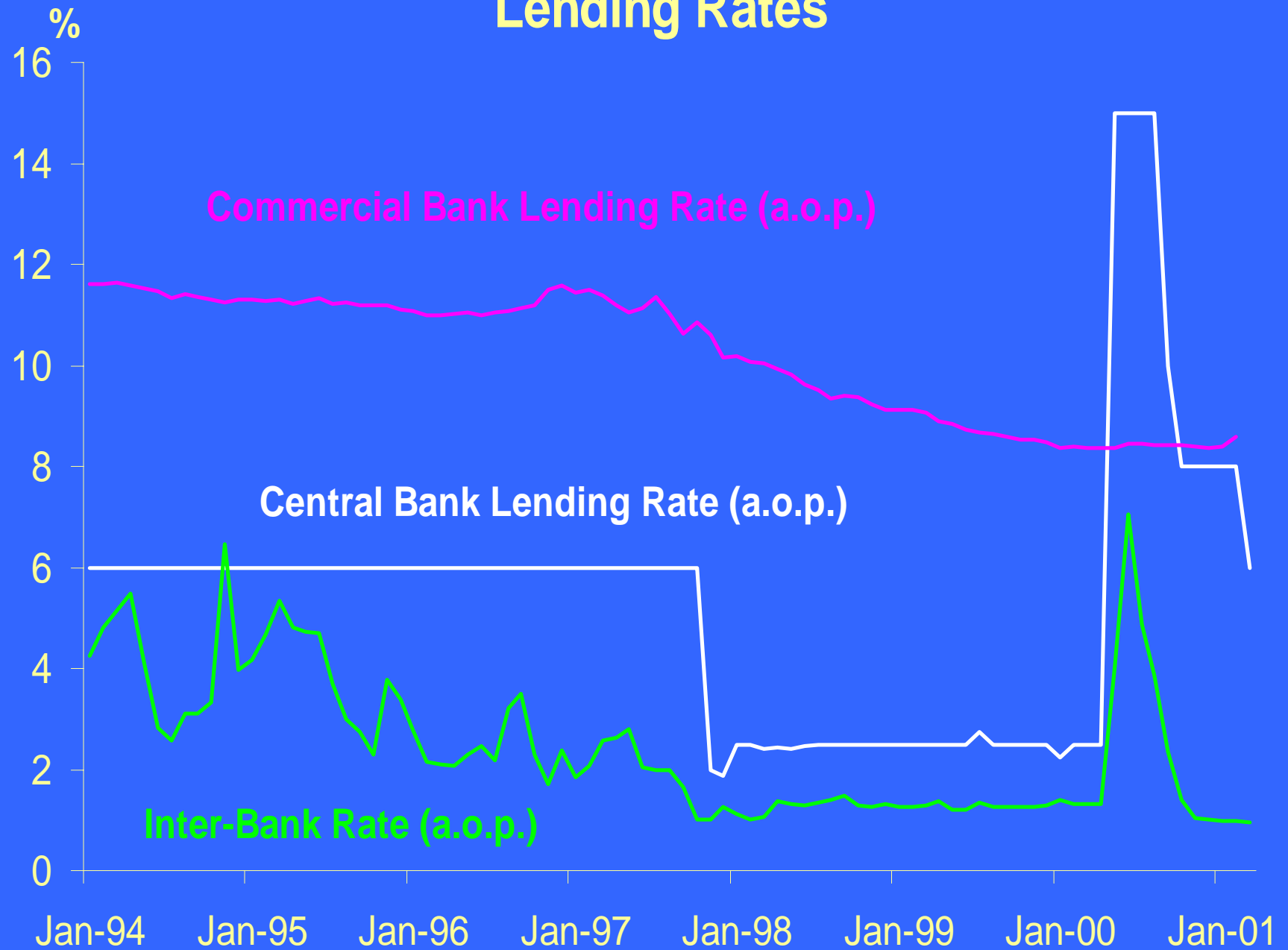
Average Liquidity Ratio of Banks in Fiji (1995-2000)





Interest Rates

Lending Rates



Time Deposit Rates

%

6

5

4

3

2

1

0

— Short-term(1 to <3 mos) Time Deposit Rates

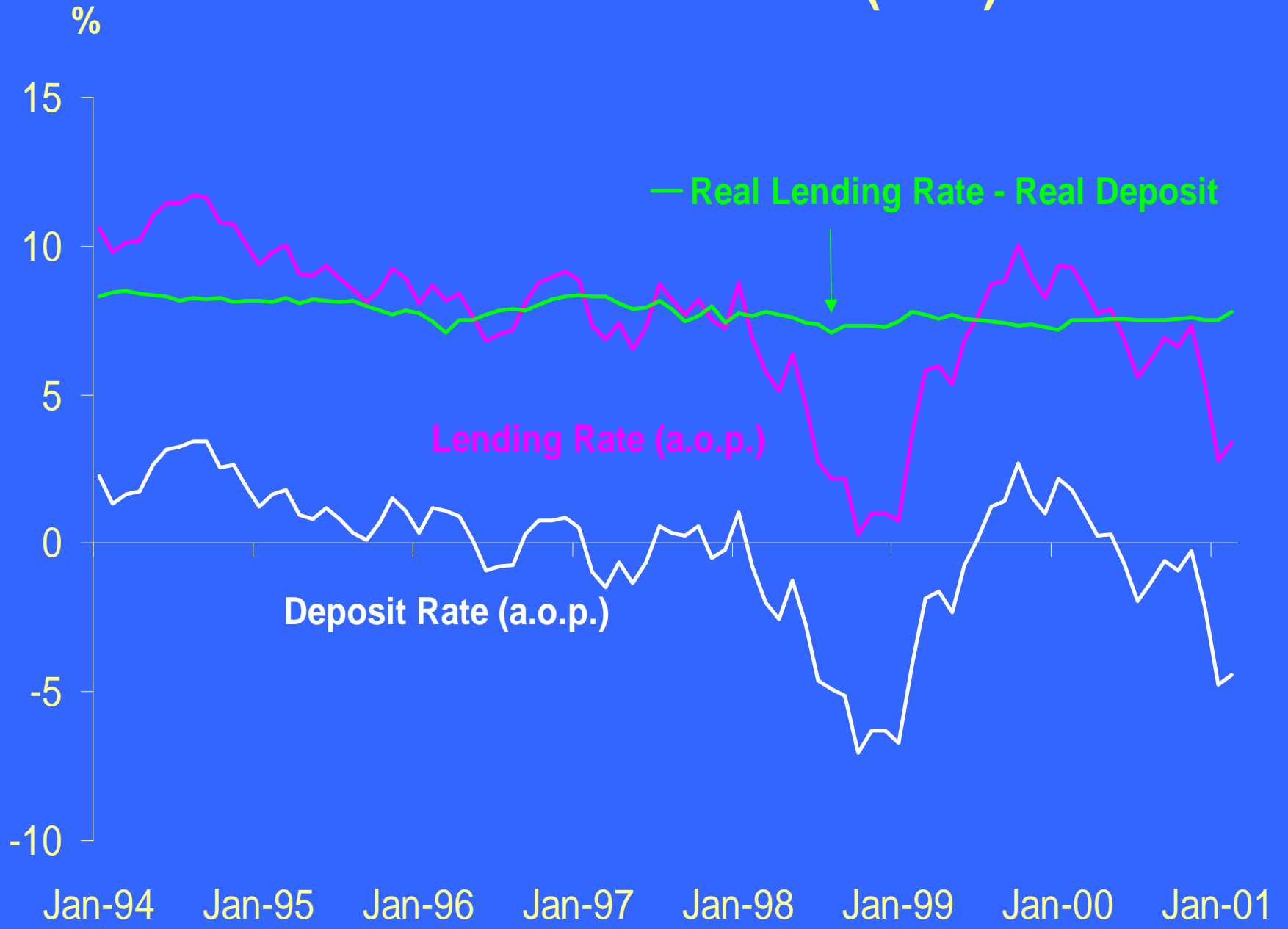
— Long-term(6 to <12 mos) Time Deposit Rates

Oct-97 Mar-98 Aug-98 Jan-99 Jun-99 Nov-99 Apr-00 Sep-00 Feb-01

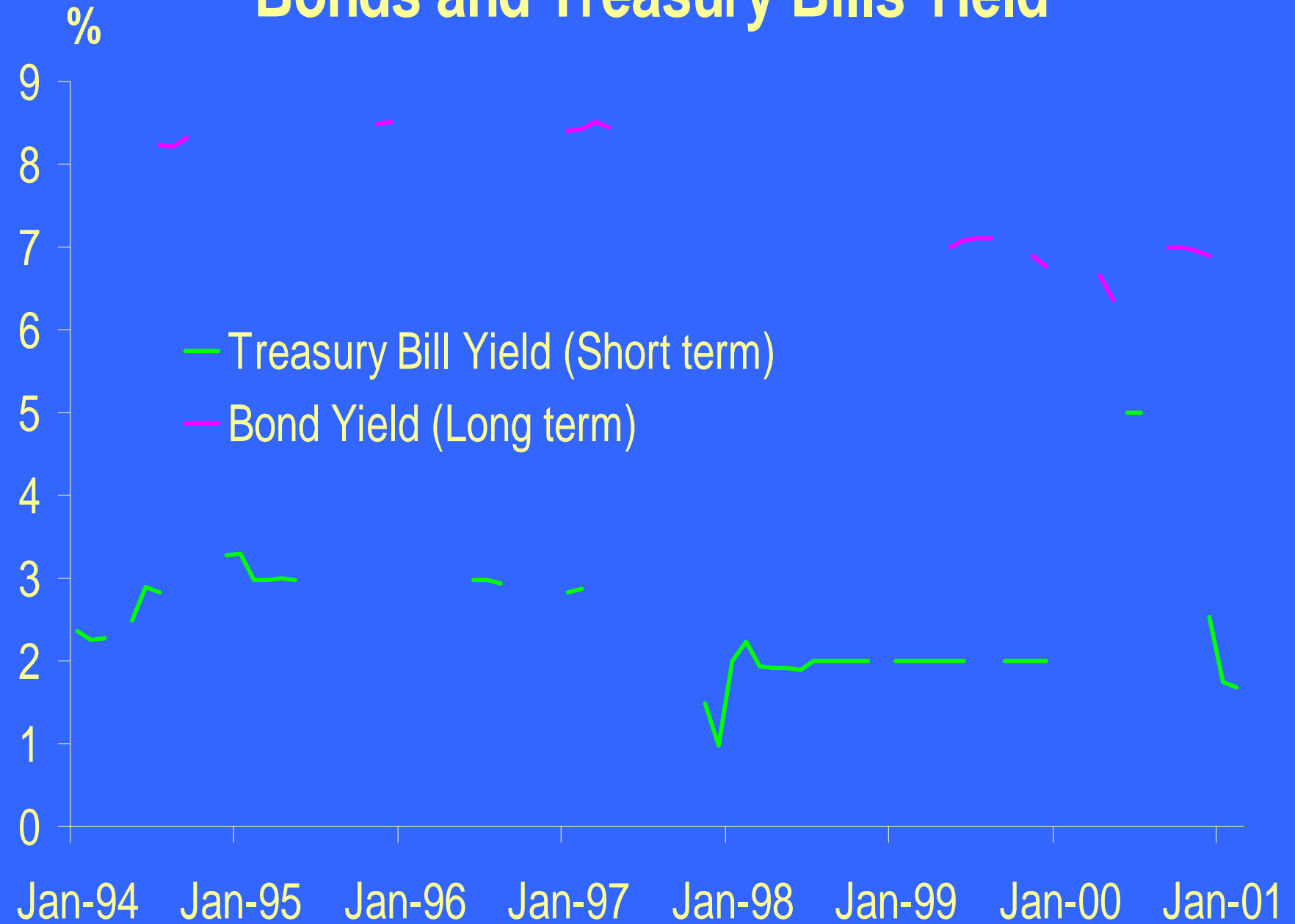
Reserve Bank of Fiji



Commercial Bank Rates (Real)



Bonds and Treasury Bills Yield



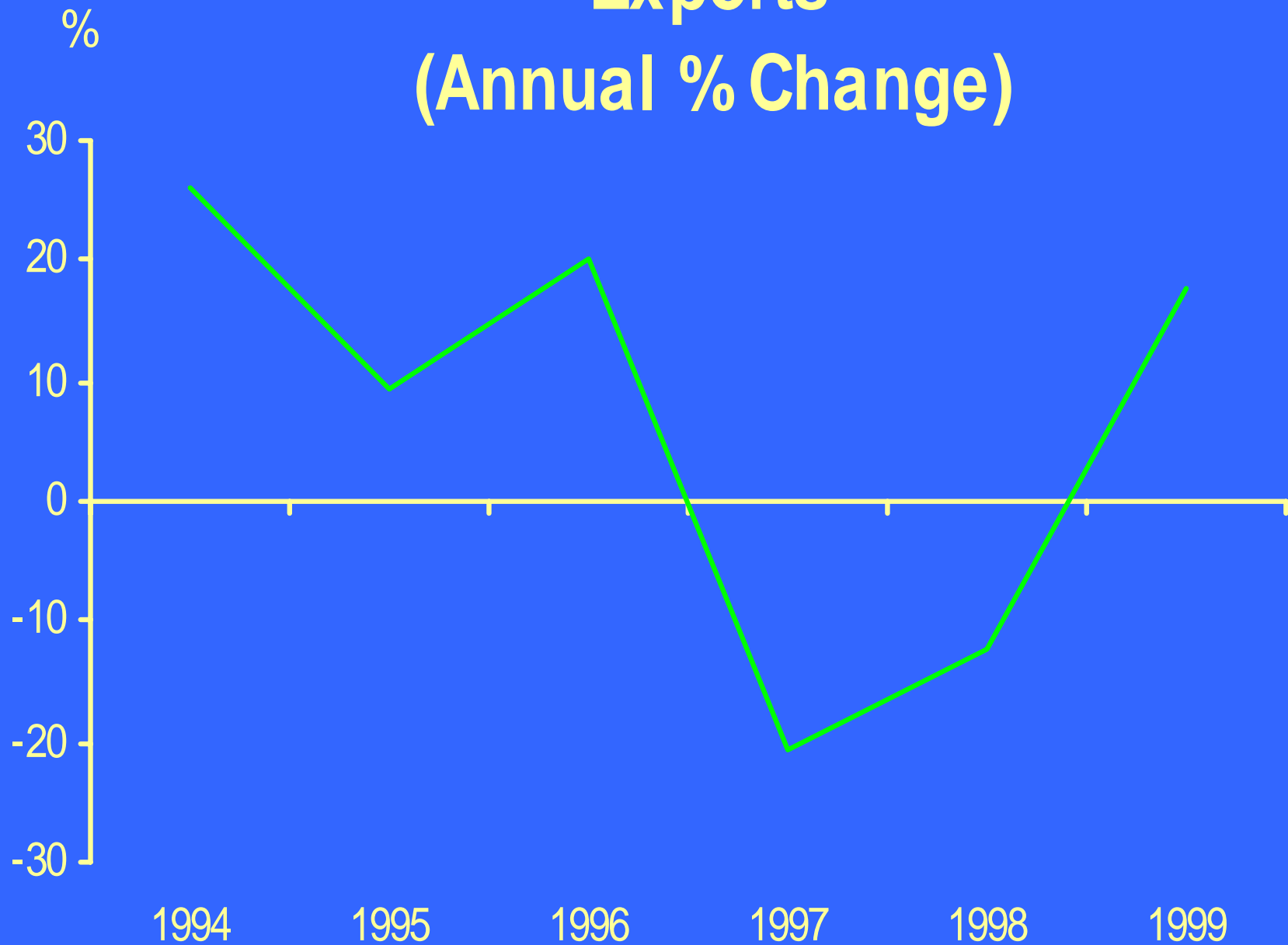


Stock Markets and Bonds

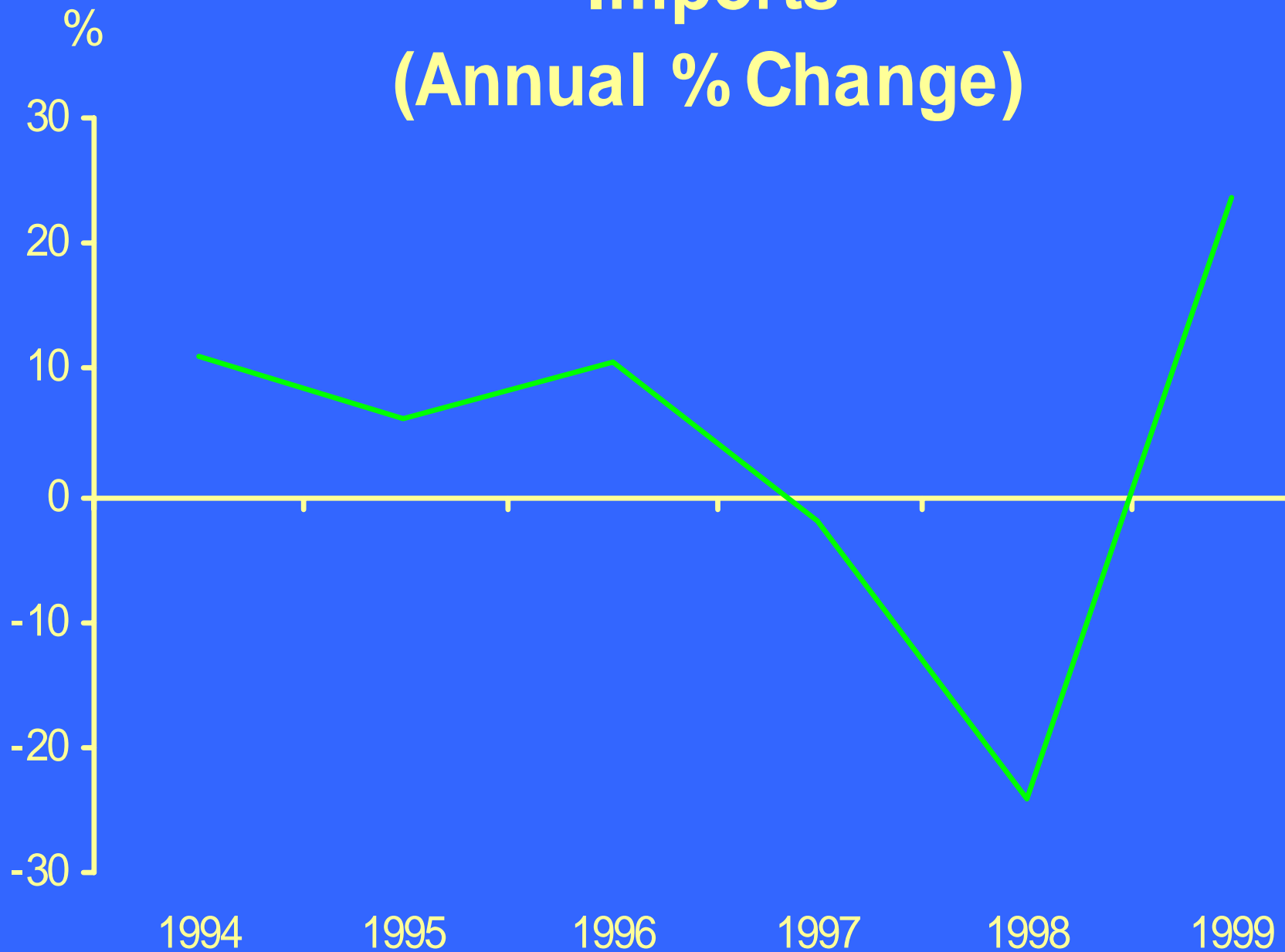


Trade, Exchange and International Reserves

Exports (Annual % Change)

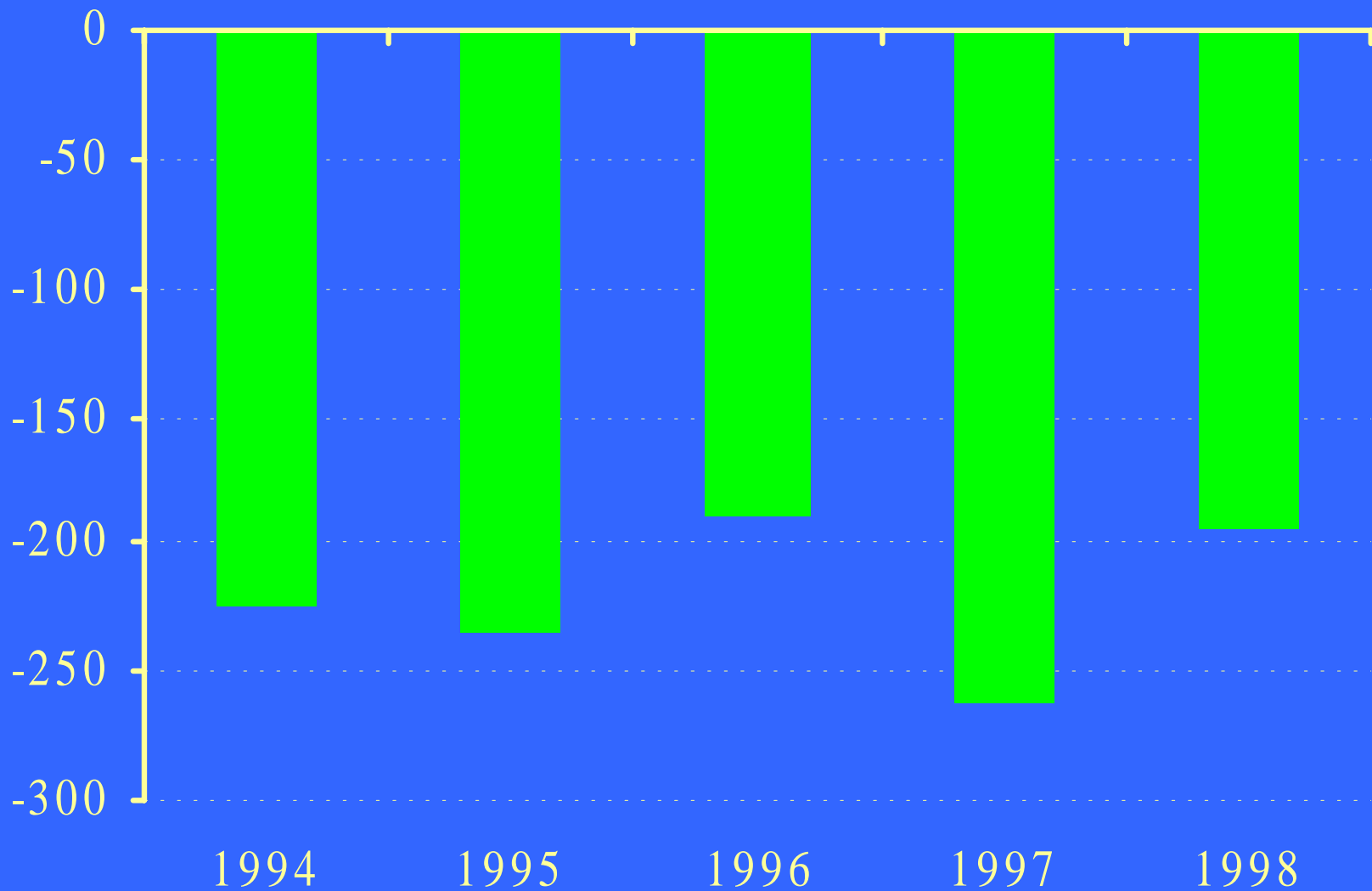


Imports (Annual % Change)



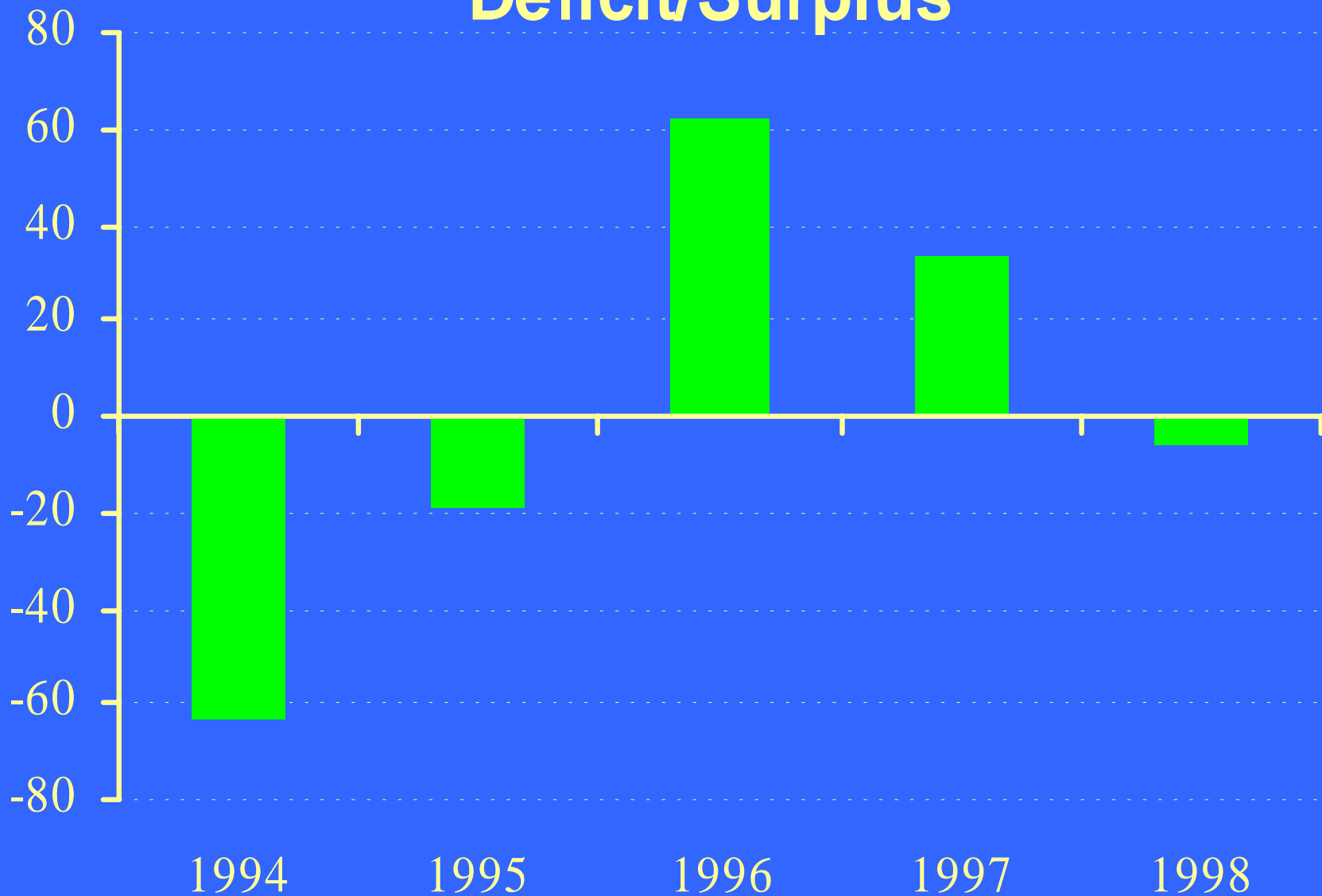
Trade Balance (US \$M)

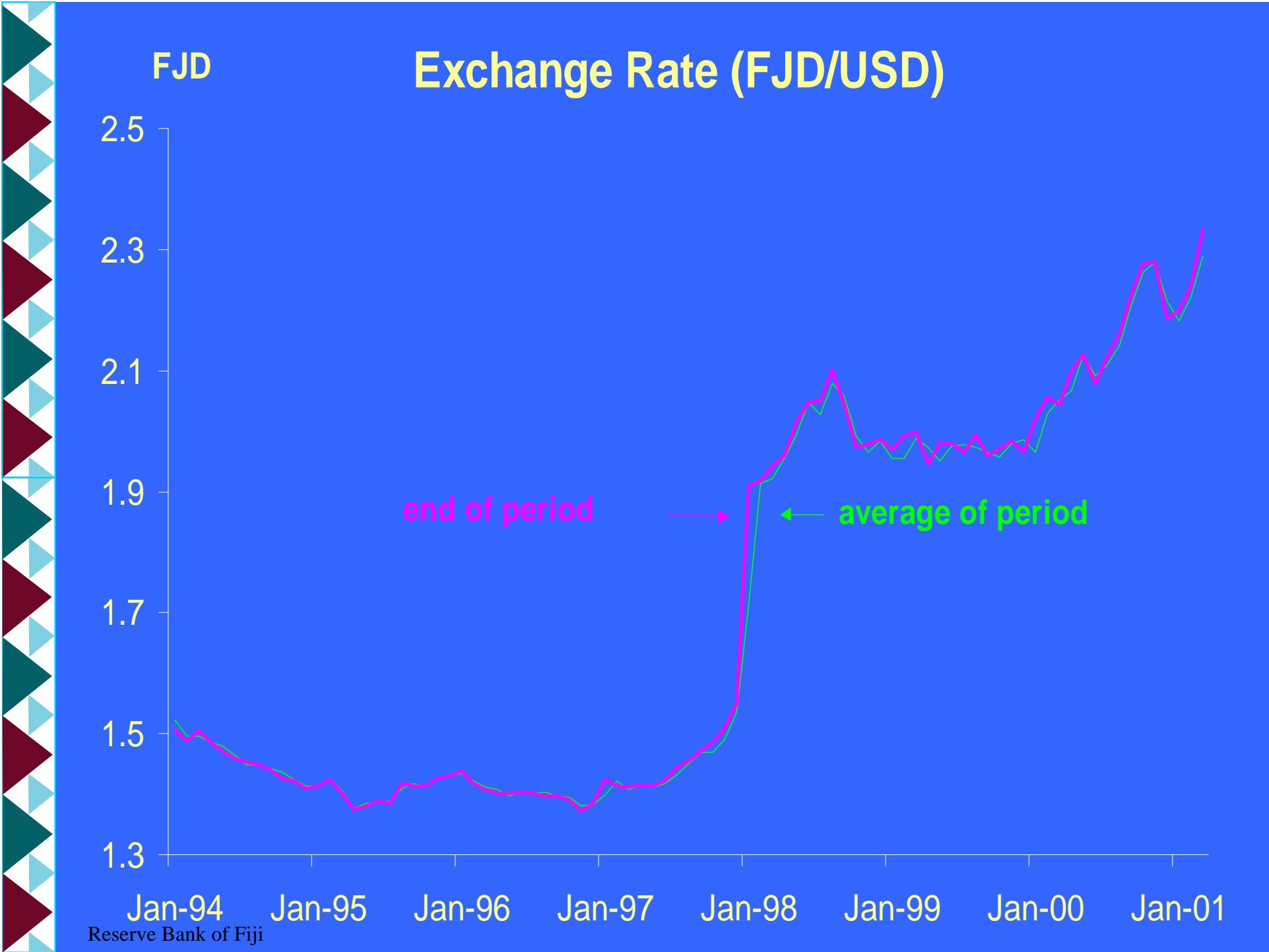
US \$M



Current Account Deficit/Surplus

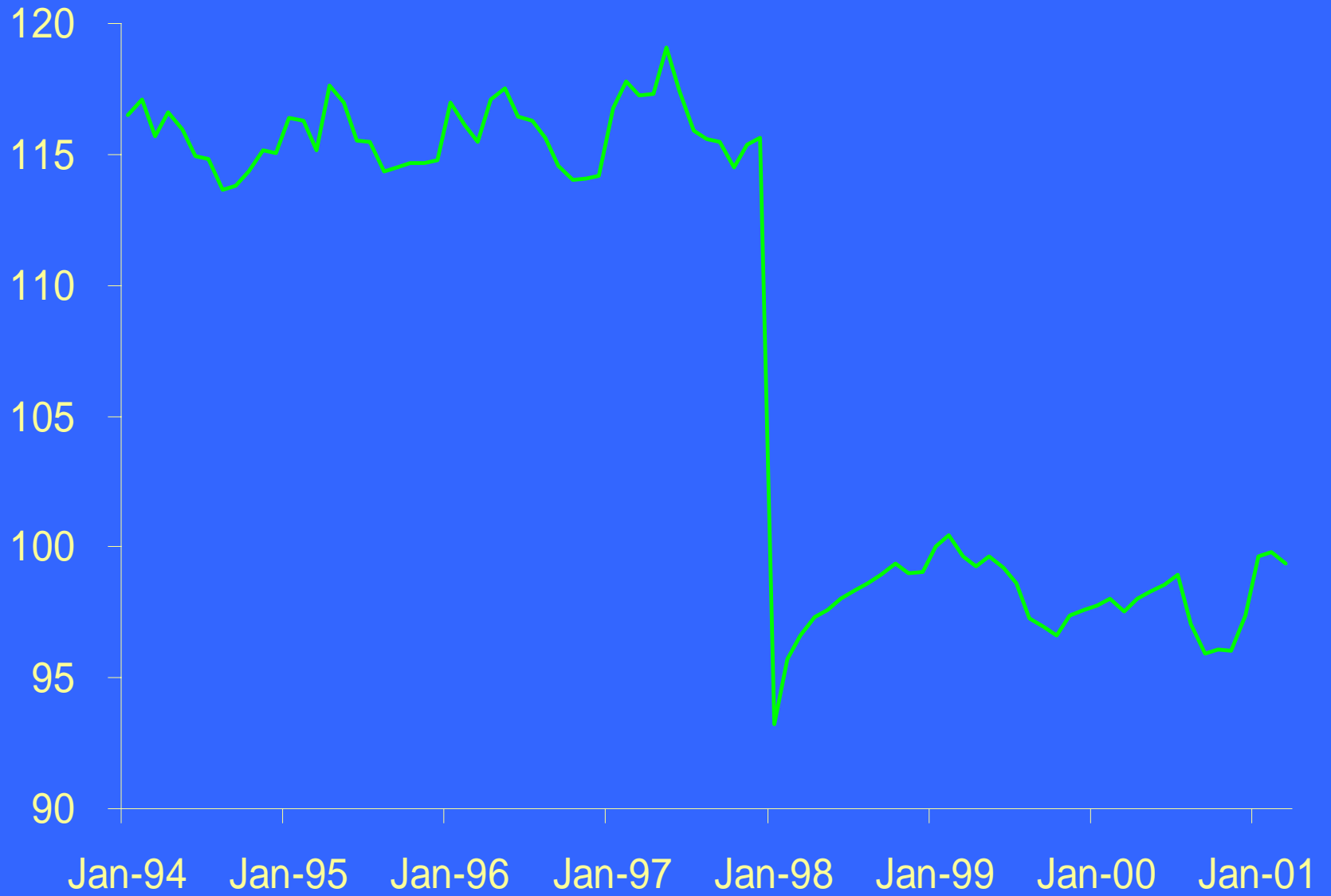
US \$ M



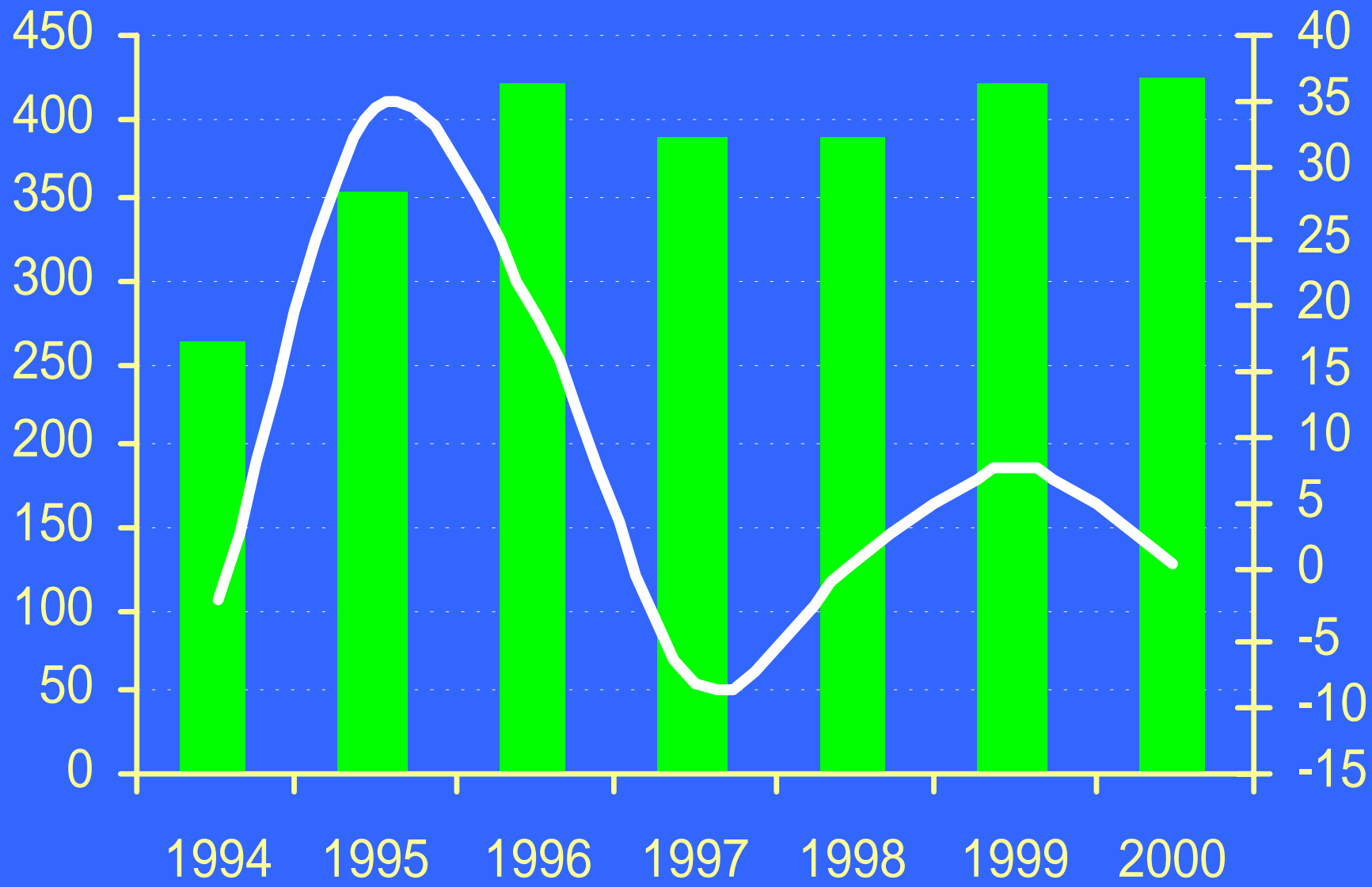


Real Effective Exchange Rate Index

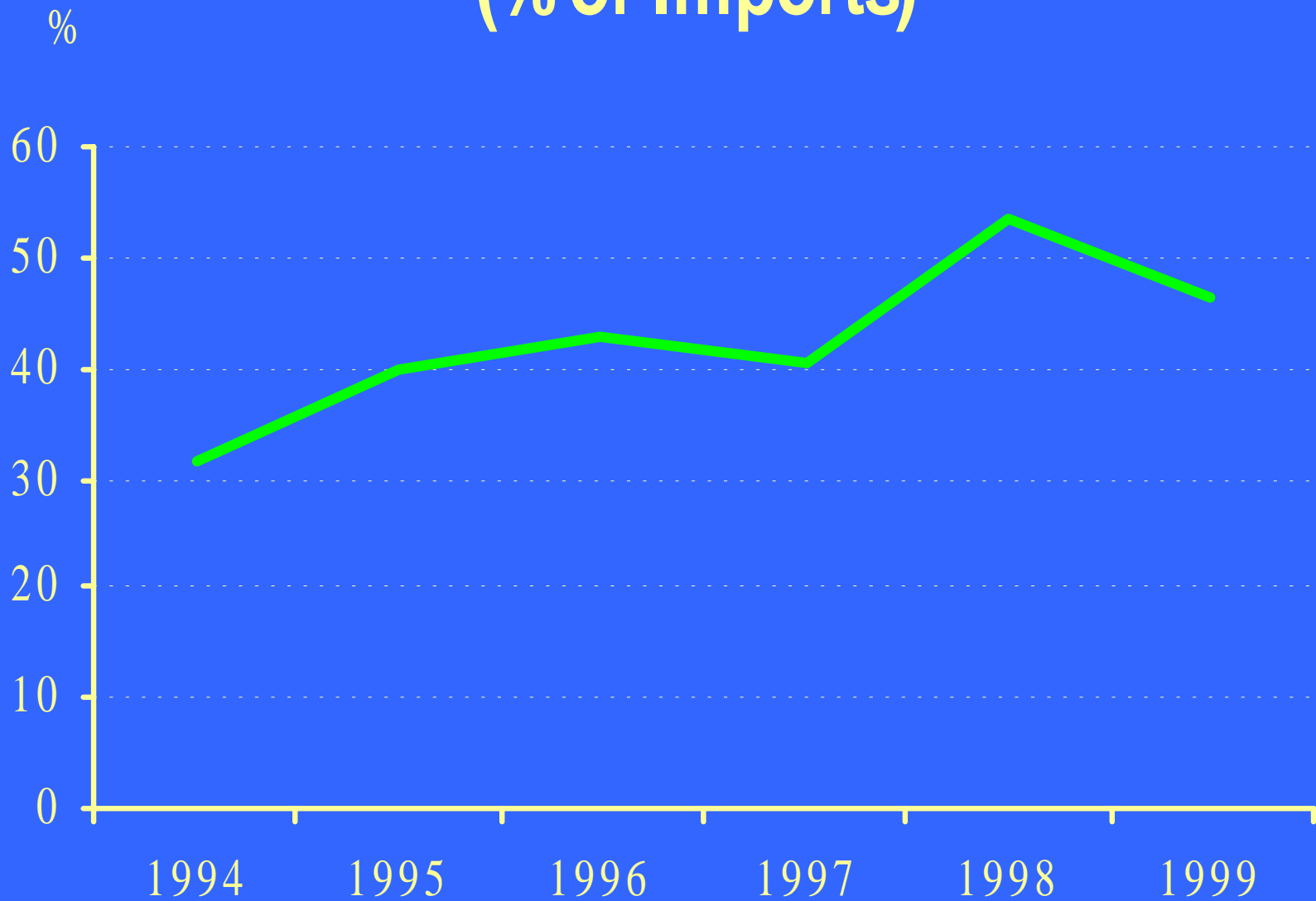
Index



US \$ M International Reserves (US \$M) %



International Reserves (% of Imports)

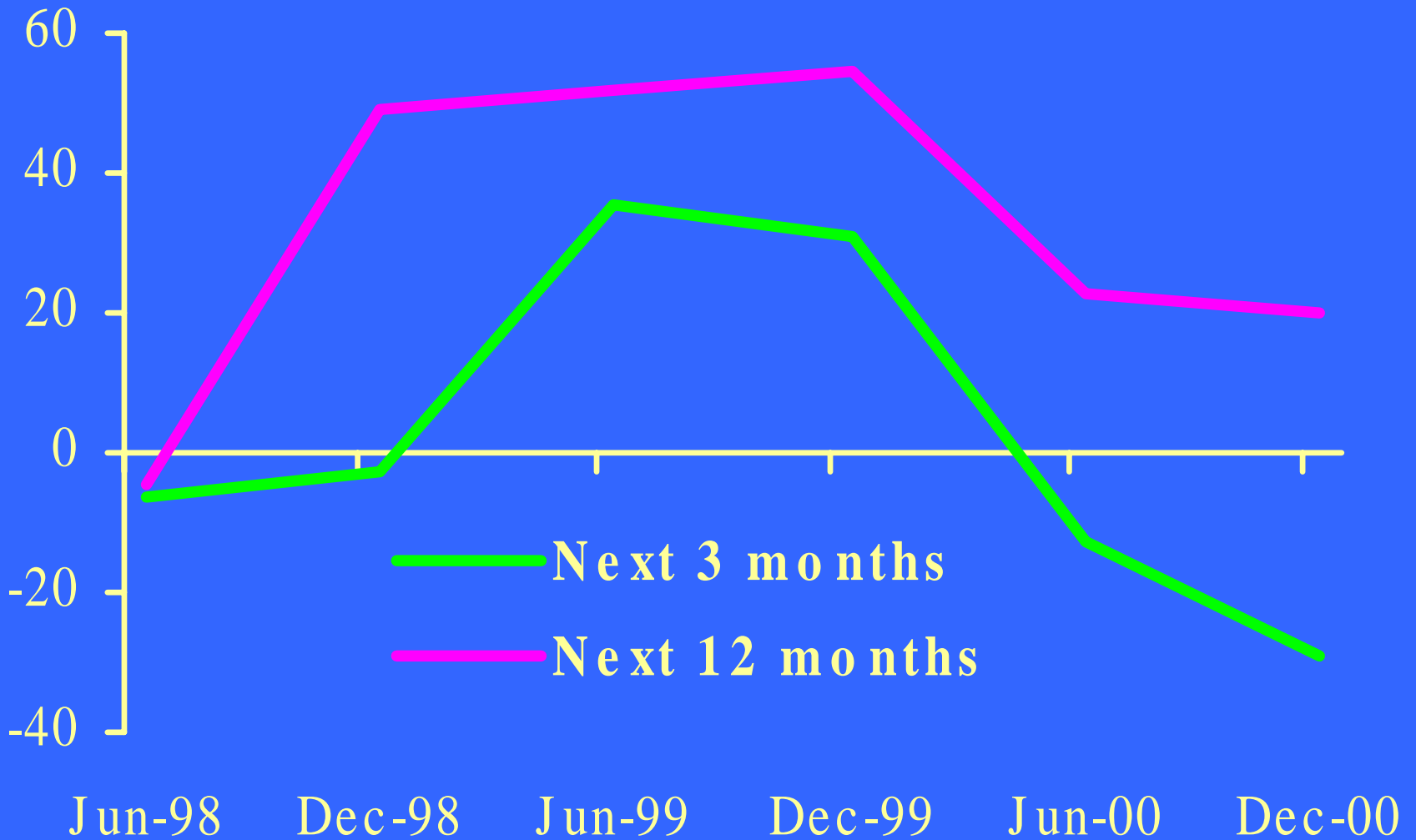




Business Survey Data

General Business Conditions

Net %
change

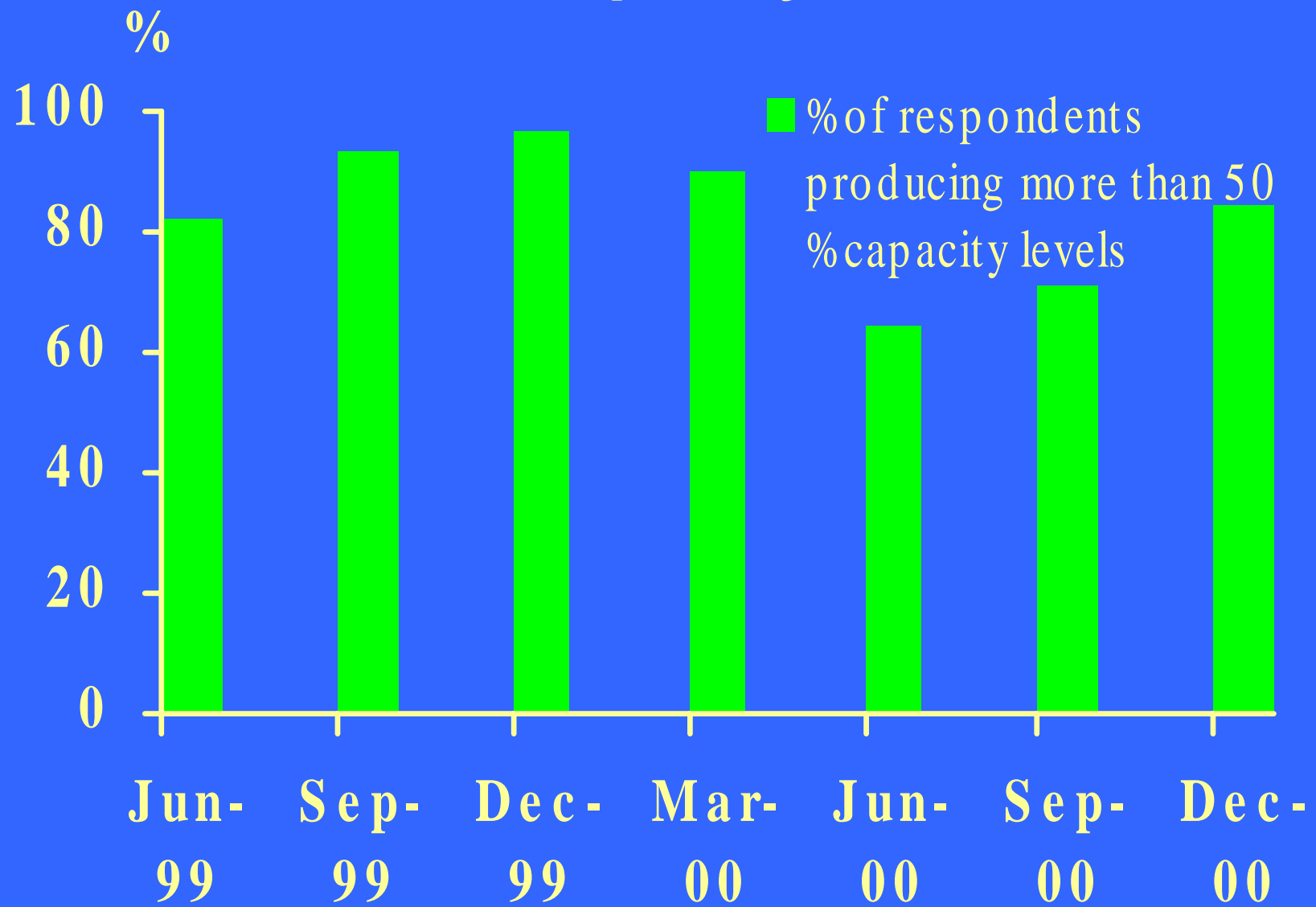


Production Turnover

Net %
change

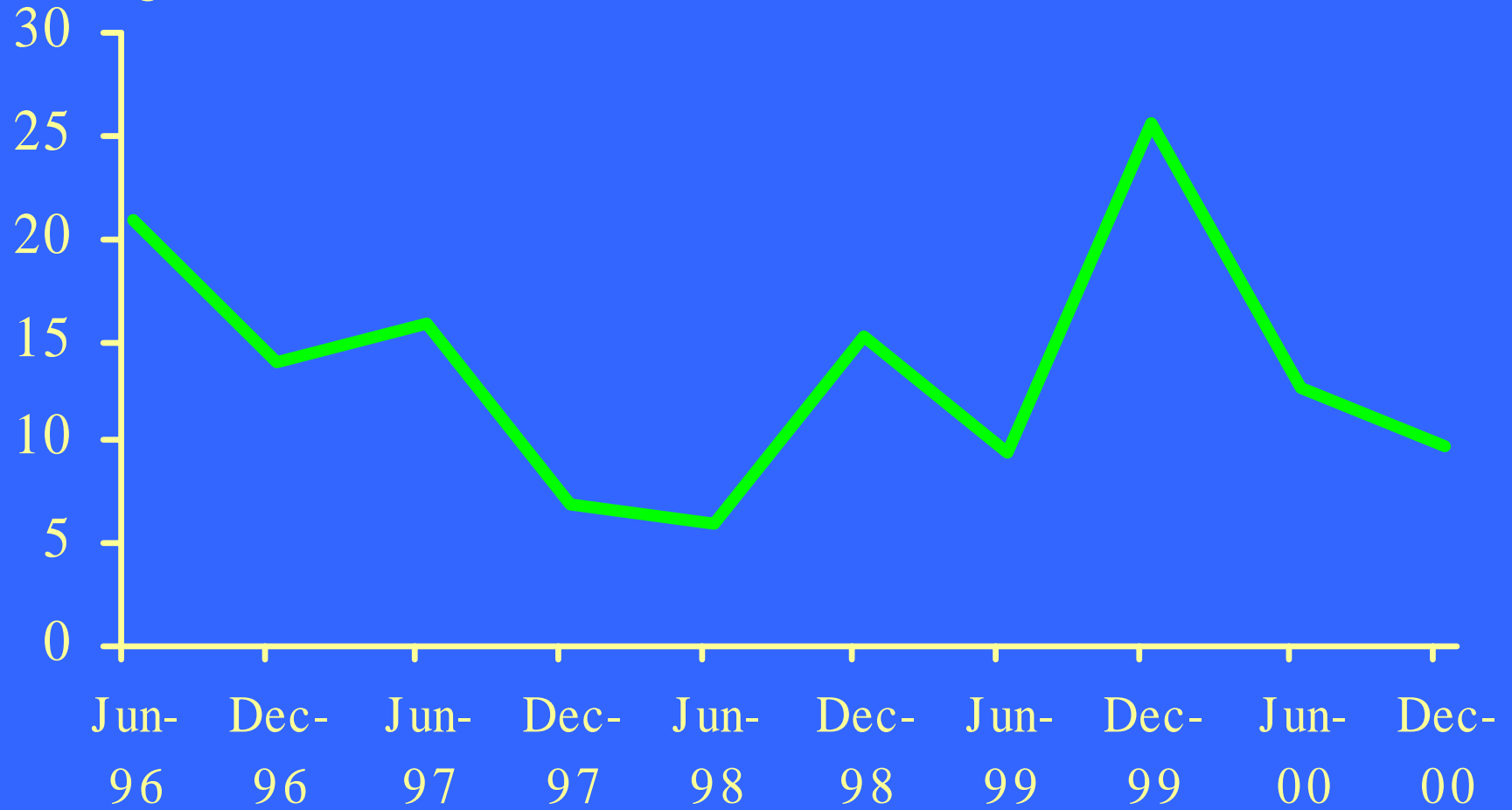


Current Capacity Utilisation

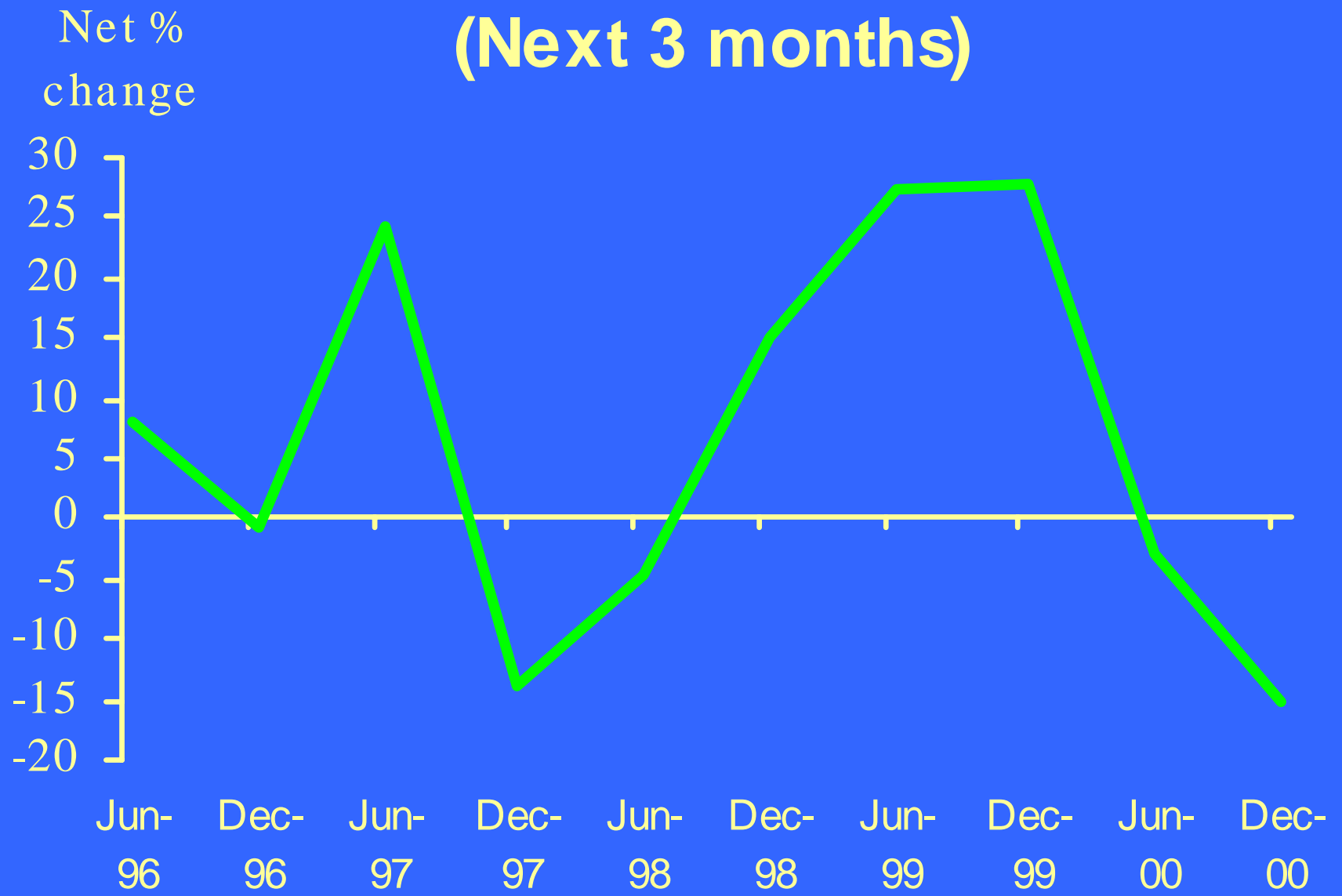


Borrowing Requirements (Next 3 months)

Net %
change



Future Sales Prospects (Next 3 months)



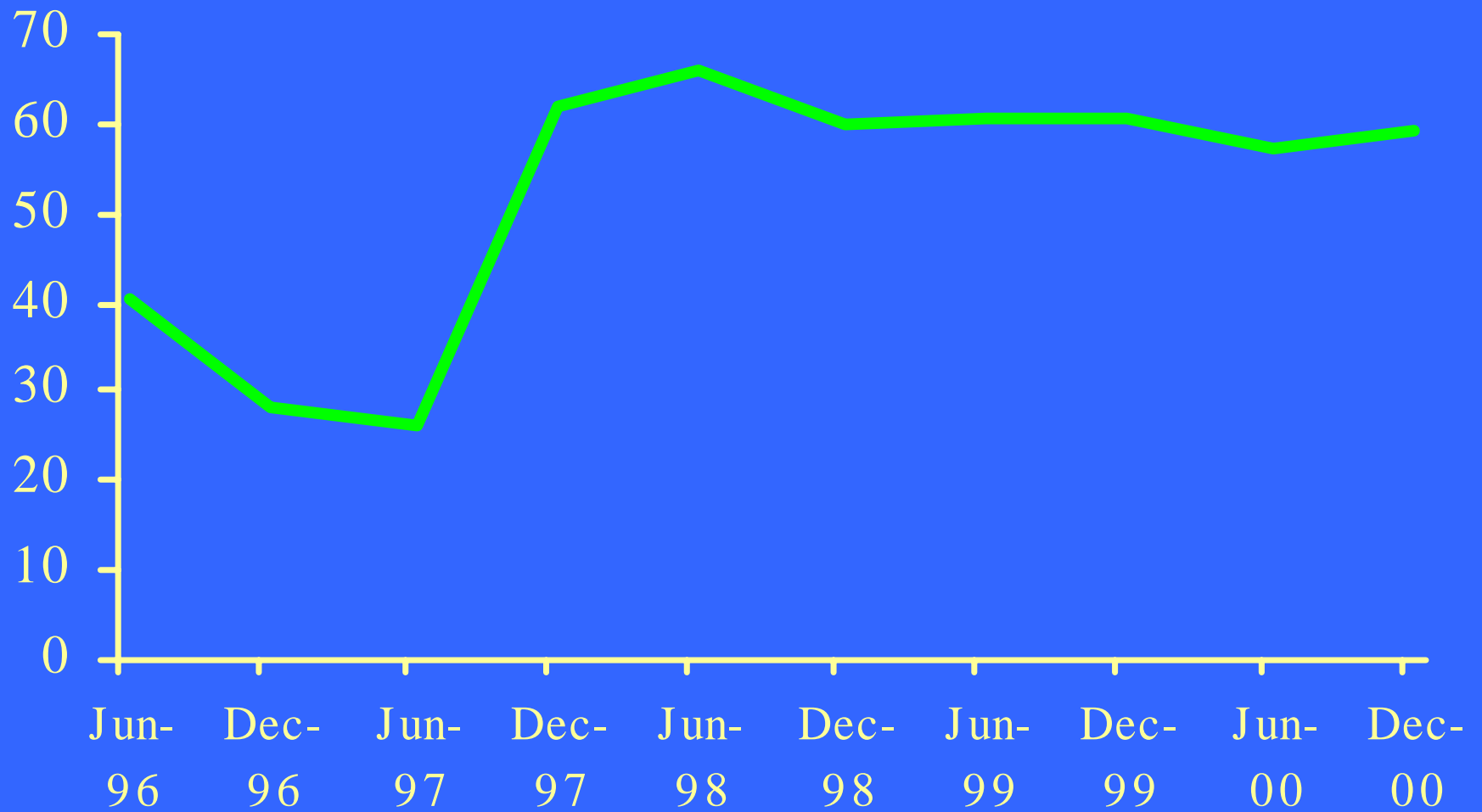
Future Employment Plans (Next 12 months)

Net %
change



Selling Price (Next 12 months)

Net %
change



An Overall Assessment

- Currently, the economy is very weak
- Fundamentals are strong
 - Inflation (excluding volatile items) is benign
 - Adequate Foreign Exchange Reserves
 - Exchange Rate is stable
- Financial System
 - Banks adequately capitalized
 - Level of Problem Loans
 - Stable



Problems and Issues

Problems and Issues

- Assessment of Financial System - quantitative analysis and judgements
- Mechanical nature
- Economic indicators - use of committees

Problems and Issues

- Limitations of MPIs
 - Identification, Analysis and Use of MPIs
 - Measurement and Data Dissemination Issues



Use of Composite Indicators

Use of Composite Indicators

- **Banking Supervision Unit**
 - CAMEL Framework
 - Categories of Risk
- **Economics Department**
- **Problems of Seasonalty**
- **Use of Threshold Values**



International Monetary Fund Survey

*Survey on the Use, Compilation,
and Dissemination of
Macroprudential Indicators*

IMF Survey

- Responses
 - Financial Institutions Department
 - Ministry of Finance
 - University of the South Pacific



Monitoring Process

Monitoring Process

- Reserve Bank of Fiji
- Capital Markets Development Authority



Data Dissemination

Data Dissemination

- Reserve Bank of Fiji publications
- Industry visits and meetings
- Meetings with ABIF
- General Information Requests

- Data Dissemination Scheme
 - www.reservebank.gov.fj
 - www.cmda.com.fj



Emerging Demand

Emerging Demand

- Monitor trading partners' trading partners
- More deeper analysis
- Risk profiles of institutions
- Minimum guidelines



Conclusion and Future Plan of Activities

Conclusion and Future Plan

- Correct analysis and interpretation will minimise or avoid financial distress
- Essential that Economics and Financial Institutions Depts, work closely together
- RBF will continue to provide data for this project
 - transparency
 - relative position
 - avoid/minimise oncoming financial crises



Thank You

THE END