

RESERVE BANK OF FIJI



PRESS RELEASE

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Phone: (679) 3313 611

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Fax : (679) 3302 094

E-mail: rbf@reserevbank.gov.fj

RESERVE BANK RATIONALIZES IMPORT SUBSTITUTION AND EXPORT FINANCE FACILITY

The Reserve Bank of Fiji today announced the rationalization of its Export Finance Facility and Import Substitution Facility into one Facility called the Import Substitution and Export Finance Facility (ISEFF). Under the ISEFF, all exporters are eligible to obtain credit at concessional rates of interest. In addition, businesses in the agricultural sector that are producing goods which result in a reduction in imports are also entitled to tap into the Facility.

Governor of the Reserve Bank of Fiji (RBF), Mr. Sada Reddy said that “The newly merged scheme was initiated to improve utilization as there was limited uptake from the two Facilities thus far”. He added that there are a number of changes that make the Facility more attractive such as: -

- Reduced administrative requirements;
- Streamlined approvals process;
- No minimum eligibility funding amounts.

A total amount of \$40 million is available through the Facility with loans limited to a maximum of \$1 million per business. Lending institutions can borrow from RBF at 2 percent per annum and on-lend funds to eligible businesses at a maximum rate of 6 percent per annum.

The Facility is available for a maximum loan term of 5 years and is available through the commercial banks, licensed credit institutions and the Fiji Development Bank. Applications for funding under the Facility are subject to normal credit screening processes by respective lending institutions.

This Facility is effective immediately and more information, including eligibility criteria details can be obtained from the RBF.

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