



GOVERNMENT OF FIJI

ANNUAL BORROWING PLAN

FISCAL YEAR 2025-2026

**MINISTRY OF FINANCE, STRATEGIC
PLANNING, NATIONAL DEVELOPMENT
AND STATISTICS**

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1. General Statement

- a. The Medium-Term Debt Management Strategy (MTDS) is operationalized through the Annual Borrowing Plan (ABP), which specifies the detailed borrowing targets, instruments, and timelines for each fiscal year within the MTDS horizon. The ABP translates strategic objectives into actionable debt issuance plans that respond to evolving market conditions in the domestic market and Government's fiscal requirements. It serves as a key tool for managing liquidity, refinancing risks, and cost considerations on a rolling basis. The Government of the Republic of Fiji (Government) published its MTDS for the next three fiscal years (FY) 2023/2024 to FY 2025/2026 and will be reviewed in FY2026.
- b. The MTDS is closely integrated with the Government's broader fiscal policy framework, ensuring that debt management objectives complement fiscal consolidation efforts and sustainable public expenditure. By aligning borrowing strategies with projected budgetary needs and revenue forecasts, the Government aims to maintain fiscal discipline while supporting growth-enhancing investments. This coordination helps mitigate fiscal risks associated with debt accumulation and promotes a prudent balance between financing requirements and macroeconomic stability. The current strategy focuses more on developing the domestic market through reinforcing Government's commitment to transparent fiscal reporting and adherence to established debt limits, lowering borrowings costs with a prudent level of risk thereby underpinning sustainable debt dynamics over the medium term.
- c. The Government produces the ABP each year to ensure flexibility and alignment with the gross financing needs of Government, enabling adjustments that reflect changes in economic outlook, fiscal performance, and investor demand. The ABP for the FY2025-2026 is prepared by the Ministry of Finance (MoF) leading the debt management operations, supported by collaboration with the Central Bank, which plays a critical role in managing domestic debt markets and monetary policy alignment. This ABP is also prepared consistent with the Medium-Term Fiscal Strategy, the MTDS, the budget estimate for FY2025-2026 and the principles of responsible financial management to ensure that Government debt remains within sustainable levels.
- d. Fiscal performance continues to be challenged by tight global economic and financial conditions, compounded by ongoing geopolitical tensions that have introduced additional uncertainty into international markets. The global economy is projected to downgrade to 2.8 percent in 2025 from the initial projection of 3.2 percent in the preceding year and a slight increase to 3.0 percent for 2026, reflecting heightened uncertainty. In contrast, Fiji's domestic growth forecast for 2025 has been revised downward to 3.2 percent from an earlier estimate of 3.4 percent.
- e. The Fijian economy has experienced subdued performance in resource-based industries during the first half of the year. Additionally, delays in the implementation of key development projects, driven by capacity constraints and the loss of skilled workers, have

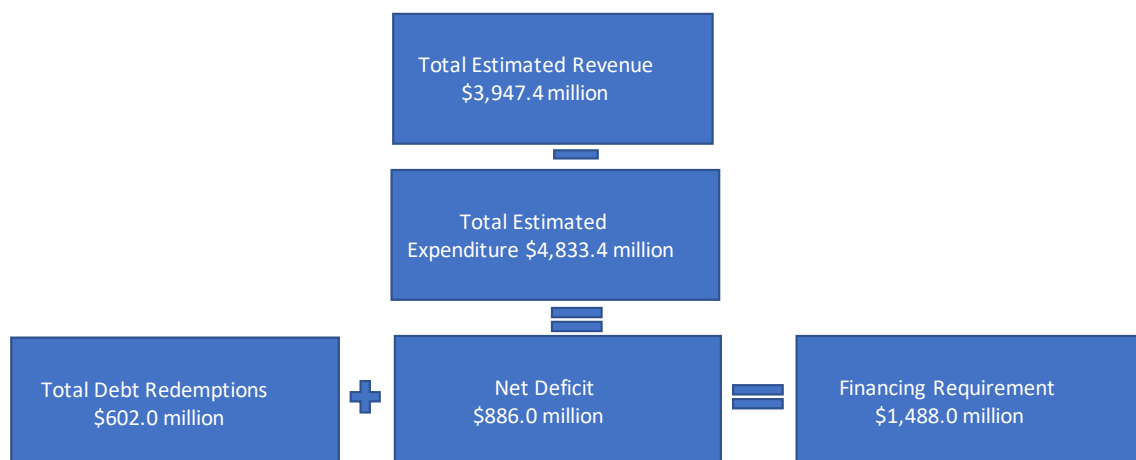
hindered economic momentum. These factors have collectively dampened household consumption and public and private sector spending, posing challenges to achieving stronger fiscal outcomes. Growth in 2025 is expected to be primarily supported by continued momentum in the services sector with major contributions from the finance & insurance, public administration, wholesale & retail trade and information & communication sectors.

- f. In the 2025-2026 National Budget, the projected total gross deficit, which is the sum of the net deficit and principal debt repayments, is around \$1,488.0 million. The gross deficit will be financed through domestic and external borrowings from multilateral and bilateral development partners with the focus more on domestic funding sources that would be detailed in this ABP.

2. Government Financing Requirement

- a. The Appropriation Act 2025 – 2026 was approved by Parliament on 17 July 2025, which entails Government’s financing requirements amounting to \$1,488.0 million. This comprises of the funding necessary to cover the estimated net deficit of \$886.0 million and estimated debt redemptions of \$602.0 million to refinance maturing Government debt.

Figure 1: Government Financing Requirement for FY2025-2026



- b. The debt repayments include \$361.3 million in domestic debt and \$240.7 million in external loans.

3. Planned Funding Sources

- a. Government will continue to pursue a mix of domestic and external currency borrowing within the approved borrowing limit and ensure that the debt composition is well managed against market risks.
- b. A total of \$559.3 million is expected to be raised from external sources while the remaining \$928.7 million from domestic sources. Government may increase its overseas borrowing limit simultaneously reducing its domestic limit and vice versa. This ensures that Government can fully utilise all financing sources available whilst remaining within the borrowing limit approved by Parliament. Government will continue to access concessional terms from external sources.

3.1 Domestic Market

- a. The amount of \$928.7 million is the planned domestic borrowing limit which is from the issuance of Fiji Infrastructure Bonds (FIB) and Viti Bonds. Thematic bonds will be issued should the need arise and requirements are satisfied provided domestic borrowings are within the approved limit. Government will continue to issue Treasury Bills (T-Bills) to roll over the existing stock as part of its development objective to build the market yield curve and to finance temporary shortfalls.

- b. Government domestic debt management strategy will emphasise the following objectives:

- **Diversify the maturity profile through issuances of short and medium-term bonds (2 – 5 years tenors);**

Government will continue to issue short and medium-term bonds in FY2025-2026. This will support commercial banks to invest in bonds as the tenors match their investment horizon. Tenors for T-Bills are 3 months, 6 months and 12 months. Market yields on T-Bills for FY2024-2025 is way above the Reserve Bank of Fiji (RBF)'s overnight policy rate of 0.25 percent. This is anticipated to increase in FY2025-2026 for all tenors, attributed to the banks liquidity system. Pursuant to section 59 (3) of the FMA, any net increase in T-Bills stock at the end of a fiscal year must be within the annual borrowing limit appropriated for that financial year.

- **Continue issuance of long-dated bonds (10 – 20 years tenors);**

Government will continue to issue bonds with longer tenors to reduce refinancing risk. Any issuance of bonds above 20 years will be aligned to the MTDS and should any such issuance occur during the fiscal year, the market will be notified accordingly.

- **Introduction of new Issuances of long-term bonds (above 20 years)**

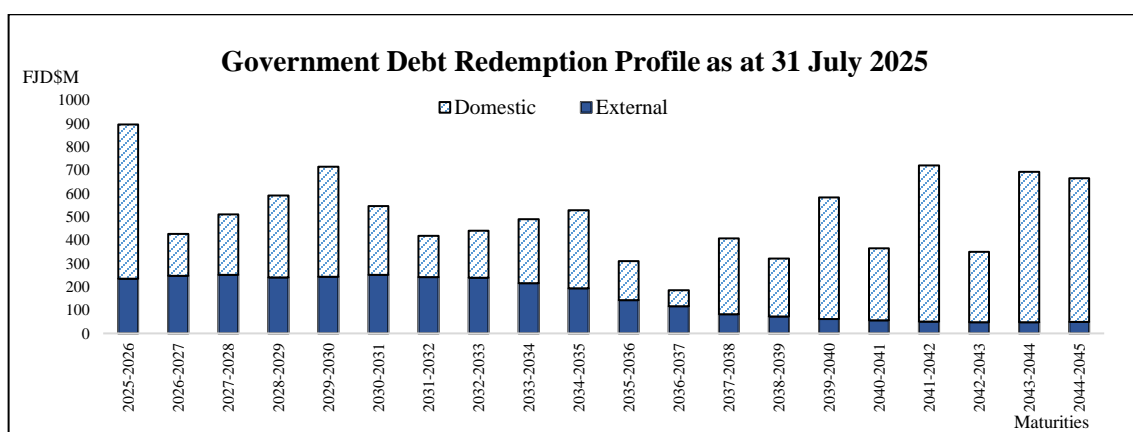
Government will introduce new maturity terms (above 20 years) for FY2025-2026 to finance deficits which is anticipated to roll-out in the second half of the fiscal year. This

introduction reflects Government’s commitment to match growing investor demand and match with investor horizon.

- **Implement bond buybacks, call backs and bond switches.**

Government plans to exercise the Liability Management Operation (LMO) through call options, bond switches and buyback operations that will enhance market liquidity and mitigate refinancing risk. The Ministry may consider this activity during the year after consulting the relevant stakeholders.

Figure 2: Government Domestic Securities Redemption profile – forecast as at end of July 2025



(Source: Ministry of Finance)

3.1.1 Domestic Borrowing Plan

- Government plans to issue a total amount of \$913.7 million in FIB. A total of 6 benchmark bonds for the 2 – 5, 10, 15, 20, and above 20 year maturities will be issued during the fiscal year and re-opening of the same maturities within the quarter with set limits of close to \$150 million for each benchmark.
- A summary of the domestic borrowing issuance plan for Government securities for the fiscal year is in Table 1.

Table 1: Domestic Borrowing Issuance Plan for the FY2025-2026

Month	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Issuance Date	6 th	3 rd	1 st	5 th	3 rd	7 th	4 th	4 th	8 th	6 th	3 rd	-
	20 th	17 th	15 th	19 th	-	-	18 th	18 th	22 nd	20 th	17 th	-
Amount (\$m)	100	60	60	60	40	40	100	120	80	110	143.7	-
2-5 year	10	5	5	10	10	10	10	10	10	10	10	-
10 year	20	5	5	-	-	10	-	-	-	-	-	-
15 year	20	10	10	10	10	-	-	-	-	-	-	-
20 year	50	40	40	40	20	20	40	50	40	40	50	-
Above 20 yr							50	60	30	60	80	-
Re-openings		√	√		√	√		√	√		√	
Benchmark	√			√			√			√		
Consultations	√		√			√			√			

- c. The Government will float Viti Bonds with a total limit of \$15.0 million which will be issued on tap and available for investment from the 1 August 2025 until 10 July 2026. To support retail investor participation and broaden access to Government securities, the Government has increased the issuance limit for Viti Bonds targets from \$10.0 million to \$15.0 million for FY2025–2026. This increase reflects growing investor demand, a positive uptake in previous issuances, and Government’s continued commitment to inclusive financial development. Expanding access to domestic debt instruments not only strengthens public engagement with national development financing but also fosters a more diversified and resilient investor base.
- d. Government will consult investors prior to any domestic security issuance. The RBF will be notified a week prior to the issuance date of the Notice of Issuance (NOI). The NOI will outline the following:
- Issue type (new benchmark or bond re-opening);
 - International Security Identification Number (ISIN);
 - Tenor;
 - Amount for each term;
 - Maturity;
 - Interest Payment Date;
 - Coupon rate;
 - Non-competitive tender details; and
 - Tender form submission and settlement details.
- e. Trading of Government securities will be done on the Central Securities Depository (CSD) system. The non-CSD participants are to email their bids to tender-markets@rbf.gov.fj together with evidence of full payments through FIJICLEAR to the Reserve Bank of Fiji (RBF) on the tender date. Lodgment of tenders will be published in the Notice of Issuances.

3.1.2 Treasury Bills Issuance

- a. At the end of July 2025, the total T-bills outstanding recorded at \$290.0 million. Government will continue to float T-bills and roll over the existing balances during the year.
- b. Subject to maturities (within 3-6 months terms) and cash flow needs, Government may or may not increase the T-bill stock with additional or reduced issuances. A total of \$380.0 million is proposed to be allotted in FY2026 based on the current outstanding and projected cash requirements as outlined in Table 2.

Table 2 : FY2025-2026 Treasury Bills Issuance Plan

Issuance Month	3 month (\$million)	6 month (\$million)	12 month (\$million)	TOTAL (\$million)
Aug 6th , 2025	10	10	30	50.0
Sept 4 th , 2025	10	10	30	50.0
Oct 22 nd , 2025	15	30	50	95.0
Nov 19 th , 2025		15	30	45.0
Dec 3 rd , 2025	10	10	40	60.0
Jan 21 st , 2025	-	-	11	11.0
Feb 11 th , 2025	-	-	14	14.0
March 2025	-	-	-	-
April 22 nd , 2025	-	-	10	10.0
May 6 th , 2025	10	10	25	45.0
June 2025	-	-	-	-
July 2025	-	-	-	-

*TBills issuance plan is subject to change given the 3 – 6 months maturity that will be issued during the year.

3.2 External Debt

3.2.1 Commitments for FY 2025-2026

New external financing is forecasted at \$388.7 million exclusively sourced from multilateral financiers. The Government also has access to an emergency stand-by facility for disaster recovery and rehabilitation, of around \$78.9 million from Japan International Cooperation Agency (JICA) and around \$1.8 million from European Investment Bank (EIB) through reimbursements.

3.2.2 Project Loan Drawdowns

A sum of \$89.9 million is the disbursement estimates through the direct payments method to facilitate key Government infrastructure and investment projects.

Table 3: Sources of External Financing

Projects	External Financing FY2024-2025	Drawdown Date
Newly Proposed Multilateral Financing: <ul style="list-style-type: none"> Policy Based Loans DRR Stand-by Loan Phase II 	388.7 78.9	July 2026; and As and when (upon meeting criteria for disbursement)
Urban Water Supply and Wastewater Management Investment Program: <ul style="list-style-type: none"> European Investment Bank (EIB) Asian Development Bank (ADB) – Direct Payments 	1.8 2.9	As and when a request for drawdown is submitted by the Implementing Agencies (IA's)
<u>Direct Payments (Project loans)</u> Roads and Transport Sector: Critical Bridges Resilience Project: <ul style="list-style-type: none"> ADB IBRD IDA Pacific Strengthening Correspondent Banking Project: <ul style="list-style-type: none"> IDA Pacific Healthy Islands Transformation Project: <ul style="list-style-type: none"> IDA <u>Fiji Tourism Development Project – Vanualevu</u> <ul style="list-style-type: none"> IDA 7369 	31.7 5.9 5.9 3.5 10.0 30.0	As and when a request for drawdown is submitted by the Implementing Agencies (IA's)
TOTAL	559.3	

4. Investor Relations

- a. The Debt Management Unit engages with investors either directly or indirectly:
 - i.) Directly:
 - continued consultations with market participants on a fortnightly basis prior to any floatation;
 - Correspondence via email and phone call;

- One to one - quarterly meetings will be arranged with key stakeholders in the domestic market to gauge market sentiments towards recent and upcoming issuances and to obtain updates on the investment environment.
- ii.) Indirectly:
 - The ABP will be published on the MOF and the Reserve Bank of Fiji website by 1 August 2025. The ABP will inform market investors of the Government financing needs for the fiscal year.
- b. The ABP will be reviewed and updated during the year as and when the need arises.
- c. For any further enquiries, please contact the Debt Management Unit on email at dmu@govnet.gov.fj.

Debt Management Unit

Treasury Division

July 2025