



# MINISTRY OF FINANCE

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**FOR IMMEDIATE RELEASE**  
**WEDNESDAY 06/03/2026**

## **GLOBAL HEADWINDS POSE CHALLENGES FOR FIJI**

Government is closely monitoring the ongoing conflict in the Middle East and its potential economic and fiscal implications for Fiji.

Oil prices have increased significantly from around US\$60 per barrel last year to approximately US\$84 per barrel today. Projections indicate that if the conflict continues and global oil supply disruptions intensify, prices could rise further to triple digits. As a small island economy and a price taker in global markets, such increases would pose significant challenges for Fijian businesses, consumers and the broader economy.

Higher fuel prices will affect transportation cost, production costs and household expenses, placing upward pressure on inflation and cost of living. At the same time, if global economic conditions weaken, Fiji could face additional challenges through softer tourism demand, reduced export demand and slower investment flows.

We are particularly mindful of the potential impact on the tourism sector and national carrier Fiji Airways, as rising fuel costs and weaker global demand could affect travel and tourism activity. Tourism remains a key driver of Fiji's economy, and any slowdown would have broader implications for growth, employment and foreign exchange earnings.

Government is also closely observing how the conflict may affect the economies of our key trading partners, global stock markets and overall global economic stability. These developments will influence Fiji's trade, tourism flows, investment and overall economic growth.

While these risks are real, there is no need for panic. Fiji currently has adequate foreign exchange reserves, which provide an important buffer against external shocks. Social protection frameworks are flexible enough to respond with mitigating measures, if required. Government will continue to assess the situation carefully and

will explore options to support consumers and businesses should global conditions worsen.

At the same time, it is important that we all remain vigilant and prepared. Global uncertainties such as these remind us of the importance of prudent economic management and collective readiness.

Government will continue to keep the public informed as the situation evolves.

**Hon. Esrom Immanuel**  
**Minister for Finance, Commerce**  
**and Business Development**