



RESERVE BANK OF VANUATU

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Press Release

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RESERVE BANK REDUCES REDISCOUNT RATE, RESERVE REQUIREMENT RATIO, AND LIQUID ASSET REQUIREMENT

During the meeting with members of the Bankers Association of Vanuatu (BAV) on 19 December 2008, the Governor of the Reserve Bank of Vanuatu announced a further relaxation to the Reserve Bank's monetary controls. With effect from 19 December 2008, the Bank's indicator rate, the rediscount rate, is reduced from 6.25 per cent to 6.0 per cent. Furthermore, the Bank has reduced the Liquid Asset Requirement from 8.0 per cent to 7.0 per cent with immediate effect. Similarly, the reserve requirement ratio will be reduced from 8.0 per cent to 5.0 per cent with effect from 2 January 2009.

The Bank has taken these decisions to reduce the pressures on liquidity currently in the Banking sector. The Reserve Bank of Vanuatu will continue to monitor the liquidity situation and respond accordingly.

Reserve Bank of Vanuatu