



RESERVE BANK OF VANUATU

PRESS RELEASE

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RESERVE BANK OF VANUATU APPOINTS A MONETARY POLICY FACILITIES REVIEW COMMITTEE

The Reserve Bank of Vanuatu (RBV) announced the establishment of a Monetary Policy Facilities Review Committee. The Committee held its first meeting on January 27th 2014. The Committee includes heads of all RBV Departments and advisors and is chaired by the Deputy Governor of the RBV. The Committee is tasked to review the effectiveness of the monetary policy instruments of the RBV and recommend changes to Management. It has a period of two months to produce a report and upon completion of its mandate the Committee will automatically cease to exist.

In his opening remarks to the Committee, the Governor of the RBV, Mr. Simeon Athy noted that the monetary policy instruments of the RBV have evolved over years from direct-intervention-type instruments, statutory reserve deposit requirements to a more market-based instrument of control. Whilst these instruments have served the RBV well, recent developments and issues such as the global financial crisis which prompted unconventional monetary policy instruments of control in major central banks and slowing domestic economic growth have emerged. These challenges have prompted the need for the monetary policy instruments review so the RBV can respond appropriately to these new challenges given its important role in the economy.

Reserve Bank of Vanuatu