



RESERVE BANK VANUATU

PRESS RELEASE

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IMF completes Vanuatu's 2019 Article IV Consultation

A team from the International Monetary Fund headed by Mr. Dirk Muir (Vanuatu IMF Mission Chief) visited Vanuatu from the 27th of March to 9th April 2019 to undertake Vanuatu's 2019 Article IV Consultation Assessment. The team held discussions with the representatives from the different sectors of the economy of Vanuatu; the Government high officials, the Ministry of Finance and Economic Management and the Reserve Bank of Vanuatu.

The team's report was tabled to IMF Board on 5th June 2019 and officially released on 13th June 2019. The IMF Board welcomed the positive progress recorded since the 2018 assessment, but highlighted that *"the country's high exposure to natural disasters remains a key risk to the outlook and underscored the need for additional efforts to build adequate fiscal buffers, strengthen governance, and to enhance disaster resilience"*. Over the past 4 years specifically the Board *"praised the authorities for the recovery from Cyclone PAM and the authorities broader development objectives to improving the living standards and long term growth"*.

Amongst the key forecasts presented the report forecasted Vanuatu's real GDP growth in 2019 to be slightly higher at 3.4 per cent, the fiscal and current account to record a modest deficits in 2019 of 3.2 percent and 1.2 per cent of GDP respectively, monetary policy to remain neutral going forward with inflation level projected to remain within the target range of 0-4 per cent.

To view the full content of the report and press release, log onto the IMF website page addresses below:

<https://www.imf.org/en/News/Articles/2019/06/13/pr19216-vanuatu-imf-executive-board-concludes-2019-article-iv-consultation-with-vanuatu?cid=em-COM-123-38978>

<https://www.imf.org/en/Publications/CR/Issues/2019/06/12/Vanuatu-2019-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-46991?cid=em-COM-123-38978>