

Series No. SDT: 22 - 31



KINGDOM OF TONGA



BALANCE OF PAYMENTS

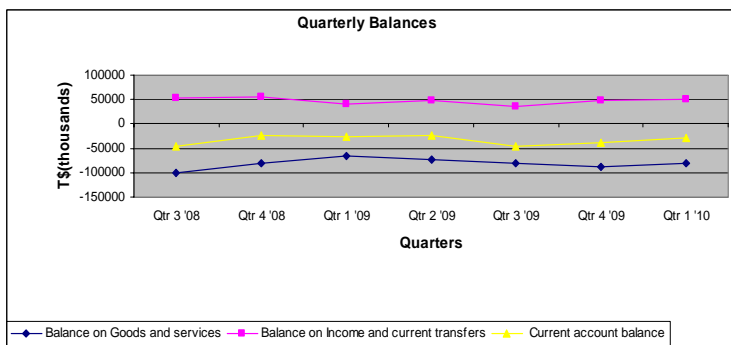
**Quarterly Bulletin
March 2010**

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August 2011

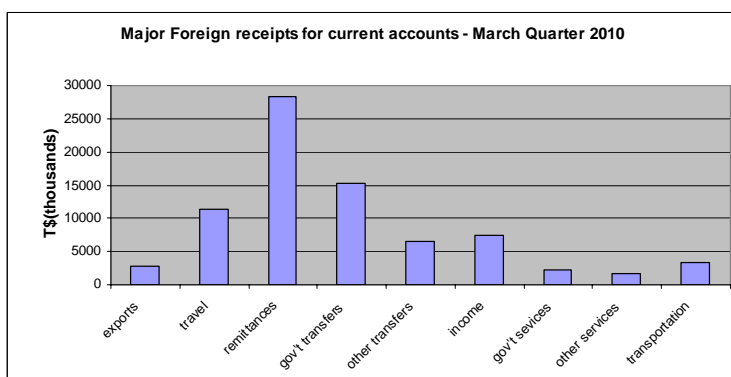
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Balance of Payments Statistics March Quarter 2010

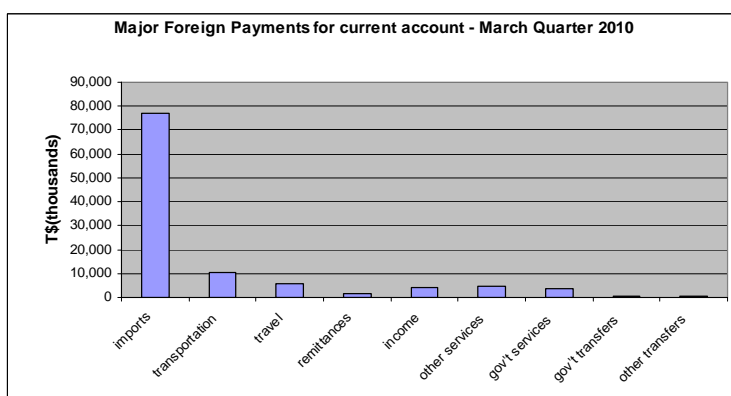


These estimates by the Statistics Department, showed the Balance of Payment in March Quarter 2010, recorded current account balance deficit of T\$28.9 million, compared to deficit of T\$26.4 million in the March 2009 quarter and a deficit of T\$38.2 million in December 2009 quarter. The capital account recorded a surplus of T\$49.4 million, net inflow, increase of 59.3% from the March 2009 quarter and more than double the value of the December 2009 quarter. The official reserves decreased by T\$4.9 million from December 2009 quarter to T\$155.5 million at the end of March 2010 quarter.

The goods balance was a deficit of T\$74.0 million in March 2010 quarter, an increase from T\$60.4 million or 22.6% from the March 2009 quarter and a decrease of 8.6% from T\$80.9 million in the December 2009 quarter. Tonga earned T\$2.9 million from exports in March 2010 quarter a drop of 11.8% from T\$3.3 million in the March 2009 quarter, and a decrease of 43.5% from T\$5.1 million from the December 2009 quarter. Major exports were fish products, ground kava, coconut (fresh brown and green), paints and vanishes, other tapa cloths and ferrous waste & scrap.



The above graph shows remittances with the highest value of T\$28.3 million, government transfers with T\$15.2 million, travel with T\$11.3 million, income with T\$3.4 million and the rest shared the remaining T\$20.9 million.



The above graph shows the imports with the highest value of T\$76.9 million, transportation services with T\$10.3 million, other services (telecommunication computer and information services, construction, insurance and pension services, financial services, other business services and personal, cultural and recreational services) with T\$4.8 million and the rest shared the remaining T\$16.1 million.

The balance on services was a deficit of T\$5.9 million in the March 2010 quarter an increase of 2.4% from T\$5.7 million in the March 2009 quarter and a decrease of 9.3% from T\$6.5 million in the December 2009 quarter. The exports of services were T\$18.6 million in the March 2010 quarter, a slight increase of 1.2% from T\$18.3 million in the March 2009 quarter and again an increase of 4.5% from T\$17.8 million in the December 2009 quarter. Travel services exports and transportation services increased in value.

Imports of services was T\$24.4 million an increased of 1.5% from T\$24.0 million in the March 2009 quarter and by 0.8% from T\$24.2 million in the December 2009 quarter. Transportation services imports was the main contributor with T\$10.3 million an increase of 10.9% from T\$9.3 million in the March 2009 quarter, however it fell from T\$14.5 million or 29.4% from the December 2009 quarter.

The net earnings from income (primary and secondary); were made up of T\$3.4 million from income (primary) and T\$47.5 million from transfers (secondary) in the March 2010 quarter. Primary income increased from T\$1.4 million while secondary income slightly decreased from T\$47.8 million in the December 2009 quarter respectively. Remittances from friends & relatives for March 2010 quarter was T\$28.3 million compared to T\$36.0 million in the December 2009 quarter.

Provided are detailed tables of quarterly Balance of Payments statistics for March Quarter 2010.

Mr 'A ta'ata M. Finau
GOVERNMENT STATISTICIAN.

Table 1 : Balance of Payments Summary
T\$('000)

ITEMS	July-Sept Qtr 3 2008	Oct-Dec Qtr 4 2008	Jan-Mar Qtr 1 2009	Apr-June Qtr 2 2009	July-Sept Qtr 3 2009	Oct-Dec Qtr 4 2009	Jan-Mar Qtr 1 2010
Current Account							
<i>Balance on Goods and Services</i>	<i>(100,936)</i>	<i>(80,474)</i>	<i>(66,124)</i>	<i>(72,339)</i>	<i>(81,446)</i>	<i>(87,422)</i>	<i>(79,884)</i>
<i>Balance on Trade in Goods</i>	<i>(89,421)</i>	<i>(72,412)</i>	<i>(60,392)</i>	<i>(65,991)</i>	<i>(74,683)</i>	<i>(80,951)</i>	<i>(74,015)</i>
Exports f.o.b.	5,808	7,545	3,275	1,650	4,621	5,109	2,888
Imports f.o.b.	95,230	79,957	63,667	67,641	79,304	86,060	76,904
<i>Balance on Trade in Services</i>	<i>(11,514)</i>	<i>(8,061)</i>	<i>(5,732)</i>	<i>(6,348)</i>	<i>(6,763)</i>	<i>(6,471)</i>	<i>(5,869)</i>
Services credit	21,049	16,799	18,346	16,807	17,106	17,762	18,567
Services debit	32,564	24,860	24,078	23,155	23,869	24,233	24,436
<i>Balance on Primary Income</i>	<i>3,159</i>	<i>3,671</i>	<i>2,951</i>	<i>3,577</i>	<i>222</i>	<i>1,368</i>	<i>3,436</i>
Primary income credit	4,571	6,111	5,079	5,522	4,433	5,428	7,546
Primary income debit	1,412	2,440	2,128	1,945	4,211	4,060	4,110
<i>Balance on Goods, Services and Income</i>	<i>(97,777)</i>	<i>(76,802)</i>	<i>(63,173)</i>	<i>(68,762)</i>	<i>(81,224)</i>	<i>(86,054)</i>	<i>(76,448)</i>
<i>Balance on Secondary Income</i>	<i>50,737</i>	<i>52,319</i>	<i>36,774</i>	<i>44,707</i>	<i>35,880</i>	<i>47,833</i>	<i>47,515</i>
Secondary income credit	57,136	57,759	42,060	48,995	50,062	53,966	50,134
Secondary income debit	6,398	5,440	5,286	4,288	14,182	6,133	2,620
Balance on Current Account	(47,040)	(24,483)	(26,399)	(24,055)	(45,344)	(38,220)	(28,933)
<i>Balance on Current Account (excluding reinvested earn</i>	<i>(47,040)</i>	<i>(24,483)</i>	<i>(26,399)</i>	<i>(24,055)</i>	<i>(45,344)</i>	<i>(38,220)</i>	<i>(28,933)</i>
Capital Account							
Capital account credit	66,353	10,592	31,423	28,965	29,576	26,036	49,972
Capital account debit	159	45	385	41	303	1,791	525
Balance on Capital Account	66,194	10,547	31,039	28,924	29,273	24,245	49,447
Net Lending (+)/Borrowing (-) from Current and Cap	19,154	(13,936)	4,640	4,869	(16,071)	(13,976)	20,514
Financial Account							
Financial Assets	12,404	(9,255)	7,142	5,696	26,478	(5,903)	(9,843)
Direct investment	-	-	-	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-
Financial derivatives (other than reserves) and employee	(26,956)	(4,655)	442	(4)	(522)	(3,003)	(4,943)
Other investment	-	-	-	-	-	-	-
Reserve assets	39,360	(4,600)	6,700	5,700	27,000	(2,900)	(4,900)
Financial Liabilities	(26,742)	(967)	(2,539)	(2,391)	19,564	(3,400)	(12,264)
Direct investment	59	512	448	(424)	0	(69)	(152)
Portfolio investment	-	-	-	-	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-
Other investment	(26,801)	(1,479)	(2,987)	(1,967)	19,564	(3,331)	(12,112)
Net Lending (+)/Borrowing (-) from Financial Accou	39,146	(8,288)	9,681	8,087	6,919	(2,503)	2,420
<i>Net errors and omissions</i>	<i>(19,992)</i>	<i>(5,648)</i>	<i>(5,042)</i>	<i>(3,218)</i>	<i>(22,987)</i>	<i>(11,473)</i>	<i>18,093</i>
<i>NE&O as percent of goods trade</i>	<i>-19.8%</i>	<i>-6.5%</i>	<i>-7.5%</i>	<i>-4.6%</i>	<i>-27.4%</i>	<i>-12.6%</i>	<i>22.7%</i>
Level of Official Reserves at end year	128,500	123,900	130,600	136,300	163,300	160,400	155,500

Table 2: Goods Account, T\$(thousands)

	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010
Balance on Trade in Goods	(89,421)	(72,412)	(60,392)	(65,991)	(74,683)	(80,951)	(74,015)
Exports FOB	5,808	7,545	3,275	1,650	4,621	5,109	2,888
General merchandise	4,125	6,346	3,296	2,397	5,025	6,104	2,998
Net exports under merchanding	1,683	1,199	(21)	(748)	(403)	(994)	(109)
Goods acquired under merchanding (negative exp)	(112)	(123)	(137)	(867)	(1,266)	(1,148)	(144)
Goods sold under merchanding	1,795	1,323	115	120	863	154	35
Nonmonetary gold	-	-	-	-	-	-	-
Imports FOB	95,230	79,957	63,667	67,641	79,304	86,060	76,904
General merchandise	95,230	79,957	63,667	67,641	79,304	86,060	76,904
Nonmonetary gold	-	-	-	-	-	-	-
<i>Of which:</i>							
<i>Classification adjustment (c.i.f./f.o.b.)</i>	<i>(6,078)</i>	<i>(5,103)</i>	<i>(4,063)</i>	<i>(4,315)</i>	<i>(4,652)</i>	<i>(5,031)</i>	<i>(3,621)</i>
<i>Coverage adjustments</i>	-	-	-	-	6,395	7,175	19,960
<i>Valuation adjustments</i>	5	5	15	47	34	62	213
<i>Timing adjustments</i>	-	-	-	-	-	-	-

Table 3: Services Account, T\$(thousands)

	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010
Balance on Trade in Services	(11,514)	(8,061)	(5,732)	(6,348)	(6,763)	(6,471)	(5,869)
Services Credit	21,049	16,799	18,346	16,807	17,106	17,762	18,567
Manufacturing services on physical inputs owned b	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-
Transport	1,857	3,118	2,511	1,952	3,130	3,035	3,289
Sea transport	714	802	561	620	715	673	648
Air transport	1,136	2,314	1,944	1,329	2,410	2,358	2,638
Other modes of transport	-	-	-	-	-	-	-
<i>Of which:</i>							
<i>Passenger</i>	125	580	353	-	746	496	874
<i>Freight</i>	-	-	-	-	-	-	-
<i>Other</i>	1,725	2,536	2,152	1,949	2,379	2,535	2,412
Postal and courier services	7	2	6	3	5	4	3
Travel	14,204	7,470	7,555	7,434	9,075	8,340	11,296
Business	10,912	4,619	4,624	4,849	7,269	7,065	9,530
Personal	3,292	2,851	2,932	2,585	1,806	1,275	1,767
Health related	-	-	-	-	4	8	-
Education related	-	-	-	11	13	11	23
Other	3,292	2,851	2,932	2,574	1,789	1,255	1,744
Telecommunications, computer, and information se	667	217	572	327	537	393	288
Telecommunications	666	217	572	321	526	378	287
Computer and information services (no split avai	1	-	-	6	10	15	1
Construction	35	86	871	178	-	182	68
Insurance and pension services	-	-	-	-	-	-	-
Financial services	16	720	9	31	-	15	3
Charges for the use of intellectual property	-	-	-	-	-	-	-
Other business services	1,105	2,072	3,208	1,739	1,575	2,111	1,149
Personal, cultural, and recreational services	765	266	551	616	226	313	175
Government goods and services n.i.e	2,401	2,850	3,070	4,530	2,563	3,373	2,298
Services Debit	(32,564)	24,860	24,078	23,155	23,869	24,233	24,436
Manufacturing services on physical inputs owned b	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-
Transport	17,027	12,795	9,263	11,001	10,865	14,543	10,272
Sea transport	5,816	6,446	4,805	5,091	5,254	5,270	3,051
Air transport	11,203	6,341	4,448	5,890	5,573	9,256	7,212
Other modes of transport	-	-	-	-	-	-	-
<i>Of which:</i>							
<i>Passenger</i>	10,460	5,849	4,089	5,586	5,155	8,880	6,855
<i>Freight</i>	5,572	4,678	3,724	3,955	4,264	4,612	3,319
<i>Other</i>	987	2,259	1,440	1,440	1,408	1,032	89
Postal and courier services	7	8	11	20	38	18	9
Travel	3,561	3,310	4,559	3,453	3,342	3,379	5,880
Business	1,719	2,219	2,396	2,070	2,041	1,997	2,899
Personal	1,842	1,091	2,163	1,382	1,301	1,382	2,981
Health related	175	152	81	227	106	219	775
Education related	601	363	522	659	503	457	1,224
Other	1,066	576	1,560	496	692	706	982
Telecommunications, computer, and information se	908	1,431	1,052	2,016	3,722	1,824	885
Telecommunications	729	831	1,049	2,016	3,722	1,806	876
Computer and information services (no split avai	179	601	3	-	-	19	9
Construction	215	437	498	514	172	172	48
Insurance and pension services	848	789	636	565	803	708	571
Financial services	987	342	741	124	322	77	116
Charges for the use of intellectual property	-	-	-	-	-	-	-
Other business services	1,495	990	1,586	1,212	1,611	1,874	2,819
Personal, cultural, and recreational services	520	505	282	156	381	338	420
Government goods and services n.i.e	7,004	4,260	5,460	4,114	2,651	1,318	3,426

Table 4: Primary Income Account
T\$(thousands)

	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010
Balance on Primary Income	3,159	3,671	2,951	3,577	222	1,368	3,436
Primary Income Credits	4,571	6,111	5,079	5,522	4,433	5,428	7,546
Compensation of Employees	2,813	2,350	1,894	1,905	2,098	2,584	1,733
Investment income	1,758	3,761	3,186	3,617	2,335	2,845	5,813
Direct investment	-	-	0	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-
Other investment	1,758	3,761	3,185	3,617	2,335	2,845	5,813
Reserve assets	-	-	-	-	-	-	-
Other primary income	-	-	-	-	-	-	-
Primary Income Debits	1,412	2,440	2,128	1,945	4,211	4,060	4,110
Compensation of Employees	25	98	32	38	532	784	636
Investment income	1,387	2,341	2,096	1,907	3,679	3,276	3,474
Direct investment	-	-	-	-	2	35	-
Portfolio investment	-	-	-	-	-	-	-
Other investment	1,387	2,341	2,096	1,907	3,678	3,241	3,474
Other primary income	-	-	-	-	-	-	-

Table 5: Secondary Income Account
T\$(thousands)

	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010
Balance on Secondary Income	50,737	52,319	36,774	44,707	35,880	47,833	47,515
Secondary Income Credits	57,136	57,759	42,060	48,995	50,062	53,966	50,134
General government	4,925	5,970	4,195	5,661	11,485	10,068	15,257
Deposit-taking corporations and other sectors	52,211	51,788	37,865	43,335	38,577	43,898	34,877
Personal transfers	45,610	45,317	31,927	37,152	31,180	35,976	28,359
<i>Of which: Workers' remittances</i>	<i>45,610</i>	<i>45,317</i>	<i>31,927</i>	<i>37,152</i>	<i>31,180</i>	<i>35,976</i>	<i>28,359</i>
Other current transfers	6,600	6,471	5,938	6,183	7,397	7,922	6,518
Secondary Income Debits	6,398	5,440	5,286	4,288	14,182	6,133	2,620
General government	333	670	330	28	9,866	2,163	693
Deposit-taking corporations and other sectors	6,066	4,770	4,956	4,260	4,316	3,970	1,926
Personal transfers	5,546	3,912	4,514	3,962	3,650	3,447	1,525
<i>Of which: Workers' remittances</i>	<i>5,546</i>	<i>3,912</i>	<i>4,514</i>	<i>3,962</i>	<i>3,650</i>	<i>3,447</i>	<i>1,525</i>
Other current transfers	520	858	442	298	667	523	402

Table 6: Capital Account, T\$(thousands)

	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010
Balance on Capital Account	66,194	10,547	31,039	28,924	29,273	24,245	49,447
Capital Account Credits	66,353	10,592	31,423	28,965	29,576	26,036	49,972
Gross disposals of nonproduced nonfinancial assets	48,000	-	-	-	-	-	-
Capital transfers	18,353	10,592	31,423	28,965	29,576	26,036	49,972
General government	9,779	1,719	23,054	21,785	21,756	17,036	48,903
Debt forgiveness	-	-	1,186	-	-	-	-
Other capital transfers	9,779	1,719	21,868	21,785	21,756	17,036	48,903
Deposit-taking corporations and other sectors	8,574	8,873	8,369	7,180	7,820	9,000	1,069
Debt forgiveness	-	-	-	-	-	-	-
Other capital transfers	8,574	8,873	8,369	7,180	7,820	9,000	1,069
Capital Account Debits	159	45	385	41	303	1,791	525
Gross acquisitions of nonproduced nonfinancial assets	-	-	-	-	-	-	-
Capital transfers	159	45	385	41	303	1,791	525
General government	159	-	-	-	281	500	1
Debt forgiveness	-	-	-	-	-	-	-
Other capital transfers	159	-	-	-	281	500	1
Deposit-taking corporations and other sectors	-	45	385	41	23	1,291	524
Debt forgiveness	-	-	-	-	-	-	-
Other capital transfers	-	45	385	41	23	1,291	524

**Printed by STATISTICS DEPARTMENT,
Nuku'alofa TONGA – 2011**