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BALANCE OF PAYMENTS

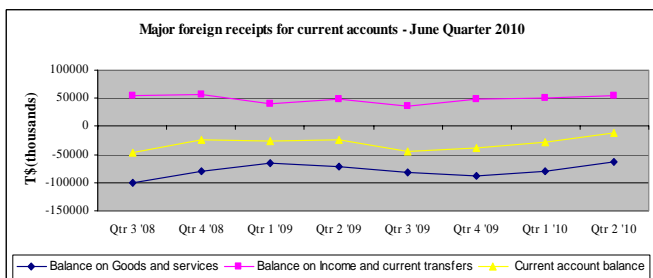
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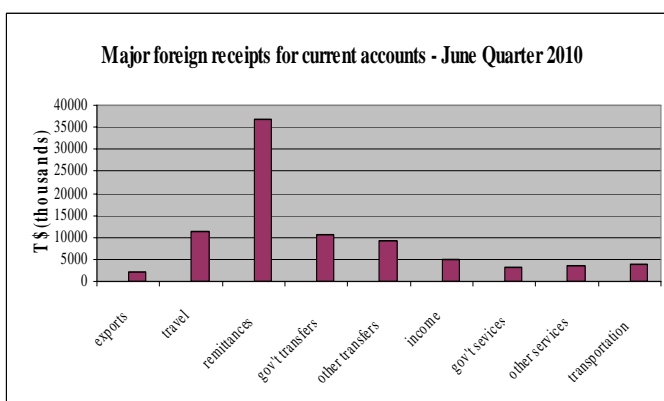
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Balance of Payments Statistics June Quarter 2010



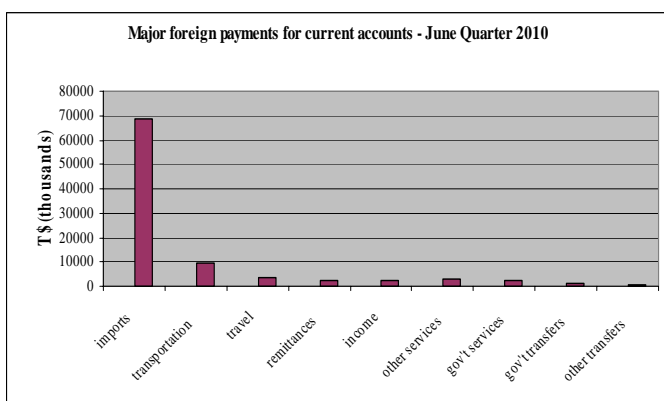
These estimates by the Statistics Department, showed the Balance of Payment in June Quarter 2010, recorded a current account deficit of T\$8.4 million, compared to a deficit of T\$24.1 million in the June 2009 quarter and a deficit of T\$28.9 million in the March 2010 quarter. The capital account recorded a surplus of T\$23.2 million, net inflow, a decrease of 19.8% from the June 2009 quarter and also a decrease of 53.1% from the March 2010 quarter. The official reserves increased by T\$15 million from the March 2010 quarter to T\$170.5 million at the end of June 2010.



The goods balance was a deficit of T\$66.7 million in the June 2010 quarter, a slight increase from T\$66.0 million or 1.0% in the June 2009 quarter and a decrease of 9.9% from T\$74.0 million in the March 2010 quarter. Tonga earned T\$2.3 million from exports in the June 2010 quarter, an increase of 36.5% from T\$1.7 million in the June 2009 quarter and a decrease of 22.0% from T\$2.9 million in the March 2010 quarter. Major exports were fish products, coconut (fresh brown and green nuts), root crops, ground kava, paints and varnishes and other ferrous waste and scrap.

The above graph shows remittances with the highest value of T\$36.7 million, travel with T\$11.5 million, government transfers with T\$10.7 million, other transfers with T\$9.3 million, income with T\$5.0 million and the rest shared the remaining T\$26.8 million.

The balance on services was a surplus of T\$2.8 million in the June 2010 quarter while the June 2009 quarter and the March 2010 quarter both recorded deficit of T\$6.3 million and T\$5.9 million respectively. The exports of services were T\$21.9 million in the June 2010 quarter an increase of 30.4% from T\$16.8 million in the June 2009 quarter and up 18.1% from T\$18.6 million in the March 2010 quarter. Transports, travel and government services exports increased in value.



Imports of services were T\$19.1 million in the June 2010 quarter, a decrease of 17.3% from T\$23.2 million in the June 2009 quarter and also a fall of 21.7% from T\$24.4 million in the March 2010 quarter. Transportation services imports was the main contributor with T\$9.7 million a decrease of 11.5% from T\$11.0 million in the June 2009 quarter and again a fall of 5.2% from T\$10.3 million from the March 2010 quarter.

The above graph shows the imports with the highest value of T\$68.9 million, transportation services with T\$9.7 million, travel with T\$3.8 million and the rest shared the remaining T\$17.6 million.

The net earnings from income (primary and secondary) were made up of T\$2.6 million from income (primary) and T\$52.8 million from transfers (secondary) in the June 2010 quarter; a decreased of 24.1% from T\$3.4 million in primary income and increase of 11.2% from T\$47.5 million in secondary income in the March 2010 quarter. Remittances from friends and relatives (workers) showed an increase in the June 2010 quarter of T\$36.7 million compared to T\$28.4 million in the March 2010 quarter.

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

Mr 'A'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	Apr-June Qtr 2 2010
Current Account								
<i>Balance on Goods and Services</i>	(100,936)	(80,474)	(66,124)	(72,339)	(81,446)	(87,422)	(79,884)	(63,887)
<i>Balance on Trade in Goods</i>	(89,421)	(72,412)	(60,392)	(65,991)	(74,683)	(80,951)	(74,015)	(66,672)
Exports f.o.b.	5,808	7,545	3,275	1,650	4,621	5,109	2,888	2,253
Imports f.o.b.	95,230	79,957	63,667	67,641	79,304	86,060	76,904	68,926
<i>Balance on Trade in Services</i>	(11,514)	(8,061)	(5,732)	(6,348)	(6,763)	(6,471)	(5,869)	2,786
Services credit	21,049	16,799	18,346	16,807	17,106	17,762	18,567	21,924
Services debit	32,564	24,860	24,078	23,155	23,869	24,233	24,436	19,138
<i>Balance on Primary Income</i>	3,159	3,671	2,951	3,577	222	1,368	3,436	2,608
Primary income credit	4,571	6,111	5,079	5,522	4,433	5,428	7,546	4,997
Primary income debit	1,412	2,440	2,128	1,945	4,211	4,060	4,110	2,389
<i>Balance on Goods, Services and Income</i>	(97,777)	(76,802)	(63,173)	(68,762)	81,224	(86,054)	(76,448)	(61,279)
<i>Balance on Secondary Income</i>	50,737	52,319	36,774	44,707	35,880	47,833	47,515	52,853
Secondary income credit	57,136	57,759	42,060	48,995	50,062	53,966	50,134	56,758
Secondary income debit	6,398	5,440	5,286	4,288	14,182	6,133	2,620	3,905
Balance on Current Account	(47,040)	(24,483)	(26,399)	(24,055)	(45,344)	(38,220)	(28,933)	(8,426)
<i>Balance on Current Account (excluding rein</i>	(47,040)	(24,483)	(26,399)	(24,055)	(45,344)	(38,220)	(28,933)	(8,426)
Capital Account								
Capital account credit	66,353	10,592	31,423	28,965	29,576	26,036	49,972	23,342
Capital account debit	159	45	385	41	303	1,791	525	136
Balance on Capital Account	66,194	10,547	31,039	28,924	29,273	24,245	49,447	23,206
Net Lending (+)/Borrowing (-) from Curr	19,154	(13,936)	4,640	4,869	(16,071)	(13,976)	20,514	14,780
Financial Account								
Financial Assets	12,404	(9,255)	7,142	5,696	26,478	(5,903)	(9,843)	8,190
Direct investment	-	-	-	-	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-	-
Financial derivatives (other than reserves) an	(26,956)	(4,655)	442	(4)	(522)	(3,003)	(4,943)	(6,810)
Other investment	-	-	-	-	-	-	-	-
Reserve assets	39,360	(4,600)	6,700	5,700	27,000	(2,900)	(4,900)	15,000
Financial Liabilities	(26,742)	(967)	(2,539)	(2,391)	19,564	(3,400)	(12,264)	5,482
Direct investment	59	512	448	(424)	0	(69)	(152)	8,451
Portfolio investment	-	-	-	-	-	-	-	-
Financial derivatives and employee stock op	-	-	-	-	-	-	-	-
Other investment	(26,801)	(1,479)	(2,987)	(1,967)	19,564	(3,331)	(12,112)	(2,969)
Net Lending (+)/Borrowing (-) from Finar	39,146	(8,288)	9,681	8,087	6,914	(2,503)	2,420	2,708
<i>Net errors and omissions</i>	(19,992)	(5,648)	(5,042)	(3,218)	(22,985)	(11,473)	18,093	12,072
<i>NE&O as percent of goods trade</i>	-19.8%	-6.5%	-7.5%	-4.6%	-27.4%	-12.6%	22.7%	17.0%
Level of Official Reserves at end year	128,500	123,900	130,600	136,300	163,300	160,400	155,500	170,500

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

	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	Apr-June Qtr 2 2010
Balance on Trade in Goods	(89,421)	(72,412)	(60,392)	(65,991)	(74,683)	(80,951)	(74,015)	(66,672)
Exports FOB	5,808	7,545	3,275	1,650	4,621	5,109	2,888	2,253
General merchandise	4,125	6,346	3,296	2,397	5,025	6,104	2,998	2,375
Net exports under merchandising	1,683	1,199	(21)	(748)	(403)	(994)	(109)	(122)
Goods acquired under merchandising (1)	(112)	(123)	(137)	(867)	(1,266)	(1,148)	(144)	(147)
Goods sold under merchandising	1,795	1,323	115	120	863	154	35	26
Nonmonetary gold	-	-	-	-	-	-	-	-
Imports FOB	95,230	79,957	63,667	67,641	79,304	86,060	76,904	68,926
General merchandise	95,230	79,957	63,667	67,641	79,304	86,060	76,904	68,926
Nonmonetary gold	-	-	-	-	-	-	-	-
<i>Of which:</i>								
Classification adjustment (c.i.f./f.o.b.)	(6,078)	(5,103)	(4,063)	(4,315)	(4,652)	(5,031)	(3,621)	(3,988)
Coverage adjustments	-	-	-	-	6,395	7,175	-	6,405
Valuation adjustments	5	5	15	47	34	62	213	38
Timing adjustments	-	-	-	-	-	-	-	-

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

	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	Apr-June Qtr 2 2010
Balance on Trade in Services	(11,514)	(8,061)	(5,732)	(6,348)	(6,763)	(6,471)	(5,869)	2,786
Services Credit	21,049	16,799	18,346	16,807	17,106	17,762	18,567	21,924
Manufacturing services on physical inp	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-	-
Transport	1,857	3,118	2,511	1,952	3,130	3,035	3,289	3,794
Sea transport	714	802	561	620	715	673	648	680
Air transport	1,136	2,314	1,944	1,329	2,410	2,358	2,638	3,107
Other modes of transport	-	-	-	-	-	-	-	-
<i>Of which:</i>								
Passenger	125	580	353	-	746	496	874	1,123
Freight	-	-	-	-	-	-	-	-
Other	1,725	2,536	2,152	1,949	2,379	2,535	2,412	2,664
Postal and courier services	7	2	6	3	5	4	3	7
Travel	14,204	7,470	7,555	7,434	9,075	8,340	11,296	11,469
Business	10,912	4,619	4,624	4,849	7,269	7,065	9,530	9,970
Personal	3,292	2,851	2,932	2,585	1,806	1,275	1,767	1,499
Health related	-	-	-	-	4	8	-	-
Education related	-	-	-	11	13	11	23	2
Other	3,292	2,851	2,932	2,574	1,789	1,255	1,744	1,497
Telecommunications, computer, and inf	667	217	572	327	537	393	288	678
Telecommunications	666	217	572	321	526	378	287	676
Computer and information services (1)	1	-	-	6	10	15	1	3
Construction	35	86	871	178	-	182	68	449
Insurance and pension services	-	-	-	-	-	-	-	-
Financial services	16	720	9	31	-	15	3	36
Charges for the use of intellectual prop	-	-	-	-	-	-	-	-
Other business services	1,105	2,072	3,208	1,739	1,575	2,111	1,149	1,578
Personal, cultural, and recreational serv	765	266	551	616	226	313	175	681
Government goods and services n.i.e	2,401	2,850	3,070	4,530	2,563	3,373	2,298	3,238
Services Debit	32,564	24,860	24,078	23,155	23,869	24,233	24,436	19,138
Manufacturing services on physical inp	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-	-
Transport	17,027	12,795	9,263	11,001	10,865	14,543	10,272	9,739
Sea transport	5,816	6,446	4,805	5,091	5,254	5,270	3,051	3,850
Air transport	11,203	6,341	4,448	5,890	5,573	9,255	7,212	5,883
Other modes of transport	-	-	-	-	-	-	-	-
<i>Of which:</i>								
Passenger	10,460	5,849	4,089	5,586	5,155	8,880	6,855	5,413
Freight	5,572	4,678	3,724	3,955	4,264	4,612	3,319	3,656
Other	987	2,259	1,440	1,440	1,408	1,032	89	664
Postal and courier services	7	8	11	20	38	18	9	6
Travel	3,561	3,310	4,559	3,453	3,342	3,379	5,880	3,855
Business	1,719	2,219	2,396	2,070	2,041	1,997	2,899	2,394
Personal	1,842	1,091	2,163	1,382	1,301	1,382	2,981	1,461
Health related	175	152	81	227	106	219	775	291
Education related	601	363	522	659	503	457	1,224	567
Other	1,066	576	1,560	496	692	706	982	603
Telecommunications, computer, and inf	908	1,431	1,052	2,016	3,722	1,824	885	679
Telecommunications	729	831	1,049	2,016	3,722	1,806	876	634
Computer and information services (1)	179	601	3	-	-	19	9	45
Construction	215	437	498	514	172	172	48	12
Insurance and pension services	848	789	636	565	803	708	571	583
Financial services	987	342	741	124	322	77	116	281
Charges for the use of intellectual prop	-	-	-	-	-	-	-	-
Other business services	1,495	990	1,586	1,212	1,611	1,874	2,819	1,083
Personal, cultural, and recreational serv	520	505	282	156	381	338	420	557
Government goods and services n.i.e	7,004	4,260	5,460	4,114	2,651	1,318	3,426	2,349

Table 4: Primary Income Account

T\$(thousands)	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010	Qtr 2 2010
Balance on Primary Income	3,159	3,671	2,951	3,577	222	1,368	3,436	2,608
Primary Income Credits	4,571	6,111	5,079	5,522	4,433	5,428	7,546	4,997
Compensation of Employees	2,813	2,350	1,894	1,905	2,098	2,584	1,733	2,126
Investment income	1,758	3,761	3,186	3,617	2,335	2,845	5,813	2,871
Direct investment	-	-	0	-	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-	-
Other investment	1,758	3,761	3,185	3,617	2,335	2,845	5,813	2,871
Reserve assets	-	-	-	-	-	-	-	-
Other primary income	-	-	-	-	-	-	-	-
Primary Income Debits	1,412	2,440	2,128	1,945	4,211	4,060	4,110	2,389
Compensation of Employees	25	98	32	38	532	784	636	8
Investment income	1,387	2,341	2,096	1,907	3,679	3,276	3,474	2,381
Direct investment	-	-	-	-	2	35	-	-
Portfolio investment	-	-	-	-	-	-	-	-
Other investment	1,387	2,341	2,096	1,907	3,678	3,241	3,474	2,381
Other primary income	-	-	-	-	-	-	-	-

Table 5: Secondary Income Account

T\$(thousands)	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010	Qtr 2 2010
Balance on Secondary Income	50,737	52,319	36,774	44,707	35,880	47,833	47,515	52,853
Secondary Income Credits	57,136	57,759	42,060	48,995	50,062	53,966	50,134	56,758
General government	4,925	5,970	4,195	5,661	11,485	10,068	15,257	10,749
Deposit-taking corporations and other :	52,211	51,788	37,865	43,335	38,577	43,898	34,877	46,009
Personal transfers	45,610	45,317	31,927	37,152	31,180	35,976	28,359	36,671
Of which: Workers' remittances	45,610	45,317	31,927	37,152	31,180	35,976	28,359	36,671
Other current transfers	6,600	6,471	5,938	6,183	7,397	7,922	6,518	9,339
Secondary Income Debits	6,398	5,440	5,286	4,288	14,182	6,133	2,620	3,905
General government	333	670	330	28	9,866	2,163	693	1,098
Deposit-taking corporations and other :	6,066	4,770	4,956	4,260	4,316	3,970	1,926	2,807
Personal transfers	5,546	3,912	4,514	3,962	3,650	3,447	1,525	2,450
Of which: Workers' remittances	5,546	3,912	4,514	3,962	3,650	3,447	1,525	2,450
Other current transfers	520	858	442	298	667	523	402	357

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

T\$(thousands)	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
	Qtr 3 2008	Qtr 4 2008	Qtr 1 2009	Qtr 2 2009	Qtr 3 2009	Qtr 4 2009	Qtr 1 2010	Qtr 2 2010
Balance on Capital Account	66,194	10,547	31,039	28,924	29,273	24,245	49,447	23,206
Capital Account Credits	66,353	10,592	31,423	28,965	29,576	26,036	49,972	23,342
Gross disposals of nonproduced nonfin:	48,000	-	-	-	-	-	-	-
Capital transfers	18,353	10,592	31,423	28,965	29,576	26,036	49,972	23,342
General government	9,779	1,719	23,054	21,785	21,756	17,036	48,903	22,923
Debt forgiveness	-	-	1,186	-	-	-	-	-
Other capital transfers	9,779	1,719	21,868	21,785	21,756	17,036	48,903	22,923
Deposit-taking corporations and othe	8,574	8,873	8,369	7,180	7,820	9,000	1,069	419
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	8,574	8,873	8,369	7,180	7,820	9,000	1,069	419
Capital Account Debits	159	45	385	41	303	1,791	525	136
Gross acquisitions of nonproduced nonfin:	-	-	-	-	-	-	-	-
Capital transfers	159	45	385	41	303	1,791	525	136
General government	159	-	-	-	281	500	1	-
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	159	-	-	-	281	500	1	-
Deposit-taking corporations and othe	-	45	385	41	23	1,291	524	136
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	-	45	385	41	23	1,291	524	136

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