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KINGDOM OF TONGA



# BALANCE OF PAYMENTS

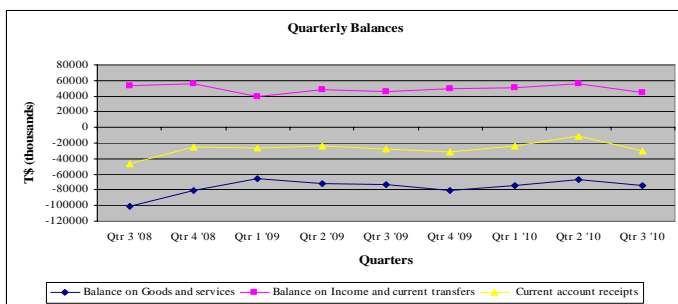
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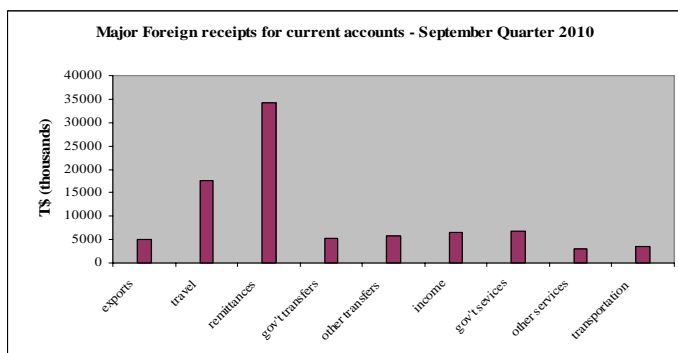
August 2011

Price: \$5.50

## Balance of Payments Statistics September Quarter 2010



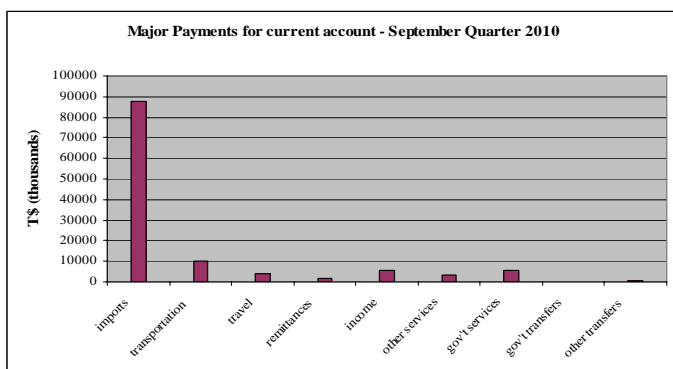
These estimates by the Statistics Department showed the Balance of Payment in September Quarter 2010 recorded current account deficit of T\$30.3 million, compared to deficit of \$45.3 million in the September 2009 quarter, and a deficit of T\$8.4 million in the June 2010 quarter. The capital account recorded a surplus of T\$34.4 million, net inflow, an increase of 17.5% from the September 2009 quarter T\$29.3 million and also an increased of 48.2% compared to June 2010 quarter of T\$23.2 million. The official reserves increased by T\$2.2 million from June 2010 quarter to T\$172.7 million at the end of the September 2010.



The goods balance was a deficit of T\$82.7 million in the September 2010 quarter, an increase from T\$74.7 million or 10.8% in the September 2009 quarter and again an increase of 24.1% from T\$66.7 million in the June 2010 quarter. Tonga earned T\$5.1 million from exports in the September 2010 quarter, an increase of 11.0% from T\$4.6 million in the September 2009 quarter, and it was more than double the value of the June 2010 quarter. Major exports were fish products, ground and underground kava, coconuts (green and brown) root crops, ferrous, copper and aluminium waste and scrap and other tapa cloth. Imports of goods also increased, up T\$87.9 million.

*The above graph shows remittances with the highest value of T\$34.2 million, travel with T\$17.6 million, government services with T\$6.8 million, primary income with T\$6.4 million, other transfers with T\$5.9 million, and the rest shared the remaining T\$17.2 million.*

The balance on services was a surplus of T\$8.3 million from the June 2010 quarter surplus of T\$2.8 million. The surplus was driven by higher exports of services in September 2010 quarter. The exports of services were T\$31.2 million in the September 2010 quarter, an increase of 42.1% from T\$21.9 million in June 2010 quarter and was almost double the value of the September 2009 quarter. Travel services exports and Government services increased in value.



Imports of services were T\$22.9 million in the September 2010 quarter, up 19.5% from T\$19.1 million in the June 2010 quarter; however it decreased by 4.1% as compared to September 2009 quarter of T\$23.9 million. Transportation services imports was the main contributor with T\$10.1 million, an increase of 4.0% compared from June 2010 quarter of T\$9.7 million and a decrease of 6.8% from the September 2009 quarter of T\$10.9 million.

*The above graph shows imports with the highest value of T\$87.9 million, transportation services with T\$10.1 million, primary income and government services each with T\$5.5 million, travel services with T\$4.0 million, and the rest shared the remaining T\$5.4 million.*

The net earnings from income (primary and secondary); were made up of T\$0.9 million from income (primary) and T\$43.3 million from transfers (secondary) in the September 2010 quarter. Both decreased from T\$2.6 million and \$52.9 million in the June 2010 quarter respectively. Remittances from friends and relatives (workers) decreased in the September 2010 quarter from T\$34.2 million compared to T\$36.7 million in the June 2010 quarter.

Provided are detailed tables of quarterly Balance of Payments statistics for September 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 Qtr42009	Jan-Mar Qtr 1 2010	Apr-June Qtr 2 2010	July-Sept Qtr 3 2010
<b>Current Account</b>									
<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>(63,887)</i>	<i>(74,465)</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>	<i>(66,672)</i>	<i>(82,740)</i>
Exports f.o.b.	5,808	7,545	3,275	1,650	4,621	5,109	2,888	2,253	5,129
Imports f.o.b.	95,230	79,957	63,667	67,641	79,304	86,060	76,904	68,926	87,870
<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>	<i>-2,786</i>	<i>8,276</i>
Services credit	21,049	16,799	18,346	16,807	17,106	17,762	18,567	21,924	31,154
Services debit	32,564	24,860	24,078	23,155	23,869	24,233	24,436	19,138	22,879
<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>	<i>2,608</i>	<i>865</i>
Primary income credit	4,571	6,111	5,079	5,522	4,433	5,389	7,546	4,997	6,420
Primary income debit	1,412	2,440	2,128	1,945	4,211	4,060	4,110	2,389	5,555
<i>Balance on Goods, Services and Inc</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>(61,279)</i>	<i>(73,600)</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>	<i>52,853</i>	<i>43,326</i>
Secondary income credit	57,136	57,759	42,060	48,995	50,062	53,966	50,134	56,758	45,426
Secondary income debit	6,398	5,440	5,286	4,288	14,182	6,133	2,620	3,905	2,101
<i>Balance on Current Account</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>	<i>(8,426)</i>	<i>(30,274)</i>
<i>Balance on Current Account (excludi</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>	<i>(8,426)</i>	<i>(30,274)</i>
<b>Capital Account</b>									
Capital account credit	66,353	10,592	31,423	28,965	29,576	26,036	49,972	23,342	34,506
Capital account debit	159	45	385	41	303	1,791	525	136	115
<b>Balance on Capital Account</b>	<b>66,194</b>	<b>10,547</b>	<b>31,039</b>	<b>28,924</b>	<b>29,273</b>	<b>24,245</b>	<b>49,447</b>	<b>23,206</b>	<b>34,391</b>
<b>Net Lending (+)/Borrowing (-) from</b>	<b>19,154</b>	<b>(13,936)</b>	<b>4,640</b>	<b>4,869</b>	<b>(16,071)</b>	<b>(13,976)</b>	<b>20,514</b>	<b>14,780</b>	<b>4,117</b>
<b>Financial Account</b>									
<b>Financial Assets</b>	<b>12,404</b>	<b>(9,255)</b>	<b>7,142</b>	<b>5,696</b>	<b>26,478</b>	<b>(5,903)</b>	<b>(9,843)</b>	<b>8,190</b>	<b>2,202</b>
Direct investment	-	-	-	-	-	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-	-	-
Financial derivatives (other than reser	(26,956)	(4,655)	442	(4)	(522)	(3,003)	(4,943)	(6,810)	-
Other investment	-	-	-	-	-	-	-	-	2
Reserve assets	39,360	(4,600)	6,700	5,700	27,000	(2,900)	(4,900)	15,000	2,200
<b>Financial Liabilities</b>	<b>(26,742)</b>	<b>(967)</b>	<b>(2,539)</b>	<b>(2,391)</b>	<b>19,564</b>	<b>(3,400)</b>	<b>(12,264)</b>	<b>5,482</b>	<b>(8,163)</b>
Direct investment	59	512	448	(424)	0	(69)	(152)	8,451	345
Portfolio investment	-	-	-	-	-	-	-	-	-
Financial derivatives and employee st	-	-	-	-	-	-	-	-	-
Other investment	(26,801)	(1,479)	(2,987)	(1,967)	19,564	(3,331)	(12,112)	(2,969)	(8,508)
<b>Net Lending (+)/Borrowing (-) from</b>	<b>39,146</b>	<b>(8,288)</b>	<b>9,681</b>	<b>8,087</b>	<b>6,914</b>	<b>(2,503)</b>	<b>2,420</b>	<b>2,708</b>	<b>10,365</b>
<i>Net errors and omissions</i>	<i>(19,992)</i>	<i>(5,648)</i>	<i>(5,042)</i>	<i>(3,218)</i>	<i>(22,985)</i>	<i>(11,473)</i>	<i>18,093</i>	<i>12,072</i>	<i>(6,247)</i>
<i>NE&amp;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>	<i>17.0%</i>	<i>8.0%</i>
<b>Level of Official Reserves at end ye</b>	<b>128,500</b>	<b>123,900</b>	<b>130,600</b>	<b>136,300</b>	<b>163,300</b>	<b>160,400</b>	<b>155,500</b>	<b>170,500</b>	<b>172,700</b>

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	July-Sept Qtr 3 2010
<b>Balance on Trade in Goods</b>	<b>(89,421)</b>	<b>(72,412)</b>	<b>(60,392)</b>	<b>(65,991)</b>	<b>(74,683)</b>	<b>(80,951)</b>	<b>(74,015)</b>	<b>(66,672)</b>	<b>(82,740)</b>
<b>Exports FOB</b>	<b>5,808</b>	<b>7,545</b>	<b>3,275</b>	<b>1,650</b>	<b>4,621</b>	<b>5,109</b>	<b>2,888</b>	<b>2,253</b>	<b>5,129</b>
General merchandise	4,125	6,346	3,296	2,397	5,025	6,104	2,998	2,375	5,161
Net exports under merchandising	1,683	1,199	(21)	(748)	(403)	(994)	(109)	(122)	(32)
Goods acquired under merchandising	(112)	(123)	(137)	(867)	(1,266)	(1,148)	(144)	(147)	(39)
Goods sold under merchandising	1,795	1,323	115	120	863	154	35	26	8
Nonmonetary gold	-	-	-	-	-	-	-	-	-
<b>Imports FOB</b>	<b>95,230</b>	<b>79,957</b>	<b>63,667</b>	<b>67,641</b>	<b>79,304</b>	<b>86,060</b>	<b>76,904</b>	<b>68,926</b>	<b>87,870</b>
General merchandise	95,230	79,957	63,667	67,641	79,304	86,060	76,904	68,926	87,870
Nonmonetary gold	-	-	-	-	-	-	-	-	-
Of which:									
Classification adjustment (c.i.f.)	(6,078)	(5,103)	(4,063)	(4,315)	4,652	(5,031)	(3,621)	(3,988)	(4,836)
Coverage adjustments	-	-	-	-	6,395	7,175	19,960	6,405	12,095
Valuation adjustments	5	5	15	47	34	62	213	38	6
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	July-Sept Qtr 3 2010
<b>Balance on Trade in Services</b>	<b>(11,514)</b>	<b>(8,061)</b>	<b>(5,732)</b>	<b>(6,348)</b>	<b>(6,763)</b>	<b>(6,471)</b>	<b>(5,869)</b>	<b>2,786</b>	<b>8,276</b>
<b>Services Credit</b>	<b>21,049</b>	<b>16,799</b>	<b>18,346</b>	<b>16,807</b>	<b>17,106</b>	<b>17,762</b>	<b>18,567</b>	<b>21,924</b>	<b>31,154</b>
Manufacturing services on physical basis	-	-	-	-	-	-	-	-	-
Maintenance and repair services	-	-	-	-	-	-	-	-	-
Transport	1,857	3,118	2,511	1,952	3,130	3,035	3,289	3,794	3,636
Sea transport	714	802	561	620	715	673	648	680	630
Air transport	1,136	2,314	1,944	1,329	2,410	2,358	2,638	3,107	3,006
Other modes of transport	-	-	-	-	-	-	-	-	-
Of which:									
Passenger	125	580	353	-	746	496	874	1,123	905
Freight	-	-	-	-	-	-	-	-	-
Other	1,725	2,536	2,152	1,949	2,379	2,535	2,412	2,664	2,730
Postal and courier services	7	2	6	3	5	4	3	7	1
Travel	14,204	7,470	7,555	7,434	9,075	8,340	11,296	11,469	17,659
Business	10,912	4,619	4,624	4,849	7,269	7,065	9,530	9,970	16,519
Personal	3,292	2,851	2,932	2,585	1,806	1,275	1,767	1,499	1,140
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	1,140
Telecommunications, computer, and information services	667	217	572	327	537	393	288	678	72
Telecommunications	666	217	572	321	526	378	287	676	68
Computer and information services	1	-	-	6	10	15	1	3	4
Construction	35	86	871	178	-	182	68	449	953
Insurance and pension services	-	-	-	-	-	-	-	-	-
Financial services	16	720	9	31	-	15	3	36	26
Charges for the use of intellectual property	-	-	-	-	-	-	-	-	-
Other business services	1,105	2,072	3,208	1,739	1,575	2,111	1,149	1,578	1,688
Personal, cultural, and recreational services	765	266	551	616	226	313	175	681	343
Government goods and services	2,401	2,850	3,070	4,530	2,563	3,373	2,298	3,238	6,777
<b>Services Debit</b>	<b>32,564</b>	<b>24,860</b>	<b>24,078</b>	<b>23,155</b>	<b>23,869</b>	<b>24,233</b>	<b>24,436</b>	<b>19,138</b>	<b>22,879</b>
Manufacturing services on physical basis	-	-	-	-	-	-	-	-	-
Maintenance and repair services	-	-	-	-	-	-	-	-	-
Transport	17,027	12,795	9,263	11,001	10,865	14,435	10,272	9,739	10,129
Sea transport	5,816	6,446	4,805	5,091	5,254	5,270	3,051	3,850	4,590
Air transport	11,203	6,341	4,448	5,890	5,573	9,255	7,212	5,883	5,535
Other modes of transport	-	-	-	-	-	-	-	-	-
Of which:									
Passenger	10,460	5,849	4,089	5,586	5,155	8,880	6,855	5,413	5,205
Freight	5,572	4,678	3,724	3,955	4,264	4,612	3,319	3,656	4,433
Other	987	2,259	1,440	1,440	1,408	1,032	89	664	486
Postal and courier services	7	8	11	20	38	18	9	6	5
Travel	3,561	3,310	4,559	3,453	3,342	3,379	5,880	3,855	3,966
Business	1,719	2,219	2,396	2,070	2,041	1,997	2,899	2,394	2,482
Personal	1,842	1,091	2,163	1,382	1,301	1,382	2,981	1,461	1,485
Health related	175	152	81	227	106	219	775	291	351
Education related	601	363	522	659	503	457	1,224	567	723
Other	1,066	576	1,560	496	692	706	982	603	411
Telecommunications, computer, and information services	908	1,431	1,052	2,016	3,722	1,824	885	679	533
Telecommunications	729	831	1,049	2,016	3,722	1,806	876	634	448
Computer and information services	179	601	3	-	-	19	9	45	85
Construction	215	437	498	514	172	172	48	12	4
Insurance and pension services	848	789	636	565	803	708	571	596	734
Financial services	987	342	741	124	322	77	116	281	619
Charges for the use of intellectual property	-	-	-	-	-	-	-	-	-
Other business services	1,495	990	1,586	1,212	1,611	1,874	2,819	1,083	897
Personal, cultural, and recreational services	520	505	282	156	381	338	420	557	468
Government goods and services	7,004	4,260	5,460	4,114	2,651	1,318	3,426	2,349	5,529



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