



KINGDOM OF TONGA

# Balance of Payments

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*Quarterly Bulletin  
December 2012*



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*November, 2013*

*Price: \$5.50*

## Preface

This bulletin presents the Tonga Balance of Payments statistics for the December Quarter 2012.

An introductory note explains the balance of payments statements and the sources of data. It is followed by technical notes on the scope and methodology of the statistics. A short analysis and graphs of selected items are also included.

I wish to thank all organizations both in Government and in the Private sector, which have supplied basic data, and in particular, the Overseas Exchange Transactions Divisions of the Commercial banks and the National Reserve Bank of Tonga. Special mention must be made of the hard work and devotion of the staff members of Balance of Payments Division in the compilation of this report.

The Department would welcome any comments and suggestions to improve the contents, coverage and the quality of the statistics published in this report.



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## **Symbols and Abbreviations used**

The following symbols and abbreviations are used throughout the bulletin.

-	Nil
...	Not available
<i>R</i>	revised
T\$	Tongan pa'anga
000	thousand
f.o.b	free on board in the exporting country
n.i.e.	not identified elsewhere
TBOP	Tonga Balance of Payments
OET	Overseas Exchange Transaction

## **Technical notes and definitions**

### **Introduction**

Tonga's Balance of Payments (TBoP) statements in this publication record the value of economic transactions between Tonga and the rest of the world in goods, services, income, and transfers. They also record changes in Tonga's financial claims on (assets), and liabilities to, the rest of the world.

TBoP is based on principles set out in the 6<sup>th</sup> edition of the Balance of Payments and International Investment Position Manual (BPM6) published by the International Monetary Fund.

### **Sources of information**

The major data sources are:

- Statistics on international trade compiled by the Statistics Department from custom entries completed for all goods exported or imported across the Tonga frontier.
- Monthly overseas exchange transaction records prepared by all commercial banks in Tonga and the National Reserve Bank of Tonga. These records show all transactions made with the overseas countries through the banking system.
- The monthly returns of Tonga Government agencies located overseas.

### **The residency concept**

The resident individuals in Tonga are considered to comprise all persons living within the territory of Tonga for at least one year. Tongan resident enterprises are actual or notional units engaged in:

- Production of goods and services in Tonga.
- Transactions in land located within the territory of Tonga.
- Transactions in leases, rights, concessions, patents, copyrights, and similar non-financial intangible assets issued by the Tongan Government.

Tongan citizens who are employed by foreign embassies and reside in Tonga are regarded as Tongan residents employed by foreigners. Employees of foreign governments and international bodies, such as diplomatic and consulate representatives and other foreign government personnel are treated as non-residents. Tourists, crew members of vessels or aircrafts engaged in international trade, commercial travelers and employees of non-resident enterprise (except students and diplomats) who come to Tonga for less than one year and vice versa are also non-residents.

### **Confidentiality of information**

The TBoP is published in a form that prevents any particular item from being identifiable as relating to any particular organization or person, apart of course for items from already – published sources. Based on these considerations, the release of some information in detailed form is restricted to the standard form shown in the tables.

## **Definitions**

### **Current account**

The current account records the value of Tonga's transactions with the rest of the world in goods, services, income and transfers.

The **credit** side of this account shows the export of goods and services, income earned, and, under current transfers, the offsetting entries to resources received by residents without payment being required.

The **debit** side shows the import of goods and services, income paid, and, under current transfers, the offsetting entries to resources supplied to foreign residents without payment being required.

The current account **balance** is the sum of all current account credits less all current account debits. When the sum of debits is greater than the sum of credits we have a current account deficit.

### **Capital account**

The capital account covers all transactions that involve the receipt or payment of capital transfers and acquisition/disposal of non-produced, non-financial capital. The financial account covers all transactions associated with changes of ownership in the foreign financial assets and liabilities of an economy. Such changes include the creation and liquidation of claims on, or by, the rest of the world.

### **Financial account**

The financial account records transactions involving Tonga's claim on assets, and liabilities to, non-residents. Increases in assets (and decreases in liabilities) are indicated with a minus sign, (debit entry) and decreases in assets (and increases in liabilities) are indicated with a plus sign (credit entry). The financial account excluding reserves covers direct investment, portfolio investment, and other investment, which make up a long term and short-term investment.

The main data source for the Capital and Financial account is the Overseas Exchange Transactions (OET) record of all the commercial banks of Tonga and the National Reserve Bank of Tonga (NRBT), supplemented by data provided by Ministry of Finance.

### **Net errors and omissions (residual)**

This item ensures that the BoP statement balances. It is equal and opposite to the sum of all current account, capital account, and financial account credit flows, less the sum of all debit flows.

Compiling TBOP presents some difficult problems and errors and omissions normally occur in two major areas:

- i. **Coverage:** Despite attempts to gather data on all items, some international transactions are not reported. One category of transaction that probably is often substantially under-reported is purchases and sales of short-term financial claims. It is widely believed that unreported movements of short-term capital contribute a great deal to total errors and omissions. In addition, there has been no attempt to collect complete data on certain other transactions, which are estimated by BoP statisticians.
- ii. **Valuation:** Although imports documents may state a precise value for a particular commodity, a different amount may eventually be paid to the exporter. These types of discrepancy can arise for a number of reasons, ranging from default by the importer to incorrect valuation of the merchandise on the import documents.

## **Goods**

Goods are physical, produced items over which ownership rights can be established and whose ownership can be passed from one person to another through transactions.

Details of the composition of Tonga's trade (derived from customs data) can be found in the reports of Foreign Trade Statistics. However, some goods are believed to pass the Tongan frontier without customs entry and the TBOP makes adjustments to cover unrecorded imports or exports.

Foreign Trade statistics values imports c.i.f. (cost, insurance and freight) while in BoP statistics imports are valued at f.o.b. (free on board) in their country of export. For BoP purposes, an estimate is made of the cost of insurance and the freight components of imports, (c.i.f.) to place these data on an f.o.b. basis. This adjustment comprises most of the negative entry in the debit column. The counterpart to the adjustment are made under transportation and insurance services.

## **Services**

Services are products other than tangible goods.

Items included under services comprise all transactions on transport, insurance, travel, communication, financial, computers and information, royalties and license fees, other business services, personal and government services not included elsewhere. The largest component is travel, mainly comprising "tourist" expenditure in Tonga.

### **Transport services**

Transport includes freight and other distribution services in connection with merchandise. In addition various services are included under the heading "transport", including services performed by carriers, principally for the carriage of passengers, which are not classified under the heading "travel", together with goods and services acquired by carriers and consumed in their operations.

### **Travel services**

Travel covers primarily spending by travelers (tourist and business visitors) during visits of less than one year in that economy. The goods and services are purchased by, or on behalf of, the traveler or provided, without a quid pro quo, for international carriage of travelers,

which is covered in passenger services under transport.

### **Other Services**

Other Services includes all transactions in services not included elsewhere. The main categories are:

- i. **Private transactions** such as communication services, construction services, insurance services, financial services, computer and information services, royalties and license fees and other business services.
- ii. **Government transactions** such as expenses of embassies and consulates, military units and Agencies abroad, and other official entities located abroad; and other services provided to or obtained by government. Included here are transactions of the type included in the private transactions listed above, but where one of the parties to the transaction is a government.

### **Primary income**

Primary income covers income of non-residents from the financial assets invested in Tonga (debit) and income of Tongan residents from their financial assets invested abroad (credit).

Sub-components of income are: compensation of employees; investment income, including direct investment, portfolio investment; and other investment income

The OET data only records cash remittances. Reinvested profits of direct investment enterprises in Tonga are therefore currently excluded from the income component, although they should be included as a debit entry.

### **Secondary income (current transfers)**

These are transfers undertaken without a quid pro quo, for instance, a donation, a remittance by an emigrant worker, or a country's contribution to an international organization.

Private current transfers include remittances, contributions and other current transfers.

Government current transfers include the counter entry from various foreign countries to Tonga government pension payments and Budget support.

### **Official reserves**

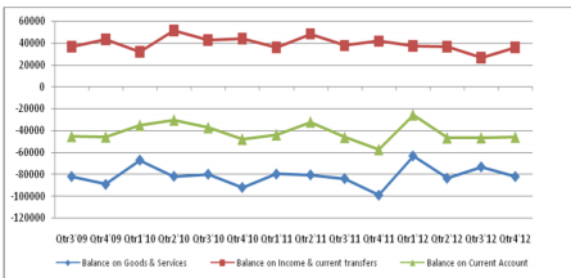
Reserves covers assets that are available for use by the central authorities either to finance payment imbalances directly or to manage the size of such imbalances by intervening to influence the exchange rate for the national currency.

Prior to the formation of the NRBT the Bank of Tonga held foreign exchange assets, as agent of the Government of Tonga. Thus these overseas exchange assets are included in reserves.

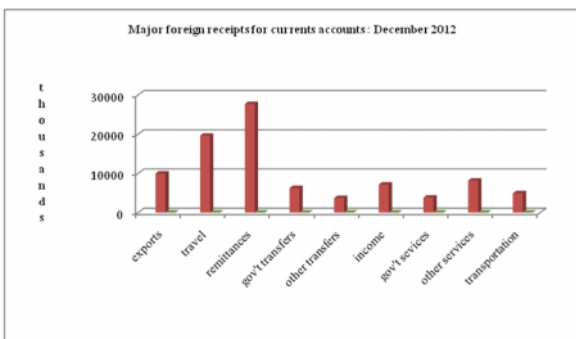
Other foreign assets held by the authorities are also classified under the reserve category. Prior to the creation of the NRBT, these assets included securities held by the Treasury and other Government bodies, which are readily negotiable claims on foreigners. Since July 1989, the NRBT holds most of the Kingdom's external reserves.



## Balance of Payments Statistics December Quarter 2012.



These estimates by the Statistics Department showed the Balance of Payments in December Quarter 2012 recorded a current account deficit of T\$45.8 million, compared to deficit of T\$57.1 million in the December 2011 quarter, and a deficit of T\$46.5 million in the September 2012 quarter. The capital account recorded a surplus of T\$29.8 million, net inflow, increasing from T\$21.6 million in the September 2012 quarter and T\$24.0 million in the December 2011 quarter. The official reserves increased by T\$9.4 million from September 2012 quarter to T\$257.3 million at the end of the December 2012.

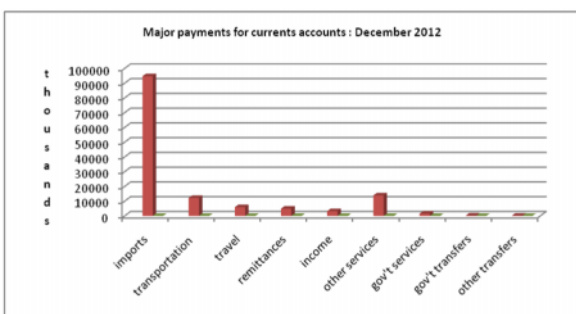


The above graph shows remittances with the highest value of T\$27.7 million, travel with T\$19.6 million, exports with T\$10.0 million, other services with T\$8.2 million, income with T\$7.2 million, government transfers with T\$6.2 million, transportation with T\$4.9 million, and the rest shared the remaining T\$7.5 million.

The goods balance was a deficit of T\$84.8 million in the December 2012 quarter, a decrease from T\$93.0 million or 8.8% in the December 2011 quarter however an increase of 7.8% from T\$78.7 million in the September 2012 quarter. Tonga earned T\$10.0 million from exports in the December 2012 quarter, a decreasing from T\$11.1 million in the December 2011 quarter, but an increase from T\$5.7 million in the September 2012 quarter. Major exports were fish, squash pumpkins, kava (ground and underground kava), root vegetables, coconut (green and fresh nuts), ferrous waste and scrap, paint and varnishes and other, and tobacco. Imports of goods increased to T\$94.8 million, from T\$84.4 million in the September 2012 quarter.

The balance on services was a surplus of T\$2.9 million compared to the September 2012 quarter surplus of T\$5.5 million.

The exports of services were T\$36.5 million in the December 2012 quarter, an increase of 3.2% from T\$35.4 million in the September 2012 quarter, and also an increase of 34.0% from T\$27.3 million in the December quarter of 2011. The increase was principally due to increase in travel services, and other business services.



The above graph shows goods imports with the highest value of T\$94.8 million, other services with T\$14.0 million, transportation with T\$12.2 million, travel with T\$6.0 million, remittances with T\$5.0 million and the rest shared the remaining T\$5.3 million.

Imports of services were T\$33.6 million in the December 2012 quarter, an increase of 12.5% from T\$29.9 million in the September 2012 quarter; and also a slightly increase of 1.5% from T\$33.2 million in the December 2011 quarter. Transport services increased from T\$11.9 million or 2.6% in the September 2012 quarter to T\$12.2 million in December 2012 quarter and other business services such as professional and technical services which including consulting, lawyer, accounting and others, and also an increased in government goods and services.

The net income earnings were made up of T\$3.9 million from primary income and T\$32.2 million from secondary income in the December 2012 quarter. This was an increase from T\$2.8 million and T\$23.9 million respectively in the September 2012 quarter. Remittances from friends and relatives (workers) increased to T\$27.7 million in the December 2012 quarter from T\$21.4 million in the September 2012 quarter.

Provided are detailed tables of quarterly Balance of Payments statistics for December Quarter 2012.

**Table 1: Balance of Payments Statistics Summary, T\$(thousands)**

	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011	Qtr 1 2012	Qtr 2 2012	Qtr 3 2012	Qtr 4 2012
<b>Current Account</b>								
<i>Balance on Goods and Services</i>	(79,604)	(80,356)	(83,769)	(98,904)	(63,089)	(83,444)	(73,169)	(81,908)
<i>Balance on Trade in Goods</i>	(79,161)	(83,218)	(80,243)	(93,008)	(62,529)	(81,508)	(78,666)	(84,797)
Exports f.o.b.	3,183	8,051	5,293	11,108	6,897	4,102	5,719	9,961
Imports f.o.b.	82,344	91,269	85,535	104,116	69,426	85,610	84,385	94,757
<i>Balance on Trade in Services</i>	(444)	2,862	(3,526)	(5,896)	(561)	(1,936)	5,497	2,889
Services credit	24,040	27,195	29,296	27,258	28,375	32,180	35,398	36,535
Services debit	24,484	24,332	32,823	33,154	28,936	34,117	29,901	33,646
<i>Balance on Primary Income</i>	4,732	8,126	4,059	5,549	6,656	7,634	2,785	3,875
Primary income credit	7,506	9,227	6,742	7,087	9,682	9,115	6,831	7,171
Primary income debit	2,774	1,101	2,682	1,537	3,025	1,481	4,047	3,297
<i>Balance on Goods, Services and Income</i>	(74,873)	(72,230)	(79,710)	(93,355)	(56,433)	(75,810)	(70,384)	(78,033)
<i>Balance on Secondary Income</i>	31,221	40,220	33,687	36,249	30,829	29,340	23,897	32,224
Secondary income credit	36,329	43,934	36,303	38,896	34,384	33,530	27,739	37,638
Secondary income debit	5,108	3,714	2,616	2,648	3,554	4,190	3,842	5,414
<b>Balance on Current Account</b>	<b>(43,652)</b>	<b>(32,010)</b>	<b>(46,023)</b>	<b>(57,106)</b>	<b>(25,603)</b>	<b>(46,470)</b>	<b>(46,488)</b>	<b>(45,809)</b>
<i>Balance on Current Account (excluding reinvested)</i>	(43,652)	(32,010)	(46,023)	(57,106)	(25,603)	(46,470)	(46,488)	(45,809)
<b>Capital Account</b>								
Capital account credit	15,586	29,629	25,961	24,033	25,530	25,931	22,280	30,845
Capital account debit	-	8	2,051	-	233	248	707	1,047
<b>Balance on Capital Account</b>	<b>15,586</b>	<b>29,621</b>	<b>23,911</b>	<b>24,033</b>	<b>25,296</b>	<b>25,683</b>	<b>21,573</b>	<b>29,798</b>
<b>Net Lending (+)/Borrowing (-) from Current an</b>	<b>(28,066)</b>	<b>(2,389)</b>	<b>(22,112)</b>	<b>(33,073)</b>	<b>(307)</b>	<b>(20,788)</b>	<b>(24,915)</b>	<b>(16,011)</b>
<b>Financial Account</b>								
<b>Financial Assets</b>	<b>(20,400)</b>	<b>46,700</b>	<b>4,300</b>	<b>17,900</b>	<b>13,200</b>	<b>6,900</b>	<b>1,800</b>	<b>9,400</b>
Direct investment	-	-	-	-	-	-	-	-
Portfolio investment	-	-	-	-	-	-	-	-
Financial derivatives (other than reserves) and emp	-	-	-	-	-	-	-	-
Other investment	-	-	-	-	-	-	-	-
Reserve assets	(20,400)	46,700	4,300	17,900	13,200	6,900	1,800	9,400
<b>Financial Liabilities</b>	<b>11,435</b>	<b>6,121</b>	<b>28,076</b>	<b>27,802</b>	<b>10,471</b>	<b>11,757</b>	<b>12,296</b>	<b>6,008</b>
Direct investment	5,484	15,065	7,344	19,905	3,102	2,572	3,930	4,308
Portfolio investment	-	-	-	-	-	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-	-
Other investment	5,951	(8,944)	20,732	7,897	7,369	9,185	8,367	1,700
<b>Net Lending (+)/Borrowing (-) from Financial A</b>	<b>(31,835)</b>	<b>40,579</b>	<b>(23,776)</b>	<b>(9,902)</b>	<b>2,729</b>	<b>(4,857)</b>	<b>(10,496)</b>	<b>3,392</b>
<i>Net errors and omissions</i>	3,769	(42,968)	1,664	(23,170)	(3,036)	(15,930)	(14,419)	(19,403)
<i>NE&amp;O as percent of goods trade</i>	4.4%	-43.3%	1.8%	-20.1%	-4.0%	-17.8%	-16.0%	-18.5%
<b>Level of Official Reserves at end year</b>	<b>157,100</b>	<b>203,800</b>	<b>208,100</b>	<b>226,000</b>	<b>239,200</b>	<b>246,100</b>	<b>247,900</b>	<b>257,300</b>

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

	Qtr 1 2011	Qtr2 2011	Qtr3 2011	Qtr4 2011	Qtr1 2012	Qtr2 2012	Qtr3 2012	Qtr4 2012
<i>Balance on Trade in Goods</i>	(79,161)	(83,218)	(80,243)	(93,008)	(62,529)	(81,508)	(78,666)	(84,797)
<b>Exports FOB</b>	<b>3,183</b>	<b>8,051</b>	<b>5,293</b>	<b>11,108</b>	<b>6,897</b>	<b>4,102</b>	<b>5,719</b>	<b>9,961</b>
General merchandise	3,183	8,051	5,293	12,147	6,900	4,102	5,722	9,961
Net exports under merchanting	-	-	-	(1,039)	(3)	(0)	(2)	0
Goods acquired under merchanting (negativ	-	-	-	(1,039)	(3)	(0)	(3)	(0)
Goods sold under merchanting	-	-	-	-	-	-	1	1
Nonmonetary gold	-	-	-	-	-	-	-	-
<b>Imports FOB</b>	<b>82,344</b>	<b>91,269</b>	<b>85,535</b>	<b>104,116</b>	<b>69,426</b>	<b>85,610</b>	<b>84,385</b>	<b>94,757</b>
General merchandise	82,344	91,269	85,535	104,116	69,426	85,610	84,385	94,757
Nonmonetary gold	-	-	-	-	-	-	-	-
<i>Of which:</i>								
<i>Classification adjustment (c.i.f./f.o.b.)</i>	(4,076)	(4,645)	(4,949)	(6,263)	(4,240)	(5,273)	(5,195)	(5,857)
<i>Coverage adjustments</i>	18,493	18,493	8,000	6,000	3,000	3,000	3,000	3,000
<i>Valuation adjustments</i>	-	-	-	-	-	-	-	-
<i>Timing adjustments</i>	-	-	-	-	-	-	-	-

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

	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011	Qtr 1 2012	Qtr 2 2012	Qtr 3 2012	Qtr 4 2012
<b>Balance on Trade in Services</b>	<b>(444)</b>	<b>2,862</b>	<b>(3,526)</b>	<b>(5,896)</b>	<b>(561)</b>	<b>(1,936)</b>	<b>5,497</b>	<b>2,889</b>
<b>Services Credit</b>	<b>24,040</b>	<b>27,195</b>	<b>29,296</b>	<b>27,258</b>	<b>28,375</b>	<b>32,180</b>	<b>35,398</b>	<b>36,535</b>
Manufacturing services on physical inputs ow	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-	-
Transport	3,556	3,128	4,198	4,527	3,665	3,942	6,033	4,921
Sea transport	1,608	1,410	1,404	2,020	1,896	1,761	1,761	1,670
Air transport	1,944	1,705	2,791	2,505	1,768	2,180	4,270	3,244
Other modes of transport	-	-	-	-	-	-	-	-
<i>Of which:</i>								
<i>Passenger</i>	407	450	1,126	883	195	912	909	1,160
<i>Freight</i>	-	-	-	-	-	-	-	-
<i>Other</i>	3,146	2,665	3,069	3,641	3,469	3,029	5,123	3,754
Postal and courier services	4	12	3	2	1	1	2	7
Travel	11,664	9,302	14,486	12,906	13,840	18,037	18,192	19,621
Business	11,242	8,332	13,999	12,339	10,576	17,447	15,800	18,077
Personal	422	970	486	567	3,264	590	2,392	1,544
<i>Health related</i>	-	-	-	-	-	-	245	-
<i>Education related</i>	-	1	-	-	-	-	32	34
<i>Other</i>	422	969	486	567	3,264	590	2,115	1,510
Telecommunications, computer, and informat	411	1,306	330	263	154	340	274	776
Telecommunications	357	1,215	330	214	62	97	152	656
Computer and information services (no spli	54	91	-	49	92	243	121	119
Construction	311	371	500	315	2,493	867	2,178	477
Insurance and pension services	-	-	-	-	-	-	-	-
Financial services	179	2	2	4	12	4	476	430
Charges for the use of intellectual property	-	-	-	-	-	-	-	-
Other business services	2,180	3,955	3,084	2,861	2,061	2,448	4,258	5,932
Personal, cultural, and recreational services	285	336	506	296	272	159	476	549
Government goods and services n.i.e	5,454	8,795	6,190	6,085	5,878	6,384	3,512	3,828
<b>Services Debit</b>	<b>24,484</b>	<b>24,332</b>	<b>32,823</b>	<b>33,154</b>	<b>28,936</b>	<b>34,117</b>	<b>29,901</b>	<b>33,646</b>
Manufacturing services on physical inputs ow	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	-	-	-	-	-	-	-
Transport	10,960	10,825	12,185	11,201	11,600	12,776	11,875	12,184
Sea transport	3,663	5,207	4,507	7,177	4,856	5,302	6,778	6,593
Air transport	7,291	5,615	7,659	3,987	6,741	7,473	5,094	5,589
Other modes of transport	-	-	-	-	-	-	-	-
<i>Of which:</i>								
<i>Passenger</i>	6,957	5,170	7,037	3,588	6,435	7,120	4,685	5,269
<i>Freight</i>	3,736	4,258	4,537	5,741	3,887	4,834	4,762	5,369
<i>Other</i>	262	1,393	592	1,836	1,276	821	2,426	1,545
Postal and courier services	5	3	20	37	2	1	2	1
Travel	6,554	5,309	6,987	5,665	6,336	5,409	5,918	5,957
Business	4,946	4,126	5,229	4,281	4,039	4,051	3,027	3,180
Personal	1,608	1,183	1,758	1,384	2,297	1,358	2,891	2,777
<i>Health related</i>	316	95	356	223	337	322	503	318
<i>Education related</i>	878	711	784	710	1,560	739	1,183	1,089
<i>Other</i>	414	376	618	450	400	298	1,204	1,370
Telecommunications, computer, and informat	648	361	1,971	3,792	290	275	323	114
Telecommunications	534	326	1,931	3,671	198	128	233	87
Computer and information services (no spli	114	35	40	122	92	147	90	26
Construction	100	731	336	261	228	641	838	120
Insurance and pension services	758	684	705	891	632	689	583	597
Financial services	975	459	1,893	1,248	1,633	1,966	2,023	1,602
Charges for the use of intellectual property	-	-	-	-	-	-	-	-
Other business services	1,951	2,942	5,134	7,464	5,971	9,795	6,504	9,995
Personal, cultural, and recreational services	868	1,075	777	257	582	1,002	969	1,530
Government goods and services n.i.e	1,670	1,947	2,835	2,374	1,664	1,564	868	1,548

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

	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011	Qtr 1 2012	Qtr 2 2012	Qtr 3 2012	Qtr 4 2012
<b>Balance on Primary Income</b>	<b>4,732</b>	<b>8,126</b>	<b>4,059</b>	<b>5,549</b>	<b>6,656</b>	<b>7,634</b>	<b>2,785</b>	<b>3,875</b>
<b>Primary Income Credits</b>	<b>7,506</b>	<b>9,227</b>	<b>6,742</b>	<b>7,087</b>	<b>9,682</b>	<b>9,115</b>	<b>6,831</b>	<b>7,171</b>
Compensation of Employees	2,714	5,888	3,502	4,005	3,670	3,186	2,614	2,894
Investment income	4,792	3,339	3,239	3,082	6,012	5,929	4,217	4,278
Direct investment	-	-	-	-	-	-	1	1,972
Portfolio investment	-	-	-	-	-	-	-	-
Other investment	4,792	3,339	3,239	3,082	6,012	5,929	4,216	2,306
Reserve assets	-	-	-	-	-	-	-	-
Other primary income	-	-	-	-	-	-	-	-
<b>Primary Income Debits</b>	<b>2,774</b>	<b>1,101</b>	<b>2,682</b>	<b>1,537</b>	<b>3,025</b>	<b>1,481</b>	<b>4,047</b>	<b>3,297</b>
Compensation of Employees	32	35	53	16	33	36	22	14
Investment income	2,742	1,066	2,630	1,522	2,993	1,446	4,025	3,283
Direct investment	-	-	-	-	-	-	-	1,083
Portfolio investment	-	-	-	-	-	-	-	-
Other investment	2,742	1,066	2,630	1,522	2,993	1,446	4,025	2,200
Other primary income	-	-	-	-	-	-	-	-

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

	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011	Qtr 1 2012	Qtr 2 2012	Qtr 3 2012	Qtr 4 2012
<b>Balance on Secondary Income</b>	<b>31,221</b>	<b>40,220</b>	<b>33,687</b>	<b>36,249</b>	<b>30,829</b>	<b>29,340</b>	<b>23,897</b>	<b>32,224</b>
<b>Secondary Income Credits</b>	<b>36,329</b>	<b>43,934</b>	<b>36,303</b>	<b>38,896</b>	<b>34,384</b>	<b>33,530</b>	<b>27,739</b>	<b>37,638</b>
General government	5,843	5,715	5,645	3,837	9,867	5,447	1,166	6,245
Deposit-taking corporations and other sectors	30,486	38,219	30,658	35,059	24,516	28,083	26,573	31,393
Personal transfers	26,243	29,870	21,058	27,618	18,844	22,175	21,399	27,690
<i>Of which: Workers' remittances</i>	26,243	29,870	21,058	27,618	18,844	22,175	21,399	27,690
Other current transfers	4,243	8,348	9,600	7,441	5,673	5,908	5,174	3,703
<b>Secondary Income Debits</b>	<b>5,108</b>	<b>3,714</b>	<b>2,616</b>	<b>2,648</b>	<b>3,554</b>	<b>4,190</b>	<b>3,842</b>	<b>5,414</b>
General government	653	953	754	306	896	1,667	870	254
Deposit-taking corporations and other sectors	4,455	2,761	1,862	2,342	2,658	2,523	2,972	5,160
Personal transfers	3,733	2,275	1,473	1,782	2,262	2,122	2,754	4,954
<i>Of which: Workers' remittances</i>	3,733	2,275	1,473	1,782	2,262	2,122	2,754	4,954
Other current transfers	722	486	389	560	396	401	218	206

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

	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011	Qtr 1 2012	Qtr 2 2012	Qtr 3 2012	Qtr 4 2012
<b>Balance on Capital Account</b>	<b>15,586</b>	<b>29,621</b>	<b>23,911</b>	<b>24,033</b>	<b>25,296</b>	<b>25,683</b>	<b>21,573</b>	<b>29,798</b>
<b>Capital Account Credits</b>	<b>15,586</b>	<b>29,629</b>	<b>25,961</b>	<b>24,033</b>	<b>25,530</b>	<b>25,931</b>	<b>22,280</b>	<b>30,845</b>
Gross disposals of nonproduced nonfinancial	-	-	-	-	-	-	-	-
Capital transfers	15,586	29,629	25,961	24,033	25,530	25,931	22,280	30,845
General government	15,184	28,666	25,607	23,085	24,974	24,399	21,042	27,283
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	15,184	28,666	25,607	23,085	24,974	24,399	21,042	27,283
Deposit-taking corporations and other sectors	402	963	354	948	556	1,531	1,238	3,562
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	402	963	354	948	556	1,531	1,238	3,562
<b>Capital Account Debits</b>	<b>-</b>	<b>8</b>	<b>2,051</b>	<b>-</b>	<b>233</b>	<b>248</b>	<b>707</b>	<b>1,047</b>
Gross acquisitions of nonproduced nonfinancial	-	-	-	-	-	-	-	-
Capital transfers	-	8	2,051	-	233	248	707	1,047
General government	-	-	76	-	211	248	24	36
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	-	-	76	-	211	248	24	36
Deposit-taking corporations and other sectors	-	8	1,975	-	23	-	683	1,012
Debt forgiveness	-	-	-	-	-	-	-	-
Other capital transfers	-	8	1,975	-	23	-	683	1,012



Printed by STATISTICS DEPARTMENT  
Nuku'alofa, TONGA—2013

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