


At a Glance - October 2013

HIGHLIGHTS

- Annual inflation rate for October 2013 remained unchanged from 1.4% in the previous month and up by 0.4 percentage points compared to the same period last year. Most items were relatively unchanged, with the exception of an increase in imported food prices (in particular meat, fish and poultry), however this was offset by a decrease in private transportation (in particular fuel prices).
- Recorded cash remittances increased by \$3.9 million in October 2013 to \$11.2 million from the previous month, an increase of 50.3%, and 17.9% higher than its corresponding month last year. This was caused by both an increase in household remittances by 39.2% (\$2.3 million) and an increase of non-profit remittances by 217% (\$1.6 million).
- Export earnings (OET basis) increased in October 2013 to \$2.7 million from the previous month of \$0.9 million, which was also higher than the same period last year of \$1.2 million. Import payments (OET basis) increased to \$27.2 million in October 2013 from \$18.1 million in the previous month, and significantly higher than the same period last year of \$16 million. The higher imports relative to exports for the month of October 2013 saw an increased merchandise trade deficit of \$24.4 million compared to \$17.2 million trade deficit in the previous month.
- Tourism receipts¹ in October 2013 declined to \$7.2 million, from \$8 million in the previous month, a decrease of 9.5%. The decline was impacted by a fall in the number of air visitor arrivals, declining from 3,476 arrivals in September to 3,013 in October. Compared to the same period last year, tourism receipts declined by 5.9%.
- The level of gross foreign reserves in October 2013 increased by 2.5% to \$260.6 million from the previous month. Compared to the same period last year, foreign reserves increased by 5.8%. The increase in foreign reserves in October saw import cover increase slightly to 8.6 months from 8.4 months in the previous month.

¹ Note there is difficulty in disaggregating tourism (travel) receipts from private remittances and export receipts

	(T\$m unless otherwise indicated)			% change from		YEAR TO DATE (YTD) Jul 2013/14 - Oct 2013/14		
	Oct 2012	Sep 2013	Oct 2013	Sep 2013	Oct 2012	Values (T\$m)	% of Budget (2013/14)	% of GDP ² (2013/14)
ECONOMIC ACTIVITY INDICATORS						YTD Values (Jul 2013 - Oct 2013)	% change from prev. YTD (Jul 2012 - Oct 2012)	YTD Values (Jul 13 - Oct 13) as % of GDP
Exports ³ (OET Basis)	1.2	0.9	2.7	+200.0%	+125.0%	5.0	+72.4%	0.6%
Imports ⁴ (OET Basis)	16.0	18.1	27.2	+50.3%	+70.0%	82.2	+22.7%	9.3%
Cash Remittances	9.5	7.3	11.2	+53.4%	+17.9%	40.7	+11.8%	4.6%
Tourism Receipts ⁵	7.7	8.0	7.2	-9.5%	-5.9%	31.5	+26.5%	3.6%
MONETARY & PRICE INDICATORS								
Official Foreign Reserves	246.2	254.2	260.6	+2.5%	+5.8%			
Import Cover (months)	8.5	8.4	8.6	+2.4%	+1.2%			
Inflation (annual % change)	1.0%	1.4%	1.4%	No change	+0.4% point change			
Retail Fuel Prices: Petrol (T\$/litre) Diesel (T\$/litre)	2.86 2.97	2.85 2.96	2.83 2.94	-0.7% -0.7%	-1.0% -1.0%			

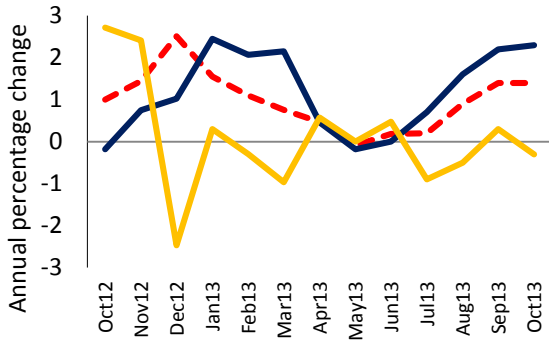
² Nominal GDP 2012/13: T\$881.2 million (estimate)

³ Exports of goods (f.o.b) only, *Overseas Exchange Transactions (OET)*

⁴ Imports of goods (f.o.b) only, *Overseas Exchange Transactions (OET)*

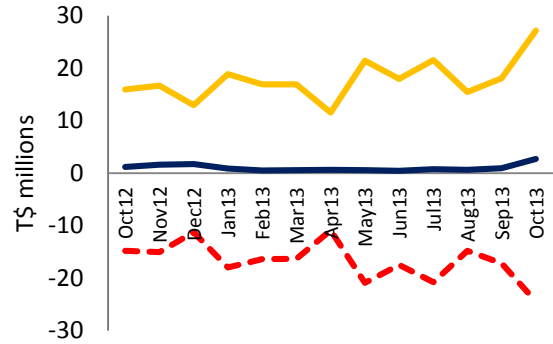
⁵ Note there is difficulty in disaggregating tourism receipts from private remittances

Figure 1: Consumer Price Index (Inflation)



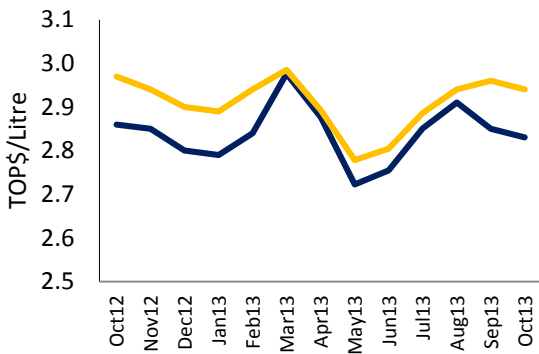
Source: Tonga Bureau of Statistics

Figure 5: Balance of Trade (OET Basis)



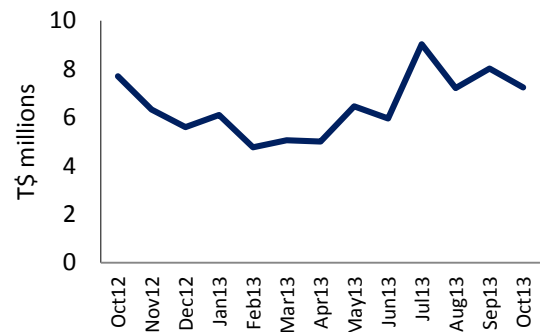
Source: National Reserve Bank of Tonga

Figure 2: Retail Fuel Prices



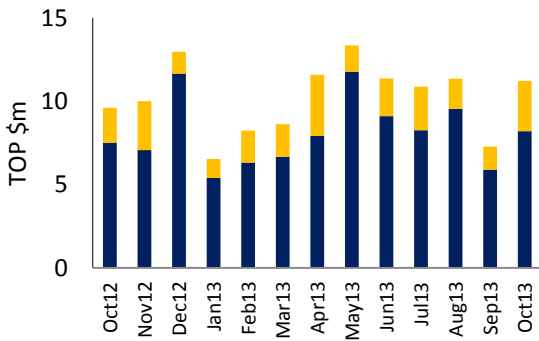
Source: Competent Authority, Ministry of Commerce, Tourism & Labour

Figure 6: Tourism Receipts (12 months total)



Source: National Reserve Bank of Tonga

Figure 3: Cash Remittances



Source: National Reserve Bank of Tonga

Figure 7: Foreign Reserves & Import Coverage

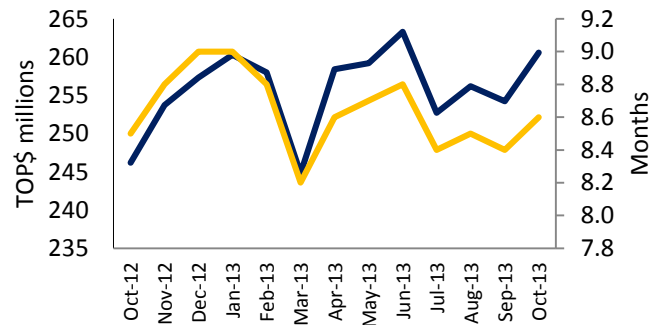
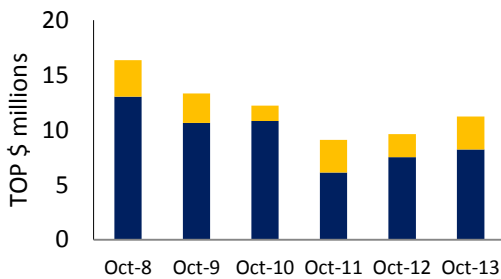
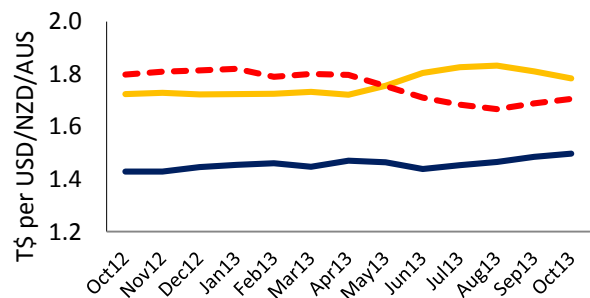


Figure 4: Cash Remittances for July month in previous years



Source: National Reserve Bank of Tonga

Figure 8: Tongan Pa'anga Exchange Rates (end of period)



Source: National Reserve Bank of Tonga