



GOVERNMENT OF TONGA

BALANCE OF PAYMENTS



Annual Report
2021 - 22

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Preface


This bulletin presents the Tonga Balance of Payments Statistics for the year 2021 – 22.

This report contains an introductory note which explains the Balance of Payments statements and the sources of data. It is then followed by Technical Notes on the scope and methodology of the statistics and a short analysis and graphs of selected items together with referenced tables.

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.


.....
Sione Lolohea
Acting Government Statistician (AGS)



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More Information

For more information about the Balance of Payment's Annual Report 21-22, or to request additional statistical information not included in this publication, please contact the Tonga Statistics Department.

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Symbols and Abbreviations used

The following symbols and abbreviations are used throughout the bulletin.

-	Nil
...	Not available
r	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 Payment
OET	Overseas Exchange Transaction

PART 1: Introductory and Technical Notes

I. Introduction

Confidentiality of Information

The Tonga Balance of Payment (TBOP) report is published in a form that prevents any particular item from being identifiable as relating to any particular organization or person. Based on these considerations, the release of some information in detailed form is restricted to the standard form shown in the tables.

II. Technical Notes

Balance of Payments statements in this publication record economic transactions between Tonga and the rest of the world (or in other words, transactions of residents of Tonga with non-residents). They show the value of goods, services, income, transfers and changes in Tonga's claims on the liabilities with foreigners. TBOP is based on principles set out in the "Balance of Payments Manual 6" published by the Monetary Fund.

Sources of information

The statistics presented here are from many sources. The major ones are:

- Statistics on International Merchandise Trade compiled by the Statistics Department from custom entries completed for all goods exported and imported across the Tonga frontier.
- The 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.

Geographic Area

The geographic areas covered by TBOP include all island groups of Tongatapu, Vava'u, Ha'apai, 'Eua and the Niuas.

Accounting System

A double entry is used to prepare the TBOP, that every transaction result in a pair of equal credit and debit entries. Any entries, which are not automatically paired, such as grants and gifts, are deliberately furnished with special offsetting entries. The sum of all credit entries in the statement is thus in principle numerically equal to the sum of all the debit entries, with any inequality that may rise being attributable to net statistical errors and omissions.

Residence

The concept of residence used in TBOP includes the general government, all individuals, private non-profit bodies serving as public and private individual enterprises, and mobile equipment located or operating within the territory of Tonga.

The general Government of Tonga includes Tongan Embassies, Consulates and other entities of general government located abroad. Embassies and consulate representatives of foreign governments located in Tonga are not considered as Tongan residents.

The concept of residence adopted for individuals includes all persons who may be expected to consume goods and services, participate in the production of goods and services or engage in economic activities in Tonga.

The resident individuals in Tonga are considered to comprise all persons living within the territory of Tonga for at least one year. Thus 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 non-residents. Employees of foreign governments and international bodies, such as diplomatic and consulate representatives and other foreign government personnel are treated as non-residents. Tongan citizens who are employed by foreign embassies and reside in Tonga are regarded as Tongan residents employed by foreigners. Tongan resident enterprises are actual or notional units engaged in:

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

Valuation

Balance of Payments accounts are valued at market prices, a valuation system common to that used by the National Accounting Convention.

Market price is defined as the amount of money that a willing buyer pays to acquire something from a willing seller in a commercial transaction.

One important category of transaction worth mentioning is the one-sided transactions. In such transactions, one party provides nothing on which an economic value is placed in return for a real or financial asset received from the other party. An example is the provision of capital equipment received by the Government of Tonga or the private sector, from a donor country under bilateral aid programmes (e.g. New Zealand, Australia etc.). The value of such equipment appears in the TBOP as an import and the value of freight under transportation. The value placed on this type of transaction is the cost to the donor country of the goods provided or services involved. In the example the value entered in the TBOP would be the cost of acquiring the commodity and placing it on board a ship and the freight cost of that said commodity by the donor country.

The counter entry to this type of transaction appears in the item transfers the same value as the original transaction.

Taxes, duties, subsidies, rebates, discounts, and the like are a form of the incidental cost that maybe included in a transaction and taken into account in establishing its market value. Alternatively, they may be regarded as a separate transaction. The IMF recommended that the incidental costs of the kind mentioned above be included in the original transaction in order to maintain a uniform system of valuation and TBOP follows this recommendation.

Time of recording

To achieve simultaneous recording of the two entries for a given transaction in the double-entry system of balance of payments, rules must be adopted governing the time at which a transaction is deemed to have taken place. It should be noted that, in practice, the two entries representing a transaction are often derived independently from separate sources of data, for which the principle of timing used could be different. The time of legal change of ownership of the various assets provided under a contract is generally considered to be the most relevant.

Unit Account

Data on the values of transactions in real resources and financial instruments from which TBOP is compiled are expressed in a variety of currencies. In order to compile TBOP statements, these data must be converted to a common currency or unit of account.

Since Balance of payments statements need to be comparable with the other economic statistics of the nation, this indicates using the national currency as the unit of account. Thus, Tonga uses the Tongan pa'anga (dollar) as the unit of account.

Measure of Balance

As previously noted, balances shown by selected combinations of balance of payments accounts are of considerable interest to analysts and government officials.

A term widely used in analyzing balance of payments statements is the term 'balance'. A balance is calculated by adding the credit entries, for selected components and subtraction of the debit entries, for the same components. For example, the balance of services is the sum of all credit entries, minus all debit entries, for those components in the statement, which represent transaction in services.

A balance, which shows a net credit, is termed a 'surplus' and one showing a net debit is termed a 'deficit'.

In the analytical presentation, components are arranged in a column. Components that comprise an analytic category are grouped together. Thus, it is possible to obtain a balance by drawing a horizontal line after the last component of an analytical category and summing all the components above the line, hence the expressions 'above the line' and 'below the line'.

There are two major balances in the Tonga analytical presentation. The first is the balance of current account. The current account items (above the line) include the components of goods, services, income and current transfers while the components of capital transfers and financial claims and liabilities comprise the Capital and Financial account (below the line). The balance on current account measures the net flow of real resources between Tonga and the rest of the world (above the line) with the flow of financial instruments between Tonga and the rest of the world being below the line. The items below the line include components of movements in capital transfers, reserve assets and official borrowing.

Statistical discrepancies or errors and omissions

Compiling TBOP presents some difficult problems and errors and omissions normally occur in two major areas, namely (i) coverage and (ii) valuation.

(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 balance of payments statisticians. The sample observations, on which estimates are based, are sometimes of doubtful reliability, and even the best sampling and estimating techniques will not prevent errors of estimation.

(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.

Because of problems of coverage and valuation, total recorded debits do not equal total recorded credits in the actual balance of payments accounts in any year.

To accommodate such discrepancies, a residual account, statistical discrepancy, is created. An excess of credits in all other accounts is offset by an equivalent debit to this account, or an excess of debits in other accounts is offset by an equivalent credit to this account.

The statistical discrepancy account thus serves at least two purposes; it gives the balance of payments analyst an indication of the net error in the balance of payments data, and further it provides a means of satisfying the requirement of double entry book keeping that the total debits must equal total credits.

III. Components of the analytic presentation of the Tonga Balance of Payment (BOP)

Exports/Imports

Details of the composition of Tonga's trade (derived from customs data) can be found in the reports of International Merchandise 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 balance of payments statistics imports are valued at f.o.b. (free on board) in their country of export. For balance of payments 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 counterparts to the adjustment are made under transportation and insurance services.

Services

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

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

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 divided into Private and Government Transactions which are then further divided as below:

Private Transactions includes;

- Communication services
- Construction services
- Insurance services
- Financial services
- Computer and information services
- Royalties and license fees
- Other business services including merchant and trade related services, operational leasing and miscellaneous business, professional and technical services.
- Personal, cultural and recreational services

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.

Embassies and Consulates:

Transactions consist of wages and salary payments, representing labour income of local staffs and personal expenditures by diplomatic and consular staffs and their dependents in Tonga. Other expenditures by diplomatic and consular staffs for goods and services such as office supplies, furnishings, fuel, utilities, and rent or purchases or sales of embassy and other buildings, official cars, (including operation and maintenance) and official entertainment.

Military Units and Agencies abroad:

These are treated in the same way as embassies and consulates.

Other official entities located abroad:

These entries cover offices of general government, which are not integrated with the embassy organization.

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.

Income

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 record 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.

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.

Balance on current account

The balance on current account is calculated as the difference between the sum of all debits and the sum of all credits representing merchandise trade, services, income and current transfers.

The Capital and Financial Account

The capital and financial account is divided into two main categories: the capital account and the financial 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.

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.

Reserves

This reserve 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.

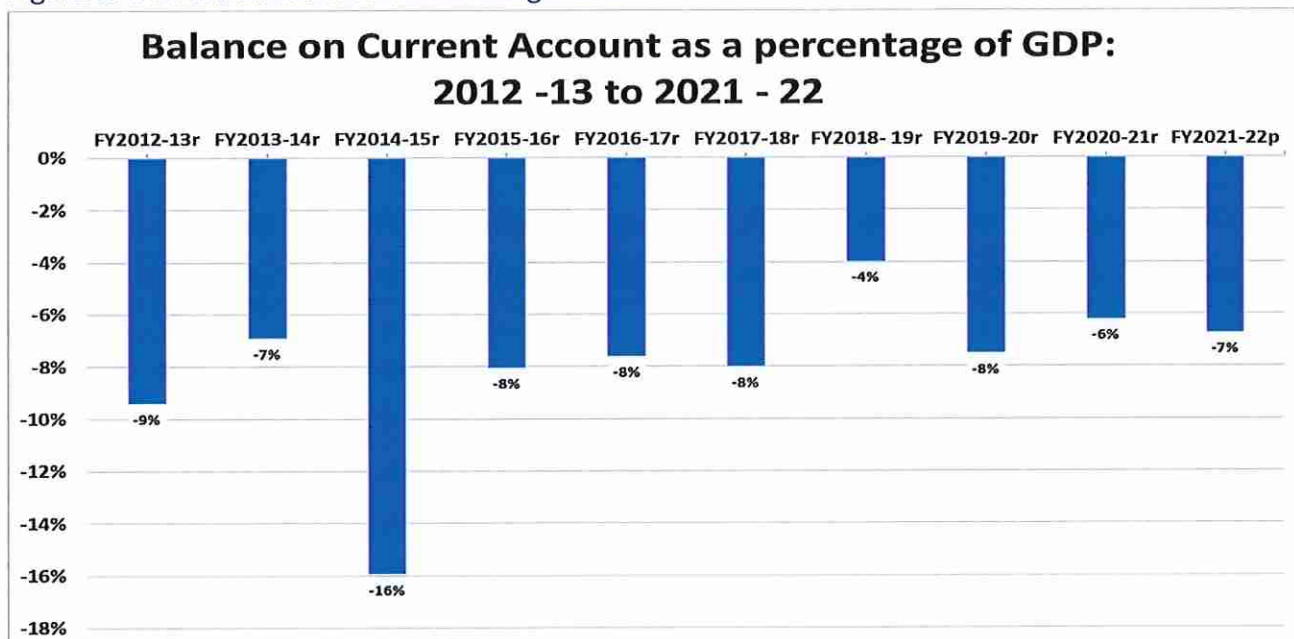
Prior to the formation of the NRBT the Bank of Tonga held foreign exchange assets, as agent of the Government of Tonga. Thus, these overseas exchange assets are included in reserves.

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.

PART 11 – Analysis and Graphs

All Values in this release are in Tongan Pa'anga (TOP).

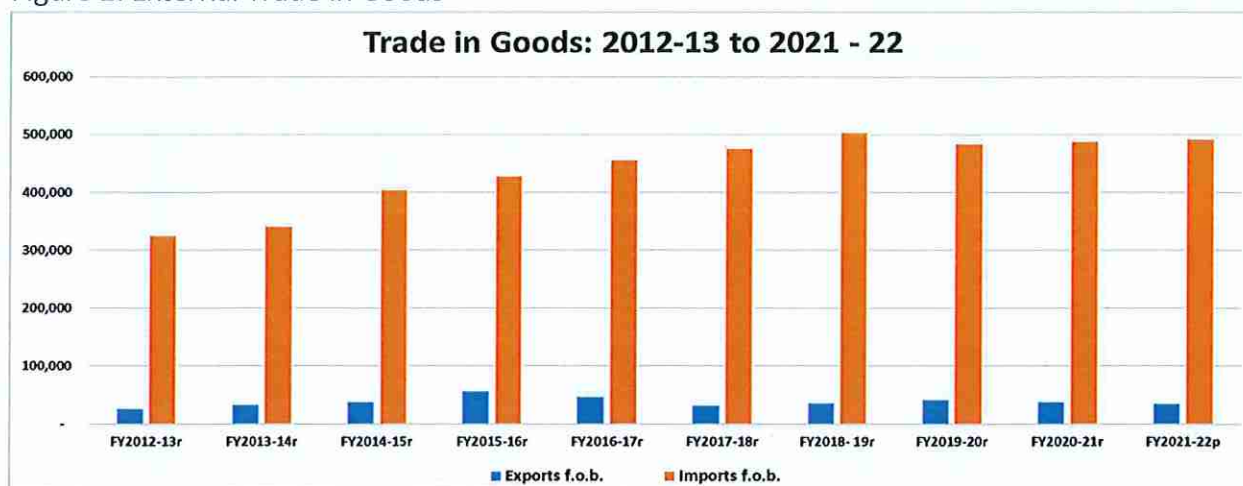
Figure 1. Current Account as a Percentage of GDP



The Current Account records the balances for goods and services plus investment income and transfer between Tonga and the rest of the world. If the Current Account does not balance it is either a Current Account Deficit – where credits are less than debits, or is in a Surplus – where credits are greater than debits. The current account records the value of Tonga's transactions with the rest of the world in goods, services, and income. The current account deficit risen by \$5.6 million (8 %) from \$66.2 million recorded for the previous financial year to \$71.8 million in fiscal year 2021 - 22. The increase in current account deficit was mainly due to the massive improvement in primary income receipts.

From the above graph, it shows the Current Account Deficit was at its highest in 2014 – 15 and then it decreases in the following 3 consecutive years before it escalated again in year 2019 – 20. However, again the Current Account Deficit has started to decline form year 2016 – 17 up to year 2018 – 19 until it started to increase in a year 2019 – 20, in 2020 – 21 was decreasing while the fiscal year 2021 - 22 become increasing and the Current Account Deficit represents a -7% of GDP which was increasing by 1% from 2020 – 2021.

Figure 2. External Trade in Goods

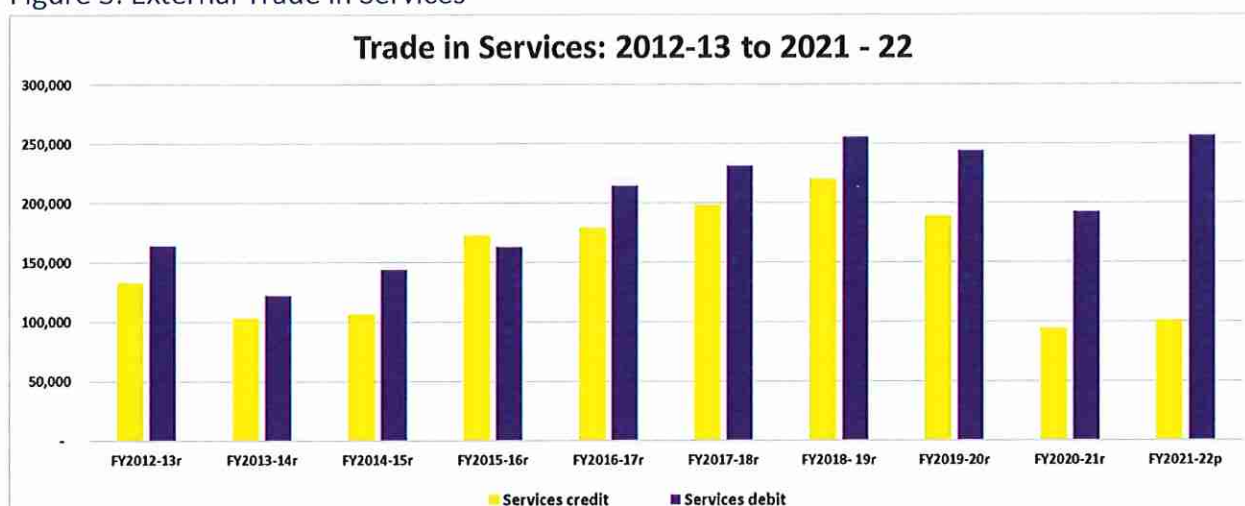


Trade in goods is mostly referred to all the goods that are produced locally here in Tonga and exported it to overseas market. The exports of goods declined by 2.4 million (6 %) from 36.8 million in 2020 – 21 to 34.5 million in 2021- 22. According to the first half of 2022 Tonga export activity is slowly normalizing following the Hunga Tonga Hunga Ha’apai (HTHH) volcanic eruption and the local outbreak of Covid-19 in early 2022 and the result of border closure impacts. So far, the export including re-exports declining due to lower exports of fresh fish, root crops and Kava were the main contributors to the decline in exports, lower levels of mineral fuels contributed to decline in re-exports.

The imports of goods increased by 4 million (1 %) from 487.1 million in 2020-21 to 491.1 million in 2021-22. These increases were mainly due to five major imports by Sections of HS includes (1) Mineral products, (2) Machinery & mechanical & electrical appliances & parts thereof, (3) Prepared foodstuffs, beverages, spirits & tobacco, (4) Live animals: animal products, (5) Vehicles, aircraft & associated transport equipment.

Overall, the net trade in Goods was a deficit of \$456.6 million in fiscal year 2021-22. This represents an increase in deficit on net trade in goods by \$6.4 million (1.4 %) from \$450.2 million to \$456.6 million in 20201-22.

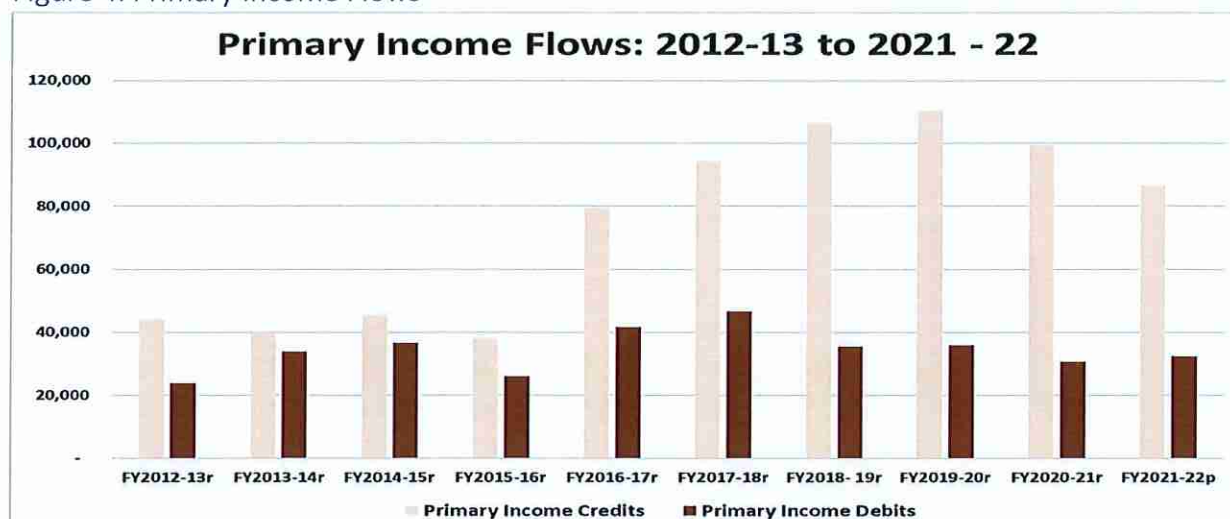
Figure 3. External Trade in Services



Services Credit Inflows Increase by \$6.9 million (7 %) from \$93.9 million to \$100.9 million in 2021-22. The higher in-service receipt was mainly contributed by the Other Business Services with \$6.5 million 74.4 % followed by the Telecommunication, Computer, and Information Services with \$9.9 million 40.2 % and also Travel Receipts with \$1.3 million 6.6 %.

However, Services debit also increasing with \$64.3 million (33.5 %) from \$192.3 million to \$256.7 million in 2021-22. The higher in Services payments were mostly determined from an increase in Personal, Cultural, and recreational Services with \$2.1 million from \$0.06 million to \$2.1 million following by the Other Business Services with \$15.8 million from \$23.8 million to \$39.7 million and also Travel Payment by 6.2 million increasing from \$42.2 million to \$48.4 million. Overall, the net trade in services was deficit of \$155.8 million, a \$ 57.4 million (58 %) increased in deficit when comparing to the Ned trade in Services of the previous fiscal year.

Figure 4. Primary Income Flows

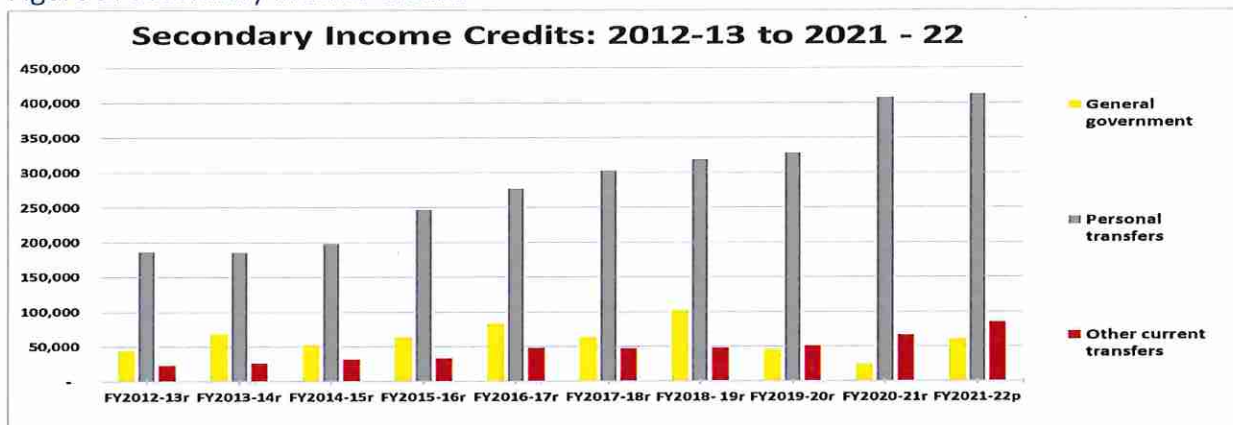


Primary Income inflow has decreased by \$12.8 million (13 %) from \$99.3 million to \$86.5 million in fiscal year 2021-22. The lower was highly contributed from the Compensation of Employee by \$12.9 million (13.8 %). It is confirmed that this decreased from Compensation of Employees was all driven from others wages and salaries from Seasonal Worker Programs.

The seasonal worker program has been on for a decade now and we also be able to get better coverage data from both the Recognized Seasonal Employers Scheme (RSE) in New Zealand and the Seasonal Worker Program (SWP) in Australia. But since the border are still lockdown during this period and there is a declined in the number of Seasonal Worker in this fiscal year 2021-22.

However, Primary Income Outflow was increase by \$ 1.5 million (5.1%) from \$30.7 million to \$32.3 million in 2021-21. The risen in Primary Income was mostly contributed from Other Investment Income by \$4.4 million, of which was \$0.9 million from Investment Income and \$0.6 million from Compensation of Employees. Overall, the net primary income increased by \$54.2 million from \$32.3 million to \$86.5 million in 2021-22.

Figure 5. Secondary Income Credits

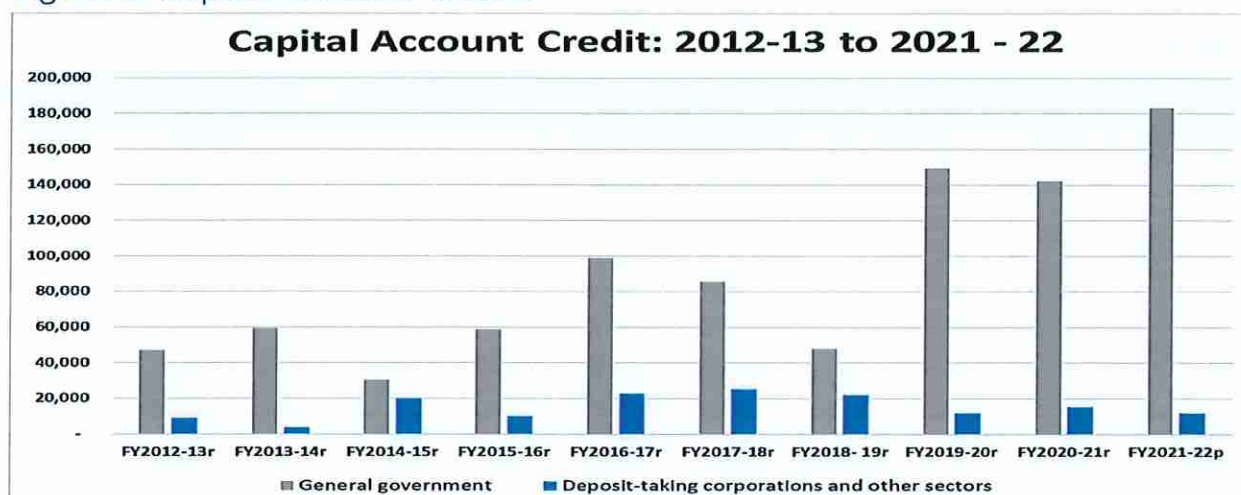


In the Secondary income account, it included all transactions related to those current transfers between residents and non – residents that directly affect the level of gross national disposal income and thus influence the economy’s ability to consume goods and services. Within the secondary income account, it comprises two components which are General Government and Other Sectors which either from Personal Transfers or from Other Current Transfers.

The balance of Secondary Income recorded an increase in the income received by \$72.6 million (17.5 %) from \$338.1 million to \$413.7 million in 2021-22. The higher in Balance of Secondary income has mainly based on an increase by \$60.1 million 12.1 % in the Secondary Income Inflows while there was a declined by \$12.4 million with 14.7 % in the Secondary Income Outflows.

The higher in the Secondary Income Inflows was extremely contributed by an increase in the income received from the General Government with \$36.5 million from \$23.8 million to \$60.3 million, while at the same time, Other Sectors shows an increasing by \$23.6 million from \$474.1 million to \$497.7 million and \$18.9 million comes from the Other Current Transfers such as transfers to Churches or Non-profit Organizations.

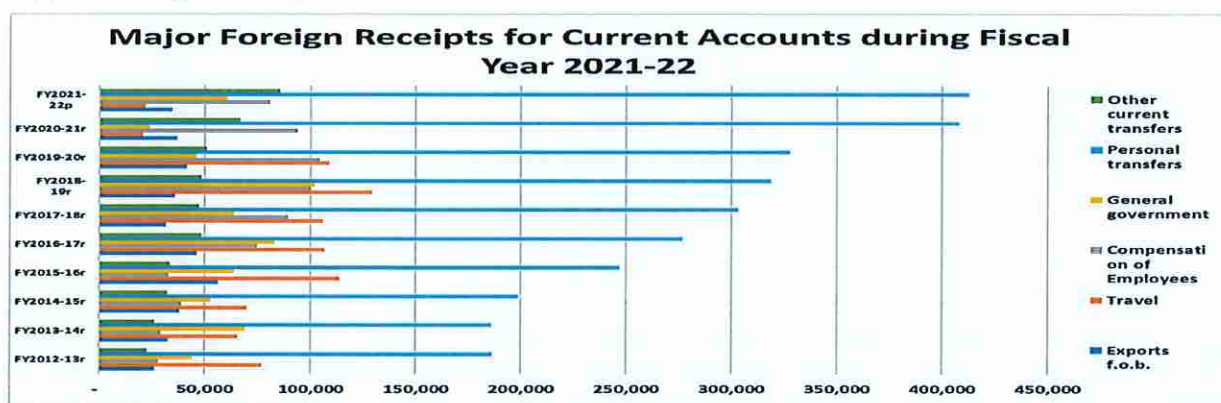
Figure 6. Capital Account Credits



The Capital Account Inflow for financial year 2021-22, increase by \$37.3 million (23.6 %) from the previous financial year was collected \$157.6 million compared this financial year 2021-22 was collected \$194.9 million. The higher in Capital Account Inflow was mainly contributed by increased in Capital transfers of the General Government by \$40.8 million also other Capital transfer to by \$39.2 million in the fiscal year 2021-22.

The other hand, the above graphs shows that the Capital Account outflow for this financial year 2021-22 increase by \$0.8 million from \$0.7 million to \$1.6 million.

Figure 7. Major Receipts for Current Accounts



In regards to the above graph (figure7) it shows all the components that has a contribution to the Current Account of our Country. General Government was the most component who highly contributed to the improvement of our Current Account with \$36.5 million increasing from \$23.8 million to \$60.3 million in fiscal year 2021-22, followed by the Other Current Transfers was increasing from \$66.1 million to \$85.1 million in this period of year 2/22 and the other component was dropping their contribution to the improve our Current Account.

1. BALANCE OF PAYMENT SUMMARY

Table 1: Balance of Payments Ratio

	FY2012-13r	FY2013-14r	FY2014-15r	FY2015-16r	FY2016-17r	FY2017-18r	FY2018-19r	FY2019-20r	FY2020-21p	FY2021-22p
Exports f.o.b/current account credits (percent)	5.7%	7.1%	8.0%	9.1%	6.5%	4.3%	4.3%	5.4%	5.1%	4.4%
Imports f.o.b / current account debits (percent)	61.2%	66.7%	67.3%	63.0%	58.1%	58.1%	57.3%	56.9%	61.3%	57.7%
Goods and services credits / GDP (percent)	19.9%	17.3%	18.1%	26.9%	24.2%	22.6%	23.8%	19.8%	12.2%	12.7%
Current account balance / GDP (percent)	-9.4%	-6.9%	-15.9%	-8.0%	-7.6%	-8.0%	-4.3%	-7.2%	-6.2%	-6.7%
Reserve at end of period / imports of goods and services (percent)	53.8%	59.4%	52.9%	60.1%	60.9%	66.3%	63.9%	74.8%	105.3%	116.5%

Table 2: Balance of Payments Summary, TOP ('000)

	FY2012-13r	FY2013-14r	FY2014-15r	FY2015-16r	FY2016-17r	FY2017-18r	FY2018-19r	FY2019-20r	FY2020-21r	FY2021-22p
Current Account										
Balance on Goods and Services	(329,959)	(326,693)	(403,605)	(361,769)	(444,248)	(477,234)	(502,818)	(496,740)	(548,672)	(612,491)
Balance on Trade in Goods	(299,005)	(307,520)	(365,798)	(371,504)	(409,464)	(444,132)	(467,244)	(441,913)	(450,258)	(456,640)
Exports f.o.b.	25,917	32,421	37,838	55,809	45,972	31,382	35,678	41,458	36,887	34,508
Imports f.o.b.	324,922	339,941	403,635	427,313	455,436	475,515	502,922	483,371	487,146	491,148
Balance on Trade in Services	(30,954)	(19,173)	(37,808)	9,736	(34,784)	(33,102)	(35,574)	(54,827)	(98,414)	(155,851)
Services credit	133,121	102,864	106,334	172,879	179,512	198,274	219,930	189,142	93,940	100,878
Services debit	164,075	122,037	144,142	163,143	214,296	231,375	255,504	243,969	192,354	256,729
Balance on Primary Income	20,460	6,252	8,945	12,143	37,861	47,899	70,853	74,639	68,610	54,242
Primary income credit	44,201	40,057	45,571	38,204	79,477	94,619	106,472	110,473	99,379	86,586
Primary income debit	23,740	33,805	36,625	26,062	41,616	46,719	35,619	35,835	30,769	32,343
Balance on Goods, Services and Income	(309,499)	(320,441)	(394,660)	(349,626)	(406,387)	(429,334)	(431,965)	(422,101)	(480,062)	(558,249)
Balance on Secondary Income	234,655	266,554	267,689	281,377	335,511	347,989	385,658	338,082	413,793	486,367
Secondary income credit	252,889	280,670	282,977	343,635	407,752	413,346	469,017	423,934	497,895	558,087
Secondary income debit	18,234	14,116	15,289	62,258	72,241	65,357	83,358	85,852	84,102	71,720
Balance on Current Account	(74,844)	(53,887)	(126,971)	(68,249)	(70,876)	(81,346)	(46,307)	(84,019)	(66,269)	(71,882)

	FY2012- 13r	FY2013- 14r	FY2014- 15r	FY2015- 16r	FY2016- 17r	FY2017- 18r	FY2018- 19r	FY2019- 20r	FY2020- 21r	FY2021- 22p
Capital Account										
Capital account credit	55,704	62,772	50,420	68,523	121,367	110,676	69,767	161,136	157,661	194,965
Capital account debit	2,681	1,928	3,697	144	1,620	2,987	2,296	1,079	745	1,618
Balance on Capital Account	53,023	60,843	46,723	68,379	119,747	107,689	67,471	160,057	156,916	193,347
Net Lending (+)/Borrowing (-) from Current and Capital Accounts	(21,821)	6,956	(80,248)	130	48,871	26,344	21,164	76,038	90,647	121,465
Financial Account										
Financial Assets (net acquisitions)	16,092	11,617	15,685	66,413	54,227	34,102	40,554	58,507	170,337	146,668
Direct investment	5,859	1,503	3,500	21	1,264	1,427	3,350	2,495	(136)	946
Portfolio investment	-	-	-	-	3	-	11,300	11,208	10,235	600
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	-	-	-	-	-
Other investment	(5,397)	4,514	185	(7,134)	(2,873)	(14,795)	192	(4,638)	5,796	(22,949)
Of which:										
Deposits/Deposit-taking corporations (Banks)	(4,816)	5,612	185	11,788	12,835	(6,324)	6,719	(2,120)	13,576	(16,140)
Deposits/Other non-financial corporations	(581)	(1,098)	-	(25,097)	(11,403)	(8,465)	(7,388)	(1,250)	(5,114)	(4,099)
Reserve assets	15,630	5,600	12,000	73,525	55,834	47,470	25,713	49,443	154,441	168,070
Financial Liabilities (net disposals)	(2,784)	22,098	3,187	51,765	(20,987)	59,992	(14,905)	(104)	17,878	32,792
Direct investment	10,834	13,982	20,503	36,476	(34,312)	54,397	(10,218)	9,787	675	6,487
Portfolio investment	-	-	-	(3)	0	(1,337)	265	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-	-	-	-
Other investment	(13,619)	8,116	(17,317)	15,292	13,325	6,932	(4,952)	(9,891)	17,203	26,304
Deposits	(2,849)	11,830	(2,630)	(884)	(1,151)	(3,224)	(2,028)	7,285	(1,616)	1,551
Loans	(10,769)	(3,721)	(14,732)	10,602	14,303	10,143	(2,911)	(17,170)	18,824	(14,477)
of which, Loans/General Government	(4,550)	(1,511)	(7,486)	9,860	11,700	9,340	(5,396)	(6,214)	19,496	(11,950)
Other liabilities				5,574	172	14	(13)	(6)	(5)	39,231
Net Lending (+)/Borrowing (-) from Financial Account	18,876	(10,481)	12,499	14,647	75,214	(25,891)	55,458	58,611	152,459	113,876
Net errors and omissions										
NE&O as percent of goods trade	40,697	(17,438)	92,747	14,517	26,343	(52,234)	34,294	(17,427)	61,812	(7,589)
Level of Official Reserves at end year	263,300	274,400	289,700	354,900	407,900	468,700	484,300	543,800	715,200	871,200

2. GOODS AND SERVICES ACCOUNT

Table 3: Goods Account, TOP ('000)

	FY2012- 13r	FY2013- 14r	FY2014- 15r	FY2015- 16r	FY2016- 17r	FY2017- 18r	FY2018- 19r	FY2019- 20r	FY2020- 21r	FY2021- 22p
Balance on Trade in Goods	(299,005)	(307,520)	(365,798)	(371,504)	(409,464)	(444,132)	(467,244)	(441,913)	(450,258)	(456,640)
Exports FOB	25,917	32,421	37,838	55,809	45,972	31,382	35,678	41,458	36,887	34,508
General merchandise	25,917	32,421	37,838	55,809	45,972	31,382	35,678	41,458	36,887	34,508
Net exports under merchandising	-	-	-	-	-	-	-	-	-	-
Goods acquired under merchandising (negative exports)	-	-	-	-	-	-	-	-	-	-
Goods sold under merchandising	-	-	-	-	-	-	-	-	-	-
Nonmonetary gold	-	-	-	-	-	-	-	-	-	-
Imports FOB	324,922	339,941	403,635	427,313	455,436	475,515	502,922	483,371	487,146	491,148
General merchandise	324,922	339,941	403,635	427,313	455,436	475,515	502,922	483,371	487,146	491,148
Nonmonetary gold of which:	0	0	0	-	-	-	-	-	-	-
Classification adjustment (c.i.f./f.o.b.)	0	0	0	-	-	-	-	-	-	-
Coverage adjustments	(20,740)	(21,698)	(25,764)	(49,916)	(53,091)	(55,396)	(58,410)	(58,485)	(56,431)	(57,503)
Valuation adjustments	-	-	-	-	-	-	-	-	-	-
Timing adjustments	-	-	-	-	-	-	-	-	-	-

Table 4: Services Account, TOP ('000)

	FY2012- 13r	FY2013- 14r	FY2014- 15r	FY2015- 16r	FY2016- 17r	FY2017- 18r	FY2018- 19r	FY2019- 20r	FY2020- 21r	FY2021- 22p
Balance on Trade in Services	(30,954)	(19,173)	(37,808)	9,736	(34,784)	(33,102)	(35,574)	(54,827)	(98,414)	(155,851)
Services Credit	133,121	102,864	106,334	172,879	179,512	198,274	219,930	189,142	93,940	100,878
Manufacturing services on physical inputs owned by others	-	-	138	9	-	-	-	-	-	-
Maintenance and repair services n.i.e.	-	191	1,524	1,319	591	59	88	90	66	4
Transport	22,357	19,279	21,685	27,000	33,335	37,981	40,667	37,511	32,770	23,079
Sea transport	11,110	6,341	10,533	12,209	15,607	15,417	21,463	18,808	15,279	17,233
Air transport	11,173	12,938	11,152	14,578	15,765	13,745	14,194	11,478	2,622	3,381
Other modes of transport	-	-	-	-	-	-	-	-	-	-
Of which:	-	-	-	-	-	-	-	-	-	-
<i>Passenger</i>	4,465	4,190	3,301	3,037	649	304	397	1,504	79	136
<i>Freight</i>	-	-	2,248	1,833	4,615	3,717	7,897	6,701	4,995	7,927
<i>Other</i>	17,892	15,089	16,136	21,917	26,109	25,141	27,363	22,081	12,826	12,551
Postal and courier services	74	-	-	213	1,963	8,818	5,010	7,225	14,869	2,465
Travel	76,933	65,182	69,302	113,580	106,510	105,675	129,217	108,671	20,492	21,837
Business	6,062	4,808	4,921	10,671	9,103	8,619	9,551	4,398	925	2,554
Personal	70,870	60,374	64,380	102,909	97,407	97,056	119,666	104,273	19,568	19,282
<i>Health related</i>	-	-	-	-	-	-	-	-	1	2
<i>Education related</i>	-	-	-	-	-	-	-	-	1	2
<i>Other</i>	70,870	60,374	64,380	102,909	97,407	97,056	119,666	104,273	19,568	19,282

Telecommunication n, computer, and information services	3,988	2,460	3,766	8,948	17,358	32,202	13,123	11,485	24,804	34,787
Construction	3,476	692	2,542	7,251	4,383	3,221	14,691	11,393	2,968	1,211
Insurance and pension services	-	-	-	-	-	-	-	-	-	-
Financial services	1,383	468	328	22	157	-	-	-	-	-
Charges for the use of intellectual property	-	292	2,218	-	-	5	-	-	-	-
Other business services	18,539	7,481	-	6,142	7,172	10,444	14,959	11,490	8,803	15,352
Personal, cultural, and recreational services	2,054	3,772	208	217	183	159	105	62	81	52
Government goods and services n.i. e	4,393	3,048	4,625	8,391	9,823	8,528	7,078	8,440	3,955	4,556
Services Debit	164,075	122,037	144,142	163,143	214,296	231,375	255,504	243,969	192,354	256,729
Manufacturing services on physical inputs owned by residents	-	-	151	378	1	20	17	2	25	24
Maintenance and repair services n.i.e.	-	182	1,854	3,190	2,025	1,253	4,527	4,331	777	3,796
Transport	45,095	39,032	38,064	59,391	62,021	69,935	70,940	76,459	91,913	117,247
Sea transport	24,346	17,921	22,384	46,147	48,446	52,417	54,131	48,014	82,628	94,003
Air transport	20,728	21,049	15,392	12,936	13,331	17,152	16,575	23,681	5,577	8,087
Other modes of transport	-	-	-	-	-	-	-	-	-	-
Of which:										
<i>Passenger</i>	19,347	16,965	13,920	7,368	7,518	11,511	11,711	12,115	370	855
<i>Freight</i>	19,011	19,890	23,617	49,468	52,696	54,992	57,975	57,971	87,586	100,912
<i>Other</i>	6,716	2,114	238	2,248	1,563	3,066	1,019	1,609	249	323
Postal and courier services	21	63	289	307	244	366	234	4,765	3,709	15,157
Travel	31,501	37,271	37,392	45,473	75,842	78,470	103,816	88,881	42,224	48,433
Business	15,344	14,371	9,128	12,128	26,210	28,193	33,010	33,186	23,313	19,644
Personal	16,157	22,900	28,265	33,345	49,631	50,277	70,806	55,695	18,911	28,789
<i>Health related</i>	-	-	-	-	-	-	-	-	-	-
<i>Education related</i>	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	16,157	22,900	28,265	33,345	49,631	50,277	70,806	55,695	18,911	28,789
Telecommunication s, computer, and information services	2,406	2,764	3,787	7,978	18,667	15,630	11,670	15,991	14,830	22,899
Construction	21,174	12,358	218	908	1,337	544	2,093	196	26	68
Insurance and pension services	3,005	4,399	3,859	2,127	2,951	3,403	3,009	3,124	3,133	2,554
Financial services	8,540	5,617	573	1,211	134	1	7	0	-	52
Charges for the use of intellectual property	-	258	276	10,843	-	0	-	9	31	-
Other business services	34,864	13,388	39,892	22,609	36,660	46,293	42,117	39,719	23,841	39,723
Personal, cultural, and recreational services	2,557	883	833	2,384	271	1,397	783	896	61	2,150
Government goods and services n.i.e	14,934	5,885	17,242	6,650	14,388	14,430	16,525	14,362	15,492	19,782

3. PRIMARY AND SECONDARY ACCOUNT

Table 5: Primary Income Account, TOP ('000)

	FY2012-13r	FY2013-14r	FY2014-15r	FY2015-16r	FY2016-17r	FY2017-18r	FY2018-19r	FY2019-20r	FY2020-21r	FY2021-22p
Balance on Primary Income	20,460	6,252	8,945	12,143	37,861	47,899	70,853	74,639	68,610	54,242
Primary Income Credits	44,201	40,057	45,571	38,204	79,477	94,619	106,472	110,473	99,379	86,586
Compensation of Employees	27,996	29,176	39,072	32,939	74,273	89,164	100,168	104,179	93,747	80,763
Investment income	15,338	10,362	6,326	5,050	4,985	5,326	5,944	5,979	4,650	5,630
Direct investment	1,973	-	1,366	1,182	483	145	298	228	350	470
Portfolio investment	-	-	-	-	-	10	0	0	-	-
Other investment	7,178	3,283	-	-	2	17	4	1	97	43
Reserve assets	6,187	7,078	4,960	3,868	4,501	5,154	5,642	5,750	4,203	5,116
Other primary income	867	519	172	215	218	130	360	315	982	192
Primary Income Debits	23,740	33,805	36,625	26,062	41,616	46,719	35,619	35,835	30,769	32,343
Compensation of Employees	90	2,591	2,811	4,471	6,149	4,103	6,507	7,778	7,592	8,232
Investment income	23,650	31,214	33,815	21,591	35,467	42,616	29,112	28,057	23,176	24,111
Direct investment	11,799	21,011	24,365	14,690	28,822	35,344	22,691	21,551	19,090	15,636
Portfolio investment	-	-	19	371	-	-	13	-	1	-
Other investment	11,852	10,203	9,431	6,530	6,645	7,273	6,408	6,506	4,086	8,475
Other primary income	-	-	-	-	-	-	-	-	-	-

Table 6: Secondary Income Account, TOP ('000)

	FY2012-13r	FY2013-14r	FY2014-15r	FY2015-16r	FY2016-17r	FY2017-18r	FY2018-19p	FY2019-20r	FY2020-21r	FY2021-22p
Balance on Secondary Income	234,655	266,554	267,935	281,377	335,511	347,989	385,658	338,082	413,793	486,367
Secondary Income Credits	252,889	280,670	282,977	343,635	407,752	413,346	469,017	423,934	497,895	558,087
General government	44,055	68,516	52,380	63,600	82,911	63,602	101,941	45,831	23,825	60,362
Other sectors	208,834	212,153	230,598	280,035	324,841	349,744	367,076	378,103	474,070	497,725
Personal transfers	186,208	186,091	198,545	246,908	276,581	302,750	318,868	327,644	407,881	412,643
Other current transfers	22,626	26,062	32,053	33,127	48,261	46,993	48,208	50,459	66,188	85,082
Secondary Income Debits	18,234	14,116	15,043	62,258	72,241	65,357	83,358	85,852	84,102	71,720
General government	3,649	3,134	1,084	3,689	3,216	5,150	2,936	3,910	3,928	2,640
Other sectors	14,585	10,981	13,959	58,568	69,026	60,207	80,422	81,942	80,173	69,080
Personal transfers	11,721	7,710	11,312	52,202	53,822	41,707	59,107	59,433	63,369	54,644
Other current transfers	2,863	3,271	2,646	6,366	15,203	18,500	21,315	22,509	16,804	14,436

CAPITAL ACCOUNT

Table 7: Capital Account, Top ('000)

	FY2012-13r	FY2013-14r	FY2014-15r	FY2015-16r	FY2016-17r	FY2017-18r	FY2018-19p	FY2019-20r	FY2020-21r	FY2021-22p
Balance on Capital Account	53,023	60,843	46,723	68,379	119,747	107,689	67,471	160,057	156,916	193,347
Capital Account Credits	55,704	62,772	50,420	68,523	121,367	110,676	69,767	161,136	157,661	194,965
Gross disposals of non-produced nonfinancial assets	-	-	-	-	-	-	-	-	-	-
Capital transfers	55,704	62,772	50,420	68,523	121,367	110,676	69,767	161,136	157,661	194,965
General government	46,900	59,300	30,450	58,600	98,700	85,500	47,905	149,500	142,287	183,172
Debt forgiveness	-	-	-	-	-	-	17,475	-	-	1,680
Other capital transfers	46,900	59,300	30,450	58,600	98,700	85,500	30,430	149,500	142,287	181,492
Deposit-taking corporations and other sectors	8,804	3,472	19,971	9,923	22,667	25,176	21,862	11,636	15,374	11,793
Debt forgiveness	-	-	-	-	-	-	-	-	-	-
Other capital transfers	8,804	3,472	19,971	9,923	22,667	25,176	21,862	11,636	15,374	11,793
Capital Account Debits	2,681	1,928	3,697	144	1,620	2,987	2,296	1,079	745	1,618
Gross acquisitions of non-produced nonfinancial assets	-	-	-	-	-	-	-	-	-	-
Capital transfers	2,681	1,928	3,697	144	1,620	2,987	2,296	1,079	745	1,618
General government	231	100	16	-	93	68	485	377	96	858
Debt forgiveness	-	-	-	-	-	-	-	-	-	-
Other capital transfers	231	100	16	-	93	68	485	377	96	858
Deposit-taking corporations and other sectors	2,451	1,828	3,682	144	1,527	2,919	1,812	702	649	760
Debt forgiveness	-	-	-	-	-	-	-	-	-	-
Other capital transfers	2,451	1,828	3,682	144	1,527	2,919	1,812	702	649	760

SPECIAL NOTES:

1. Tonga's Balance of Payments Statistic are compiled according to the IMF's principles in the 6th Edition of the Balance of Payments Manual.
2. Data may not sum to stated totals due to rounding.
3. All tables' values in this report can be revised at the end of every Fiscal Year (**Jul 21– Jun 22**).
4. This report has revised some figures from earlier publications. The revision may fall into three broad categories:
 - a) Due to new or updated information becoming available
 - b) Due to new or updated benchmarks
 - c) Due to conceptual or methodology changes

DATA SOURCE:

Administrative Sources

- Tonga Revenue and Customs; *Raw Data on Exported and Imported Goods from the rest of the world.*
- National Reserve Bank of Tonga; *Database on International Transaction Reporting System (ITRS) between resident and non-resident.*
- Ministry of Finance; *Database on Government Financial Statement (GFS) Data; External Debts and the Oversea Mission Data regarded to all Tongan Embassies Abroad.*
- Tonga Airport Limited; *Database on the Revenue collected from using our airports.*
- Tonga Port Authority; *Database on the Revenue collected from using our sea ports.*
- Ministry of Internal Affairs; *Database on the number of seasonal workers in New Zealand and Australia.*

Tonga Statistic Department

- Migration Data; *Data on non-resident who visits Tonga for different reasons.*
- Foreign Consulate Survey; *Data on Receipts and Payments for resident under Foreign Embassies located in Tonga.*



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