



GOVERNMENT OF TONGA

BALANCE OF PAYMENTS



Quarterly Report

JUNE 2023



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SPECIAL NOTES:

1. Tonga's Balance of Payments Statistics 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 after the latest Quarterly Report released.
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:

1. Administrative Sources

- Ministry of Revenue and Customs
- National Reserve Bank of Tonga
- Ministry of Finance
- Tonga Airport Limited
- Tonga Port Authority
- Ministry of Internal Affairs
- Foreign Embassies in Tonga

2. Internal Data Sources

- Migration Statistics Unit
- Trade statistics Unit

BALANCE OF PAYMENTS STATISTICS JUNE Quarter 2023

The Balance of Payments is the statement of all transactions made between entities in one country with the rest of the world over a defined period. Tonga’s Balance of Payments (BOP) Statistics shows the value of Tonga’s transaction with the rest of the world in goods, services, primary income, secondary income, and capital accounts. It also shows changes in Tonga’s financial claims on assets and liabilities to the rest of the world.

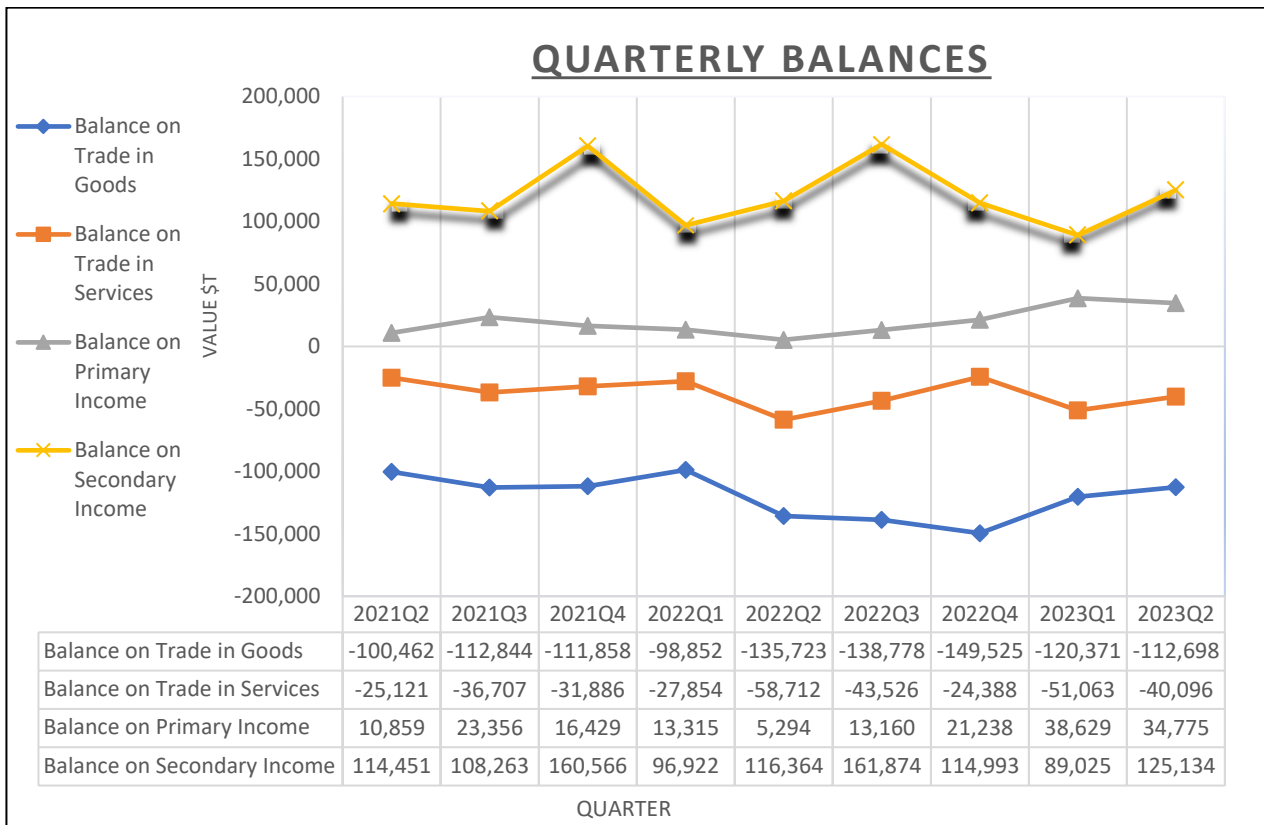


Figure 1: Quarterly Balances

In terms of our Trade Balance of Goods, it has recorded a deficit of \$112.7 million in this Quarter. When compared with the previous quarter’s deficit, this quarter was 6.4 % lower. The overall export of goods from Tonga -Tonga earns \$7.1 million in this Quarter of which it has shown an increase by \$2.1 million compared to the previous quarter.

The Trade Balance of Services has recorded a deficit of \$40.1 million of which it has indicated a decrease from \$51.1 million lower by 11 million when compared to March quarter of 2023. The exports in services totaled \$55.04 million in this quarter, of which was an increase of 7.3 million from \$47.6 million when compared to the previous quarter. The growth was mostly driven by an increase in Travel Receipts services with \$2.7 million and followed by Construction Services with \$ 2.6 million, Telecommunications, computer, and information services with \$ 1.7 million.

Alternatively, the import of services equated to \$75.9 million in this Quarter of which decreased by \$22.8 million when comparing to the previous quarter. This significant decline contributed by decrease in our payment for Business Travel Services with \$18.6 million followed by Telecommunications, Computer, and Information Services with 1.8 million, Government Goods and Services with \$1.01 million also the Insurance and Pension Services with \$0.1 million.

Regarding the Primary Income, it has recorded a surplus of \$34.8 million of which it has showed a decreasing with \$3.9 million from the previous quarter and this was mostly resulted from a decreasing in the receipts received from the other investment with \$2.2 million.

However, in relation to Secondary Income – it has recorded a surplus of \$125.1 million in this Quarter of which was rise by \$36.1 million from \$89.02 million in March Quarter of 2023. This growth was contributed by the Deposit-taking corporations and other sectors with \$24.8 million and followed by the receipts received from General Government with \$10.7 million and Other Current Transfers with \$15.8 also Personal transfers with \$ 9.03 million.

In general, Tongan's Balance of Payments shows in Figure 2 the Current Account Balance has recorded a surplus of \$7.1 million in this Quarter of which it has shown an increase from \$ 43.8 million deficit in March Quarter of 2023. The ultimate increase was mainly contributed from the increase in the Balance of Secondary Income under the other current transfers and General Government. Nevertheless, the balance of Capital Account has also recorded a surplus of \$69.8 million, net inflow, increasing by \$7.9 million in June Quarter of 2023.

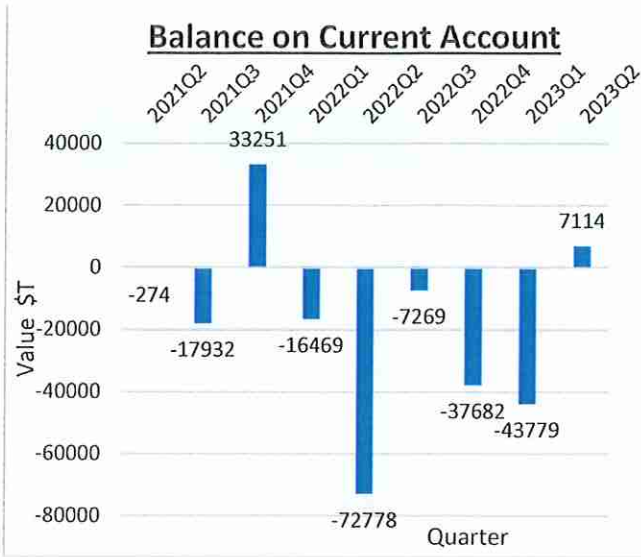


Figure 2: Balance on Current Accounts

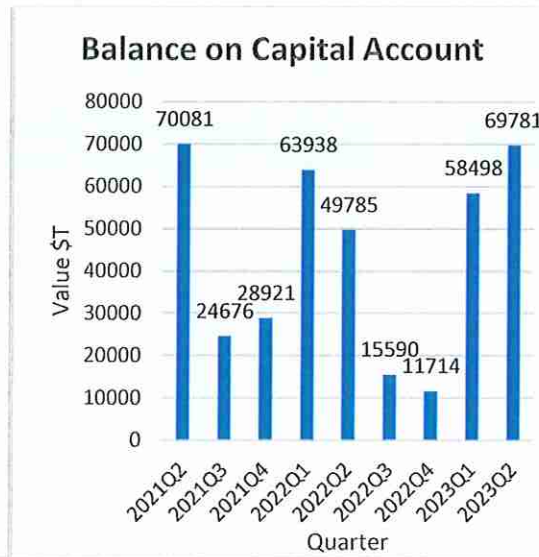


Figure 3: Balance on Capital Account

Finally, again the official reserves have also shown a continuously a massive increasing from the previous Quarters.

Provided are detailed tables of quarterly Balance of Payments statistics for June Quarter of 2023. All values in this release are in Tongan Pa'anga (TOP). The information used in this report is mostly from administrative sources. However, all sources of information should always be acknowledged in all modes of presentation.



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 Sione Lolohea
 Government Statistician (GS)

1. Balance of Payments Summary

Table 1: *Balance of Payments Summary, TOP ('000)*

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Current Account								
Balance on Goods and Services	(149,551)	(143,744)	(126,706)	(194,435)	(182,304)	(173,913)	(171,433)	(152,795)
Balance on Trade in Goods	(112,844)	(111,858)	(98,852)	(135,723)	(138,778)	(149,525)	(120,371)	(112,698)
Exports f.o.b.	7,497	13,969	5,469	7,573	8,385	9,996	5,100	7,181
Imports f.o.b.	120,342	125,827	104,321	143,296	147,163	159,521	125,470	119,880
Balance on Trade in Services	(36,707)	(31,886)	(27,854)	(58,712)	(43,526)	(24,388)	(51,063)	(40,096)
Services credit	20,533	36,015	22,035	22,987	36,551	55,352	47,666	55,046
Services debit	57,239	67,901	49,889	81,699	80,077	79,741	98,729	95,142
Balance on Primary Income	23,356	16,429	13,315	5,294	13,160	21,238	38,888	34,775
Primary income credit	30,106	22,506	20,245	19,762	22,596	28,283	47,724	51,883
Primary income debit	6,750	6,077	6,930	14,468	9,436	7,045	8,836	17,108
Balance on Goods, Services and Income	(126,195)	(127,316)	(113,391)	(189,141)	(169,143)	(152,675)	(132,545)	(118,020)
Balance on Secondary Income	108,263	160,566	96,922	116,364	161,874	114,993	89,025	125,134
Secondary income credit	132,376	180,722	110,360	133,487	184,617	137,439	113,350	149,316
Secondary income debit	24,113	20,155	13,438	17,124	22,743	22,446	24,325	24,182
Balance on Current Account	(17,932)	33,251	(16,469)	(72,778)	(7,269)	(37,682)	(43,520)	7,114
Balance on Income and Current Transfer	131,619	176,995	110,237	121,658	175,035	136,231	127,914	159,908
Capital Account								
Capital account credit	24,801	29,030	64,206	50,901	15,921	11,714	61,315	69,781
Capital account debit	125	109	268	1,115	331	0	0	-
Balance on Capital Account	24,676	28,921	63,938	49,785	15,590	11,714	61,315	69,781
Net Lending (+)/Borrowing (-) from Current and Capital Accounts	6,745	62,172	47,469	(22,992)	8,321	(25,968)	17,796	76,895

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Financial Account								
Financial Assets (net acquisitions)	34,928	63,949	46,642	(3,976)	24,679	(6,864)	15,302	46,572
Direct investment	(1,979)	1,106	473	1,346	1,064	825	182	782
Portfolio investment	-	-	-	-	(206)	(155.26)	(289)	-
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	-	-	-
Other investment	(4,315)	(7,015)	3,689	(14,916)	2,661	4,869	(4,034)	800
Of which:								
Deposits/Deposit-taking corporations (Banks)	(3,815)	(2,938)	5,430	(14,930)	(443)	4,771	(5,247)	721
Deposits/Other non-financial corporations	(514)	(1,984)	(2,015)	414	166	(529)	4,687	(5,678)
Reserve assets	41,222	69,858	42,480	9,593	21,160	(12,402)	19,444	44,991
Financial Liabilities (net disposals)	44,010	7,123	(893)	(4,344)	16,804	(1,845)	3,602	29,217
Direct investment	3,038	3,503	11,175	(693)	1,092	2,834	14,248	4,074
Portfolio investment	-	-	-	-	-	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-	-
Other investment	40,972	3,620	(12,067)	(3,650)	15,713	(4,679)	(10,646)	25,143
Deposits	1,714	4,151	(2,653)	(1,445)	2,141	(1,418)	(923)	27,226
Loans	(2,678)	(1,636)	(9,414)	(1,917)	13,725	(3,328)	(9,688)	(2,018)
of which, Loans/General Government	(1,380)	(1,450)	(9,020)	(1,386)	(7,932)	(1,321)	(8,087)	(2,168)
Other liabilities	41,936	1,104	0	(289)	(153)	67	(35)	(65)
Net Lending (+)/Borrowing (-) from Financial Account	(9,082)	56,826	47,534	367	7,874	(5,018)	11,700	17,355
Net errors and omissions	(15,826)	(5,346)	66	23,359	(447)	20,949	(6,095)	(59,540)
NE&O as percent of goods trade	-12.4%	-3.8%	0.1%	15.5%	-0.3%	12.4%	-4.7%	(0)
Level of Official Reserves at end year	757,000	817,500	861,400	871,200	757,000	817,500	861,400	871,200

2. Goods and Services Accounts

Table 2: *Goods Account, TOP ('000)*

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Balance on Trade in Goods	(112,844)	(111,858)	(98,852)	(135,723)	(138,778)	(149,525)	(120,371)	(112,698)
Exports FOB	7,497	13,969	5,469	7,573	8,385	9,996	5,100	7,181
General merchandise	7,497	13,969	5,469	7,573	8,385	9,996	5,100	7,181
Net exports under merchanting	-	-	-	-	-	-	-	-
Goods acquired under merchanting (negative exports)	-	-	-	-	-	-	-	-
Goods sold under merchanting	-	-	-	-	-	-	-	-
Nonmonetary gold	-	-	-	-	-	-	-	4
								-
Imports CIF	120,342	125,827	104,321	143,296	147,163	159,521	125,470	119,880
General merchandise	120,342	125,827	104,321	143,296	147,163	159,521	125,409	119,555
Nonmonetary gold	-	-	-	-	-	-	61	324
Of which:	-	-	-	-	-	-	-	-
Classification adjustment (c.i.f./f.o.b.)	(13,371)	(13,981)	(11,591)	(15,922)	(16,351)	26,125	21,340	25,263
Coverage adjustments	-	-	-	-	-	-	-	-
Valuation adjustments	-	-	-	-	-	-	-	-
Timing adjustments	-	-	-	-	-	-	-	-

Table 3: Services Account, TOP ('000)

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Balance on Trade in Services	(36,707)	(31,886)	(27,854)	(58,712)	(43,526)	(24,388)	(51,063)	(40,096)
Services Credit	20,533	36,015	22,035	22,987	36,551	55,352	47,666	55046
Manufacturing services on physical inputs owned by others	-	-	-	-	-	-	0	0
Maintenance and repair services n.i.e.	2	-	-	2	-	-	7	3
Transport	5,931	6,059	5,866	5,223	7,193	7,738	7,662	7122
<i>Sea transport</i>	3,828	4,828	4,485	4,092	5,122	4,697	4,030	3693
<i>Air transport</i>	827	845	847	862	1,427	2,872	3,391	3379
<i>Other modes of transport</i>	-	-	-	-	-	-	0	0
Of which:								
<i>Passenger</i>	13	53	27	43	91	210	351	677
<i>Freight</i>	1,943	1,978	2,266	1,741	2,605	2,421	2,051	1601
<i>Other</i>	2,698	3,643	3,039	3,170	3,853	4,939	5,020	4794
Postal and courier services	1,277	385	533	269	643	169	241	50
Travel	5,110	7,301	3,757	6,361	15,201	30,776	27,150	29862
<i>Business</i>	403	1,245	308	627	645	1,057	1,232	1836
<i>Personal</i>	4,707	6,056	3,449	5,733	14,556	29,719	25,918	28026
Health related	-	-	-	-	-	-	-	0
Education related	-	-	-	-	-	-	-	0
Other	4,707	6,056	3,449	5,733	14,556	29,719	25,918	28026
Telecommunications, computer, and information services	5,312	17,128	6,264	6,083	7,470	6,706	4,841	6587
Construction	336	631	51	192	761	3,156	596	3213
Insurance and pension services	-	-	-	-	-	-	-	0
Financial services	-	-	-	-	-	-	-	0
Charges for the use of intellectual property	-	-	-	-	-	-	-	0
Other business services	2,844	3,544	5,048	3,916	4,580	4,886	6,021	6378
Personal, cultural, and recreational services	-	-	2	51	87	203	155	389
Government goods and services n.i.e	998	1,352	1,047	1,159	1,260	1,886	1,234	1492

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Services Debit	57,239	67,901	49,889	81,699	80,077	79,741	98,729	95142
Manufacturing services on physical inputs owned by residents	4	3	2	16	-	8	-	0
Maintenance and repair services n.i.e.	148	116	2,721	812	531	2,484	4,297	755
Transport	27,638	30,023	21,185	38,401	37,961	23,013	27,256	27970
Sea transport	21,497	26,447	19,837	26,221	27,654	17,711	19,055	23849
Air transport	1,824	1,988	1,143	3,132	4,146	4,130	2,981	3160
Other modes of Transport	-	-	-	-	-	-	-	0
Of which:								
Passenger	157	137	50	511	1,476	2,493	642	1521
Freight	23,076	28,192	20,926	28,718	30,198	19,299	21,340	25263
Other	88	106	4	124	126	48	54	224
Postal and courier services	4,316	1,588	204	9,048	6,160	1,172	5,219	961
Travel	12,369	10,788	11,519	13,757	16,243	23,387	32,573	33322
Business	7,196	4,818	3,643	3,988	3,941	6,154	12,664	13384
Personal	5,173	5,971	7,876	9,769	12,302	17,233	19,910	19938
Health related	-	-	-	-	-	-	0	0
Education related	-	-	-	-	-	-	0	0
Other	5,173	5,971	7,876	9,769	12,302	17,233	19,910	19938
Telecommunications, computer, and information services	4,687	6,813	6,012	5,388	9,301	4,159	7,434	5576
Construction	-	0	-	68	281	-	79	0
Insurance and pension services	649	862	392	652	563	3,183	2,071	1953
Financial services	32	21	-	-	-	-	0	45
Charges for the use of intellectual property	-	-	-	-	-	-	0	0
Other business services	6,281	14,303	4,888	14,252	9,618	15,785	19,449	20791
Personal, cultural, and recreational services	605	390	61	1,093	1,523	1,122	306	478
Government goods and services n.i.e	4,829	4,581	3,111	7,261	4,057	6,599	5,264	4251

3. Primary and Secondary Income Accounts

Table 4: *Primary Income Account, TOP ('000)*

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Balance on Primary Income	23,356	16,429	13,315	5,294	13,160	21,238	38,888	34775
Primary Income Credits	30,106	22,506	20,245	19,762	22,596	28,283	47,724	51883
Compensation of Employees	28,768	21,066	15,800	15,130	15,914	23,792	42,785	47308
Investment income	1,330	1,403	4,409	4,522	6,571	4,447	4,902	4500
<i>Direct investment</i>	129	172	68	101	2,092	48	-	0
<i>Portfolio investment</i>	-	-	-	-	-	-	-	0
<i>Other investment</i>	35	6	3	-	27	-	330	0
<i>Reserve assets</i>	1,165	1,226	4,338	4,421	4,453	4,399	4,572	4500
Other primary income	9	37	36	110	111	44	36	76
Primary Income Debits	6,750	6,077	6,930	14,468	9,436	7,045	8,836	17108
Compensation of Employees	1,848	2,214	1,824	2,346	1,834	2,159	1,829	2011
Investment income	4,902	3,863	5,106	12,121	7,603	4,886	7,007	15098
<i>Direct investment</i>	3,509	3,472	2,136	11,557	4,669	4,342	4,279	14569
<i>Portfolio investment</i>	-	-	-	-	-	-	9	0
<i>Other investment</i>	1,393	392	2,970	564	2,933	544	2,719	529
Other primary income	-	-	-	-	-	-	-	0

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

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Balance on Secondary Income	108,263	160,566	96,922	116,364	161,874	114,993	89,025	125134
Secondary Income Credits	132,376	180,722	110,360	133,487	184,617	137,439	113,350	149316
General government	2,066	38,200	5,765	10,199	43,000	-	-	10733
Deposit-taking corporations and other sectors	130,310	142,522	104,595	123,288	141,617	137,439	113,350	138583
<i>Personal transfers</i>	112,807	121,162	76,692	101,982	118,093	121,519	110,930	119965
<i>Other current transfers</i>	-	-	-	-	-	-	2,421	18618
Secondary Income Debits	24,113	20,155	13,438	17,124	22,743	22,446	24,325	24182
General government	180	316	1,139	1,007	1,717	650	536	1192
Deposit-taking corporations and other sectors	23,934	19,840	12,299	16,117	21,026	21,796	23,789	22990
<i>Personal transfers</i>	17,833	15,166	9,111	12,533	17,982	15,959	13,944	13400
<i>Other current transfers</i>	6,101	4,673	3,188	3,584	3,044	5,837	9,845	9590

4. Capital Account

Table 6: *Capital Account, TOP ('000)*

	Qtr 3 2021p	Qtr 4 2021p	Qtr 1 2022p	Qtr 2 2022p	Qtr 3 2022p	Qtr 4 2022p	Qtr 1 2023p	Qtr 2 2023p
Balance on Capital Account	24,676	28,921	63,938	49,785	15,590	11,714	61,315	69,781
Capital Account Credits	24,801	29,030	64,206	50,901	15,921	11,714	61,315	69,781
Gross disposals of non-produced nonfinancial assets	-	-	-	-	-	-	-	-
Capital transfers	24,801	29,030	64,206	50,901	15,921	11,714	61,315	69,781
General government	21,336	24,591	62,025	49,194	13,748	10,639	61,315	67,499
<i>Debt forgiveness</i>	150	-	1,500	30	-	-	2,817	-
<i>Other capital transfers</i>	21,186	24,591	60,525	49,164	13,748	10,639	58,498	67,499
Deposit-taking corporations and other sectors	3,465	4,439	2,181	1,707	2,173	1,075	-	2,282
<i>Debt forgiveness</i>	-	-	-	-	-	-	-	-
<i>Other capital transfers</i>	3,465	4,439	2,181	1,707	2,173	1,075	-	2,282
Capital Account Debits	125	109	268	1,115	331	-	-	-
Gross acquisitions of non-produced nonfinancial assets	-	-	-	-	-	-	-	-
Capital transfers	125	109	268	1,115	331	-	-	516
General government	-	-	-	858	-	-	-	-
<i>Debt forgiveness</i>	-	-	-	-	-	-	-	-
<i>Other capital transfers</i>	-	-	-	858	-	-	-	-
Deposit-taking corporations and other sectors	125	109	268	258	331	-	-	516
<i>Debt forgiveness</i>	-	-	-	-	-	-	-	-
<i>Other capital transfers</i>	125	109	268	258	331	-	-	516



Tonga Statistics Department

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