

NATIONAL RESERVE BANK OF TONGA

Monetary Policy Statement
February 2013

NATIONAL RESERVE BANK OF TONGA

Monetary Policy Statement February 2013

Issued by: National Reserve Bank of Tonga
Salote Road
Nuku'alofa
Tonga.

Postal Address: Private Mail Bag No. 25
Post Office
Nuku'alofa
Tonga
South Pacific

Enquiries: Phone: (676) 24-057
Facsimile: (676) 24-201
Email: nrbt@reservebank.to
Telex: 94079763 NRBT G
Swift BIC code: NRBTTONU

Subscription: Economics Department
National Reserve Bank of Tonga
Private Mail Bag No. 25
Post Office
Nuku'alofa
Tonga
South Pacific

National Reserve Bank of Tonga

Monetary Policy Statement

February 2013

Table of Contents

Monetary Policy Review	4
1. International Economic Developments	6
2. Review of the Tongan Economy	8
3. Review of Monetary Conditions	10
4. Maintaining Adequate Foreign Reserves.....	12
5. Promoting Low and Stable Inflation.....	14
Appendix 1. Tongan Pa'anga exchange rates.....	16
Appendix 2. Monetary Policy Objectives.....	17

Monetary Policy Review

The Reserve Bank's monetary policy remained accommodative over the past six months. The Bank's outlook was for annual inflation to remain below 6 per cent and for foreign reserves to remain above four months of imports.

Gross official foreign reserves increased over the past six months, to \$258 million. The level of foreign reserves was equivalent to 9.1 months of imports, well in excess of the NRBT benchmark of 3 to 4 months of imports. Consumer price inflation rose to 1.1 per cent over the year ended February 2013. The NRBT achieved its primary objectives of maintaining an adequate level of foreign reserves and promoting low and stable inflation.

Global economic growth slowed to 3.2 per cent in calendar year 2012, from 4.0 per cent in 2011. Policymakers avoided a breakup of the euro area and, more recently, sharp cuts to US government spending, both of which would have resulted in lower growth.

The provisional national accounts data for the 2012 financial year show that Tonga's real Gross Domestic Product (GDP) grew by 0.8 per cent. The figure is stronger than the forecasts in the NRBT's September 2012 *Monetary Policy Statement* because the agriculture and construction industries performed better than expected. However, this growth compares poorly with GDP growth globally and throughout the South Pacific.

As has been the case since 2009, the industrial sector recorded the strongest growth of the three main sectors, with much of the growth coming from public sector construction activity. The primary sector expanded by 0.5 per cent over the year, and growth in the agricultural component was the fastest for five years. Performance in the services sector was mixed. The industries most exposed to tourism generally recorded flat outcomes, and activity in the finance sector contracted. The trade sector reported small growth, despite ongoing falls in credit and a modest level of remittances.

Liquidity in the banking system rose over the six months to February 2013, continuing the build-up that began in 2009. The initial increases in banking sector liquidity helped to reduce banks' lending rates, but more recent increases have been less effective. So, to help reduce interest rates further and strengthen banks' incentive to lend, the NRBT removed all interest payments on banks' Exchange Settlement Accounts in November last year. Since then some banks have indeed started offering loans at lower rates or longer terms. The lower interest rates do not yet show in the official data, probably because the take-up has so far been small compared with the stock of existing loans.

Monetary Policy Indicators

	Dec 2011	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Feb 2013
Foreign Reserves (\$TOP millions)	226.0	239.2	246.1	247.9	257.3	258.0
Foreign Reserves (months of import cover)	8.2	8.6	8.5	8.5	9.3	9.1
Nominal effective exchange rate	105.1	104.7	103.3	103.2	102.9	103.9
Weighted average term deposit rate (%)*	3.5	3.9	3.8	3.8	3.8	3.5
Weighted average lending rate (%)*	12.5	10.1	10.0	10.1	10.1	10.0
Consumer price inflation (year-ended, %)	3.8	1.6	2.3	-0.8	2.5	1.1
Domestic items	1.0	0.0	5.3	-1.1	2.8	-0.3
Imported items	5.9	2.8	0.3	-0.6	2.3	2.1
Private sector credit growth (year-ended, %)	-10.8	-12.6	-9.7	-9.8	-10.0	-7.9

*The banks changed their reporting methodology in January 2012, which resulted in a large series break.

Source: Banking system; NRBT; Tonga Department of Statistics

Outlook

The NRBT expects that for the 2013 financial year, Tonga will record real GDP growth that is similar to last year, or slightly lower. Growth is then projected to strengthen in the 2014 financial year.

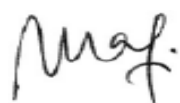
A tighter government budget is likely to exert a drag on growth in the near term, mostly through an anticipated fall in construction activity. However, primary sector activity is expected to strengthen, as positive signs have been emerging from exports data recently and weather conditions have been favorable over the year. Growth in the services sector is expected to be modest, limited by a reduction in public sector activity. However, growth in the trade industry stands to benefit from a pickup in credit growth and remittances. The industries exposed most to tourism are also likely to record positive outcomes.

Year-ended growth in banking system credit is forecast to be slightly positive by early next year. The improvement reflects that the NRBT's current monetary policy settings are accommodative, the drag created by the post-crisis reduction in banks' risk appetite seems to be fading, and recent discussions with banks suggest that several large loans are in the pipeline for public enterprises.

The level of foreign reserves is forecast to rise over calendar year 2013 and to fall over 2014. The profile stems from four key expectations: Government foreign debt repayments are expected to rise, with repayments of the large loan from the Export-Import Bank of China commencing in September 2013; donor support is projected to decline from its unusually high levels of the past few years; remittances are expected to rise only slightly, underpinned by global growth and positive developments in the US; and imports are forecast to rise, on the back of the increase in remittances and the anticipated pick up in credit growth. Nevertheless, foreign exchange reserves will remain comfortably above four months of import cover in 2013 and 2014.

The NRBT projects an increase in headline inflation to around 5 per cent in the near term, with Tonga Power realigning electricity prices to diesel prices in the June quarter. Continued drought conditions in New Zealand's north island could increase the rate of imported food inflation in Tonga and throughout the Pacific region. Global uncertainties, unanticipated changes to global oil prices, and weather conditions will continue to pose significant risks to the inflation outlook.

Against this background, the NRBT expects to maintain its current accommodative monetary policy stance over the next six months. The Reserve Bank continues to target the maintenance of an adequate level of foreign reserves and the promotion of low, stable inflation.



Siosi C. Mafi
Governor

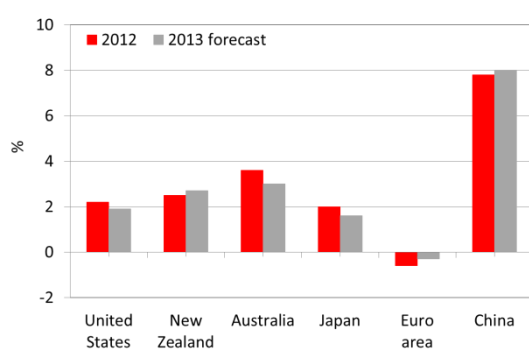
1. International Economic Developments

Major Economies

Global economic growth slowed to 3.2 per cent in calendar year 2012, from 4.0 per cent in 2011. Still, policymakers avoided a breakup of the euro area and, more recently, sharp cuts to US government spending. Both events would have seen lower growth. Looser policy measures in emerging economies also helped to arrest the global growth slowdown. While growth is now expected to edge higher, the International Monetary Fund has lowered its growth forecasts since the last *Monetary Policy Statement*, now projecting 3.3 per cent in calendar year 2013 (previously it was 3.6 per cent). In 2014 it foresees growth of 4.0 per cent.

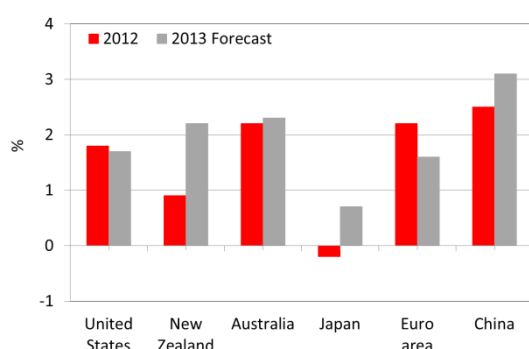
Growth in the US improved in 2012, despite lingering financial sector problems, more conservative government budgeting, and severe weather conditions. More recent developments have also been positive: the government has been able to reduce the extent of planned spending cuts for 2013; credit growth is lifting; house prices are rising; and the unemployment rate has started to fall. GDP growth will probably slow a little in calendar 2013, but in 2014 growth of 3.0 per cent is expected. With the economy operating with spare capacity, wage growth and inflation will likely remain low.

Real GDP Growth in Major Economies



Source: IMF World Economic Outlook- April 2013

Inflation in Major Economies



Source: IMF World Economic Outlook- April 2013

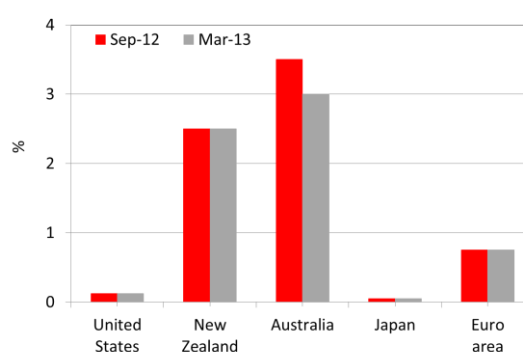
In the euro area, confidence in the currency union has strengthened, and by end of 2012 both governments and banks had easier access to funds. However, lending to the private sector has not yet improved and, together with ongoing policy uncertainty in the region, is weighing on economic activity. Problems have become more widespread lately, so growth is projected to contract in 2013, albeit less so than in 2012.

Despite having slowed from the previous few years, growth in Chinese real GDP remained elevated in 2012. The authorities loosened monetary policy settings and, going forward, growth will probably pick up again. The projected drivers are higher consumption, investment, and external demand. A return to 10 per cent growth is still unlikely.

Japanese GDP growth improved in 2012, bolstered by post-tsunami reconstruction activity. As the positive effects of the reconstruction efforts dissipate, growth is expected to slow, albeit less so than was anticipated at the time of the last *Monetary Policy Statement*; the Japanese authorities have since committed to large stimulus measures.

The Australian economy grew by 3.6 per cent over 2012, supported by further rises in mining investment and accommodative monetary policy. Growth in the non-mining sector remained soft and the unemployment rate has crept up recently, despite falls in labor market participation and average hours worked. Growth is projected to slow over 2013, before moving higher in 2014. There are several factors dragging on growth in this period: the mining investment boom is likely to soon reach its peak; the government is committed to running tighter government budgets; the Australian dollar remains high by historical standards; and there is little sign of a lift in non-mining business investment.

Official Interest Rates in Major Economies



Sources: Reserve Bank of Australia; Reserve Bank of New Zealand

World Data

Per cent

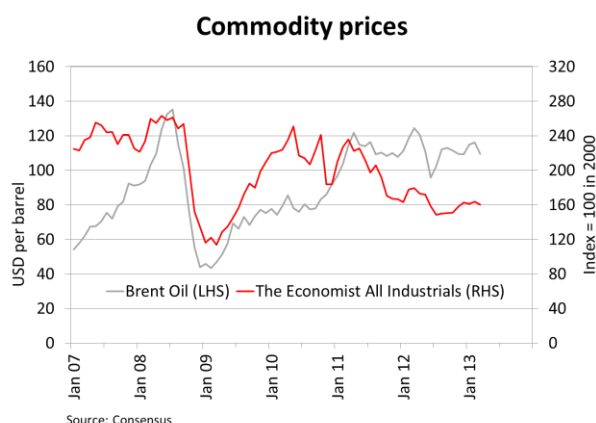
	Real GDP growth			Inflation			Unemployment*		
	2012	2013f	2014f	2012	2013f	2014f	2012	2013f	2014f
United States	2.2	1.9	3.0	1.8	1.7	1.7	8.1	7.7	7.5
Euro area	-0.6	-0.3	1.1	2.2	1.6	1.5	11.4	12.3	12.3
China	7.8	8.0	8.2	2.5	3.1	3.0	4.1	4.1	4.1
Japan	2.0	1.6	1.4	-0.2	0.7	3.0	4.4	4.1	4.1
Australia	3.6	3.0	3.3	2.2	2.3	2.5	5.2	5.3	5.2
New Zealand	2.5	2.7	2.6	0.9	2.2	2.2	6.9	6.6	6.0

* As at December

Source: IMF World Economic Outlook - April 2013

Real GDP in New Zealand increased to 2.5 per cent in 2012, supported by accommodative monetary policy and post-earthquake reconstruction of the Canterbury region. Unemployment has remained elevated, and inflationary pressures are emerging in markets associated closely with Canterbury housing. Growth is expected to remain at around current levels over the next few years unless drought conditions in the north island prolong much further. A continued drought could reduce growth and increase food price inflation in New Zealand and the region.

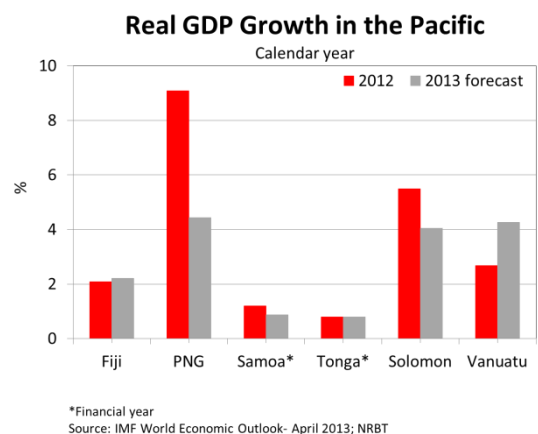
World Brent crude oil prices averaged around US\$109.5 per barrel in March 2013, compared with US\$112.9 in September 2012. The fall was underpinned by higher production by the Organization of Petroleum Exporting Countries (OPEC) and softer global demand. Prices are likely to fall more in 2013 as non-OPEC supply grows.



On a trade-weighted basis, the nominal effective exchange rate appreciated by 0.8 percent over the six months to March 2013, but depreciated by 0.7 percent over the year (bilateral exchange rates are illustrated in Appendix 1). The real effective exchange rate depreciated by 1.8 percent over the year to December 2012 (the latest for which data are available), as inflation was lower in Tonga than in its major trading partners.

Pacific Economies

Growth in the South Pacific region generally slowed in 2012. A number of the larger countries were affected by a slump in demand for their soft commodity exports, including sugar, copra, and cocoa. The arrival of Cyclone Evan in December also weighed on growth, particularly in Fiji and Samoa. As was the case in 2011, the economies of Papua New Guinea and the Solomon Islands grew most quickly. Papua New Guinea recorded unusually strong investment in construction projects, the largest a liquefied natural gas project.



Growth in the region will probably fall further in 2013. Investment in some of the large construction projects is projected to slow and the recent cyclone damage will soften activity for much of the year in Fiji and Samoa. GDP growth is likely to pick up again in 2014, partly through anticipated reconstruction efforts.

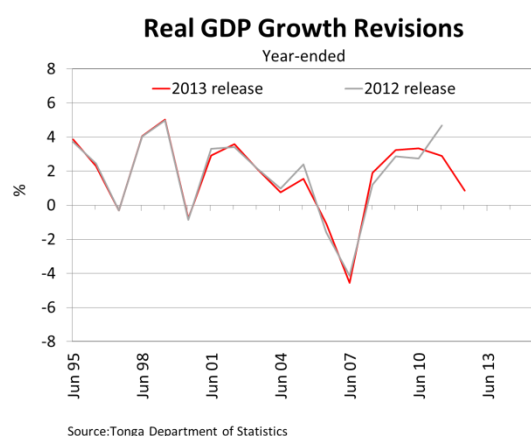
Inflation outcomes in 2012 were affected by some one-off developments in the region, such as changes to trade policies in Papua New Guinea and exchange rate policies in the Solomon Islands. As such, the individual outcomes were mixed. Most of the Pacific economies have benefitted from slower global oil price increases over the past two years.

2. Review of the Tongan Economy

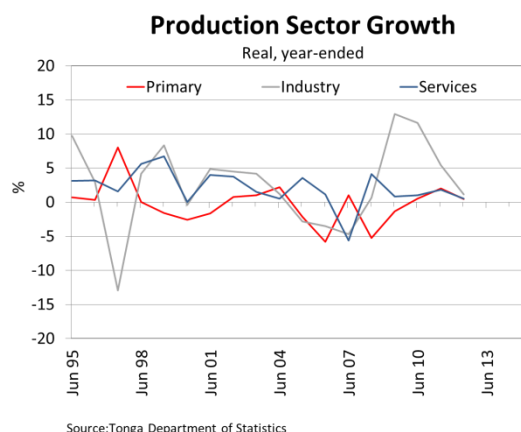
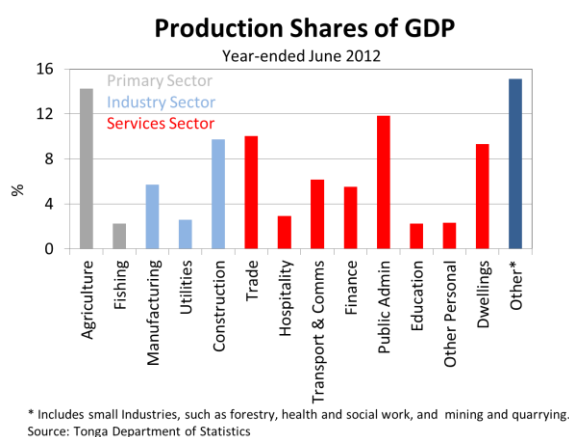
Growth in Tonga's Economy

The provisional national accounts data for the 2012 financial year show that Tonga's GDP grew by 0.8 per cent in real terms. The figure is stronger than the forecasts in the NRBT's September 2012 *Monetary Policy Statement* because the agriculture and construction industries performed better than expected.

Growth for the 2011 financial year was revised down due to more comprehensive information being available on construction activity.



As has been the case since 2009, the industrial sector – accounting for around 18 per cent of GDP – recorded the strongest growth of the three main sectors. Much of the growth came from public sector construction activity that was funded by development partners and large foreign loans, such as the Vaiola Hospital, Tungi Colonnade, and various road works. Private-sector construction activity rose, consistent with increased lending to private construction companies.



The primary sector, consisting of agriculture, forestry, and fisheries, accounts for around 17 per cent of GDP. It expanded by 0.5 per cent over the year. Growth in the agriculture industry was the driver and the fastest recorded for five years. Agricultural exports and locally marketed produce both contributed. Value added in the forestry and fishing industries declined over the year by 25.7 per cent and 9.6 per cent due to decreases in sandalwood and fish exports.

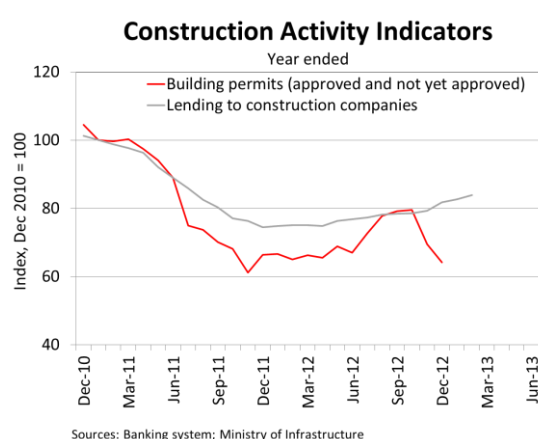
Performance in the services sector was mixed. The industries most exposed to tourism generally recorded flat outcomes, following a 5.8 per cent decline in visitor air arrivals. With visitor numbers having declined by 12 per cent since their peak in the 2008 financial year, the local hospitality industry was likely to be operating with a lot of spare capacity. The finance industry contracted, particularly the insurance component. The trade sector reported small growth, despite ongoing falls in credit and modest levels of remittances.

Outlook

The NRBT expects that for the 2013 financial year, Tonga will record real GDP growth that is similar to the growth recorded for the 2012 financial year, or slightly lower. In the 2014 financial year growth is projected to strengthen.

In last year's Budget Statement the Government expected to implement a tighter budget in the 2013 financial year than in the 2012 financial year. It forecast a surplus of \$1.2 million, or 0.2 per cent of GDP. The predicted outcome will generate a drag on GDP growth. Most sectors will be affected, though other factors, discussed below, will help to cushion the impact.

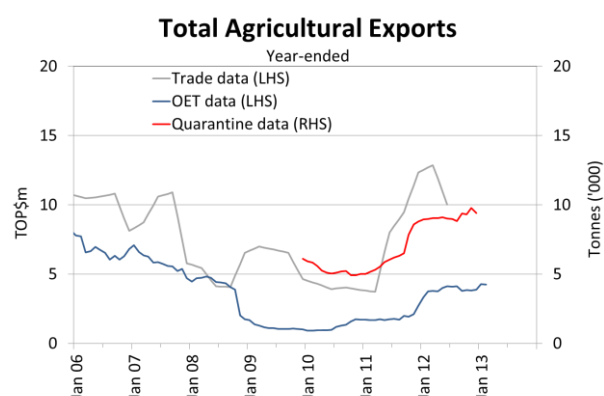
Overall the industrial sector is forecast to slow over the 2013 financial year, on the back of weaker construction activity. A number of large public works are scheduled, but are about half the value of those carried out last year. Major projects include solar power installations, village power upgrades, road works, and construction of the Vaipua Bridge in Vava'u. In the 2014 financial year, the value of public works will increase significantly, owing largely to planned upgrades for the Tongatapu and Eua airports. Permits for non-civil works, many of which are private, recorded falls towards the end of 2012. Based on the recent path of construction sector lending, the permits are likely to rise again soon.



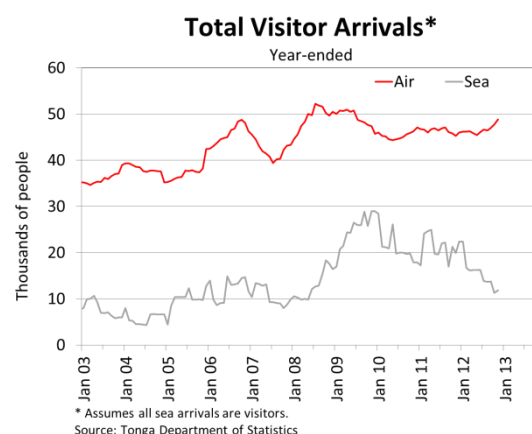
The NRBT's outlook for the primary sector is mixed but, on balance, positive:

- Exports to most existing markets appear to be growing and discussions at a recent conference hosted by the Ministry of Agriculture, Forestry, Food and Fisheries (MAFFF) suggested that the agricultural sector has been working on several new export markets. Watermelon exports have not, however, grown as had been anticipated. Weather conditions have also been favorable for selected parts of the agricultural sector, especially tomatoes, causing unusually large falls in their prices around December 2012.
- According to MAFFF, 37 tuna and snapper fishing vessel licenses have been issued so far for calendar 2013, compared with 33 in 2012. But the increase is entirely in vessels that will not process catches in Tonga. Their contribution to Tonga's GDP growth will be minimal. The number of locally based vessels has fallen by 4, to 17.

- The stock of sandalwood and sea cucumber will still take some years to replenish, and export earnings are likely to be low for some time.



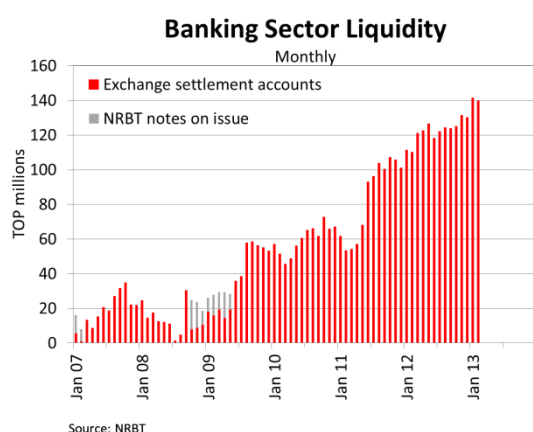
Growth in the services sector is expected to be modest as well. The largest component – public administration – is likely to contract because the stricter government budget implies a decline in the provision of government services. The contraction in public administration could be partly offset by growth in the trade industry, which stands to benefit most from growth in remittances and improvements to credit growth (see chapters 3 and 4). Tourism-related activity is also likely to grow, as the year-ended number of visitors arriving by air has so far increased by 6 per cent since the end of the 2012 financial year, and the global economic growth. The recent cyclone damage in Fiji and Samoa may provide further short-term support to Tonga's visitor numbers. An increase in cruise ship visits was anticipated following the completion of the Vuna Wharf, but has not yet materialized.



3. Review of Monetary Conditions

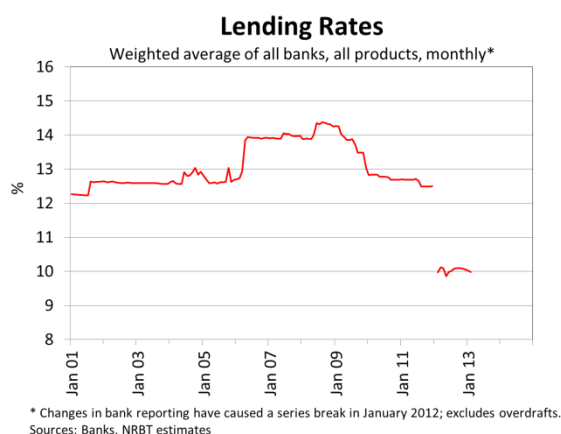
Liquidity

Liquidity in the banking system rose by 12 per cent, to \$139.7 million, over the six months to February 2013. The rise was underpinned by a net increase in foreign reserves, which the NRBT decided to leave in the banking system. The decision was aimed at supporting more positive economic outcomes through falls in interest rates and more lending. At the end of February the level of banks' exchange settlement account balances equated to 17 percent of nominal GDP and 27 per cent of banking system assets, both high figures.



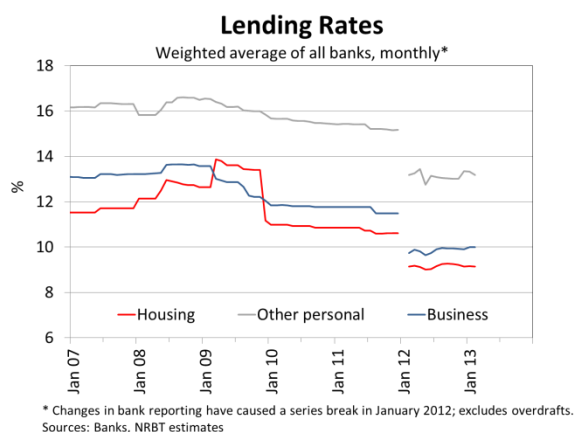
Interest Rates

The initial increases in banking sector liquidity helped to reduce banks' lending rates, particularly around 2009, though more recent increases have been less effective. So, to help reduce interest rates further, the NRBT removed all interest payments on banks' Exchange Settlement Accounts in November last year. Since then some banks have indeed offered loans at lower rates or longer terms.

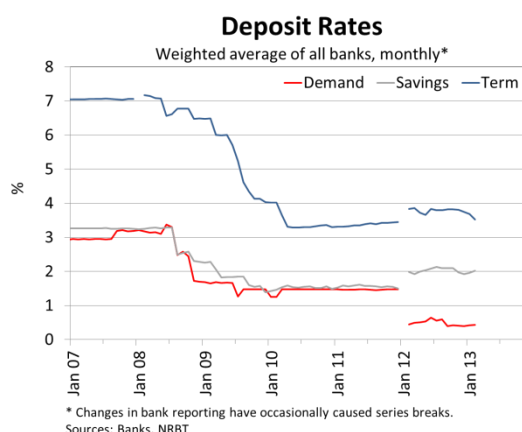


The lower interest rates do not yet show in the official data, probably because the take-up has so far been small compared with the stock of existing

loans. Over the six months to February, the weighted average rate for housing loans fell by 10 basis points, for other personal loans rose by 15 basis points, and for business loans rose by 5 basis points. Lending rates overall appear to be low by the standards of the past decade, though recent improvements to reporting requirements are complicating historical comparisons.

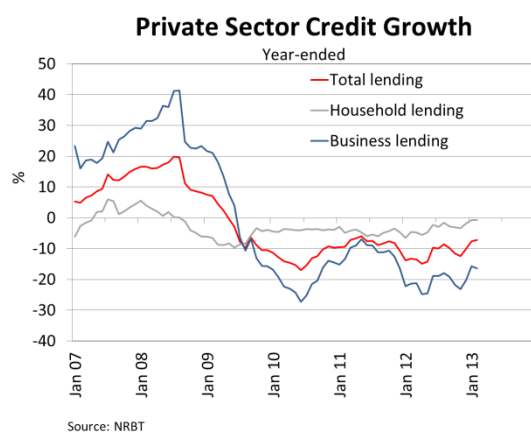


Weighted average rates received on deposits fell over the same period. Rates on demand deposits fell by 15 basis points, on savings deposits by 10 basis points, and on overall term deposits by 25 basis points. However, interest rates on term deposits with maturities of between one and two years increased by 30 basis points.



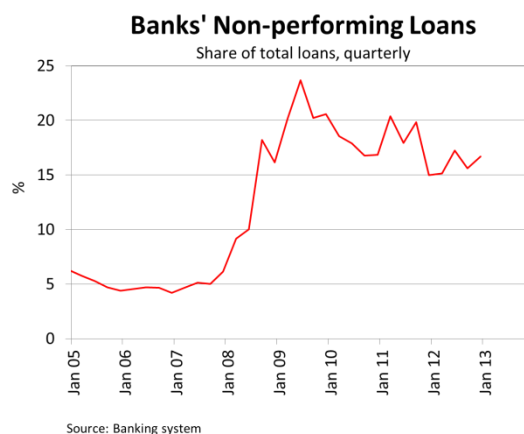
Private Sector Credit Growth

Despite weighted lending rates being little changed recently, credit growth has picked up somewhat. Total private sector credit contracted by 7 per cent over the year ended February 2013, compared with a 9 per cent fall over the year ended August 2012. The improvement in credit growth was driven by lending to the business sector. Household sector credit growth also increased.



In recent years an increasing share of lending has been originated outside of the banking sector: in 2011 the Retirement Fund Board (RFB) started offering non-housing personal loans to its members; in 2010 a privately owned microfinance enterprise, South Pacific Business Development (SPBD), started providing financial services to individuals and community groups who otherwise have difficulty meeting banks' lending criteria; and in 2008 the Government started on-lending large amounts of a loan from the Export-Import Bank of China for major infrastructure projects in the Nuku'alofa central business district. While the on-lent amounts of the China loans have been fully extended for over 12 months now, the amounts of the other loans have grown. Had they been included in the aggregate financial system figures, household sector credit would have grown by 5.1 percent over the year-ended February and overall credit would have contracted by 4.2 per cent.

Still, these growth rates are well below the average rates recorded over the ten years that preceded the global financial crisis. With the frequency of borrower defaults having increased markedly in June 2008, and having remained elevated since, banks have responded by tightening their lending criteria. Borrowers have had difficulty servicing their debts because remittances and other sources of disposable income have fallen. A weak and uncertain short-term economic outlook is likely to have reduced the number of attractive lending opportunities as well.



At the end of February 2013, lending to the household sector accounted for 58 per cent of total private sector credit, and lending to the business sector accounted for 42 percent. Household lending was directed mostly to housing.

Outlook

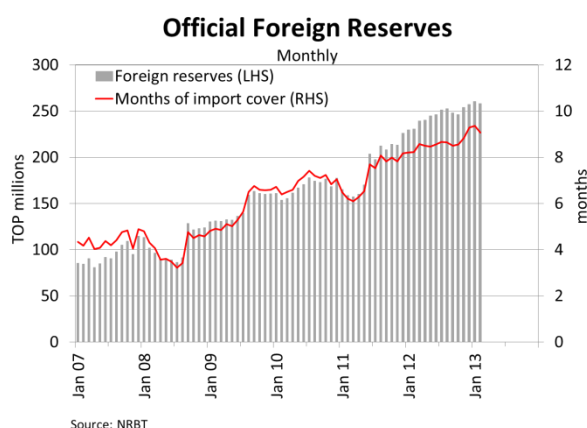
The NRBT's current monetary policy settings are designed to support a pick-up in credit growth, the drag created by the post-crisis reduction in banks' risk appetite seems to be fading, and recent discussions with banks suggest that several large loans are in the pipeline for public enterprises. At the same time, other factors are likely to continue weighing on banks appetite for lending, particularly the ongoing uncertainty in Tonga's economic outlook. Overall we expect growth in total banking system credit to increase over the next year, to be slightly positive by early 2014. Structural reforms aimed at improving the lending environment could provide support to credit growth.

With foreign reserves projected to pick up slightly over the remainder of calendar 2013 (see next chapter), the level of system liquidity will remain high.

4. Maintaining Adequate Foreign Reserves

Official Foreign Reserves

Gross official foreign reserves increased by 12 per cent over the year to February, to \$258.0 million. Since the last *Monetary Policy Statement* foreign reserves have increased by 2 per cent, mainly due to private sector capital inflows. The level of foreign reserves was equivalent to 9.1 months of imports, well in excess of the NRBT benchmark of 3 to 4 months of imports.



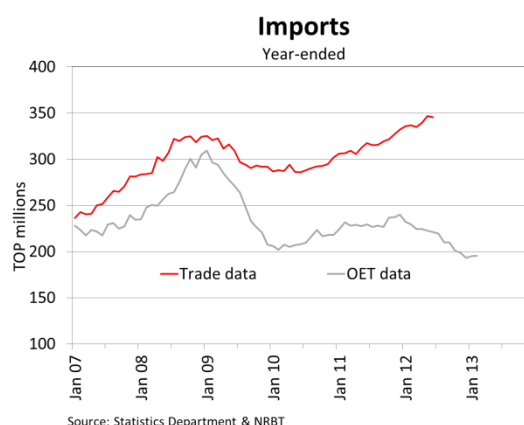
Foreign Exchange Payments

Year-ended foreign exchange payments, using the banks' overseas exchange transactions, were little changed over the six months to February 2013. A 7 per cent fall in merchandise import payments offset rises in the other payment categories.

The decline in import payments was broadly based. All key components of imports recorded falls. The exception was oil payments, which rose mainly through higher world oil prices. With the prices of other imported consumption goods being little changed over the past year, the general fall in imports is consistent with softer domestic demand. Import payments for construction materials fell particularly sharply, following the completion of major construction projects in the Kingdom.

Tonga's official trade data, though not covering the most recent 8 months, are showing rises in imports from the beginning of 2012, whereas the overseas exchange transactions are showing declines. The NRBT suspects that increase to remittances in kind is contributing to the discrepancy. A change in the structure of the foreign exchange market is also likely to be contributing, with Tongans now making more overseas payments through price-competitive foreign exchange dealers. To improve the relevance

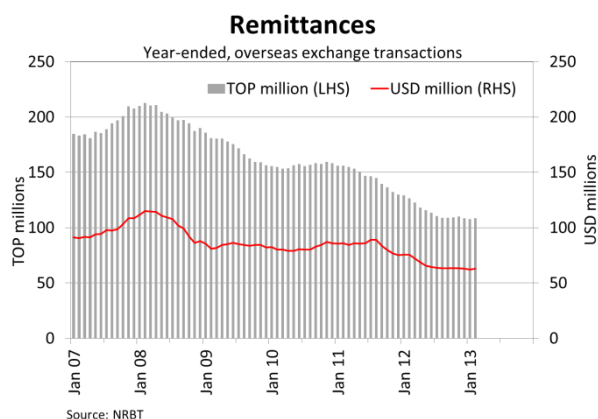
of the more-timely overseas exchange transactions data from the banks, the NRBT is investigating ways to supplement it with timely information from licensed and registered foreign exchange dealers.



Foreign Exchange Receipts

Year-ended receipts were unchanged over the past six months. Falls in income and official services receipts offset increases in export and capital receipts. Remittance receipts were flat.

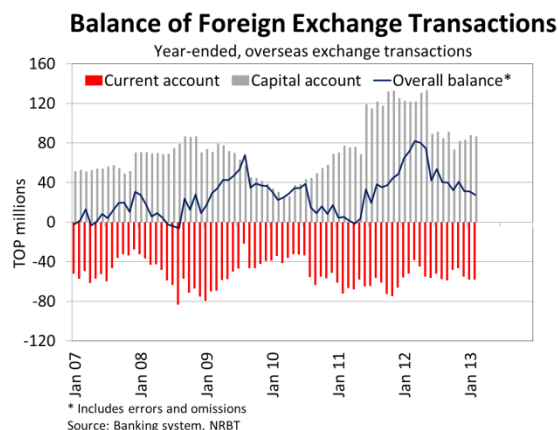
As a share of the Tonga Department of Statistics official measure of gross national disposable income, remittances are currently around 10 per cent, the lowest on record. The historical peak occurred in 2005, when the share was over 30 per cent. The fall represents a significant drag on Tongans' disposable income. To a large extent the fall in remittances over recent years has been caused by deterioration in employment and growth outcomes in New Zealand, Australia, and the US. These are Tonga's key sources of remittances, with information from Tonga's foreign exchange dealers suggesting that Australia and New Zealand are the largest sources. (Using the banks' OET data alone, remittances from the US are the largest share.) The planned improvements to the NRBT's foreign exchange transactions data, discussed above, should help to clarify views on key sources and trends of remittances.



Year-ended export proceeds grew by 27 per cent, to almost \$10 million, over the six months to February. Export proceeds from agriculture rose by 14 per cent, to \$4.3 million, and for fish by 14 per cent also, to \$1.0 million. Proceeds from other marine exports nearly doubled to \$1.9 million, mostly through a pick-up in coral and sea-weed proceeds. Sea cucumber proceeds were unchanged at around \$300,000.

Balance of Foreign Exchange Transactions

On balance, the year-ended current account deficit widened over the six months to February, albeit only a little. The year-ended capital account surplus narrowed to a lower level compared with the same time last year. With the balance of errors and omissions also falling, the overall balance of foreign exchange transactions was a surplus of \$27.4 million, compared with a surplus of \$40.2 million over the year ended August 2012.



Outlook

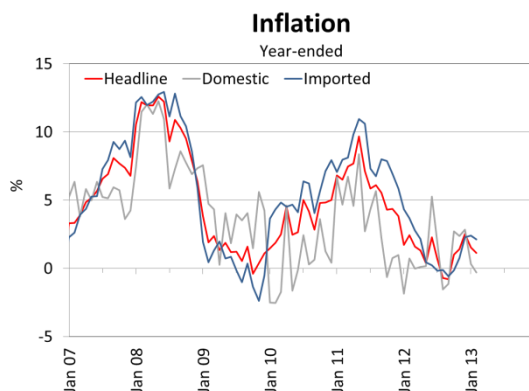
The level of foreign reserves is forecast to rise over calendar year 2013 and to fall over 2014. The profile stems from four key expectations: Government foreign debt repayments are expected to rise, with repayments of the large loan from the Export-Import Bank of China commencing in September 2013; donor support is likely to decline from its unusually high levels of the past few years; remittances are expected to rise slightly, underpinned by global growth and positive developments in the US; and imports are forecast to increase, on the back of the increase in remittances and the projected pick up in credit growth.

Overall, the level of foreign reserves is forecast to remain comfortably above the NRBT benchmark of three to four months of import cover throughout 2013 and 2014.

5. Promoting Low and Stable Inflation

Inflation

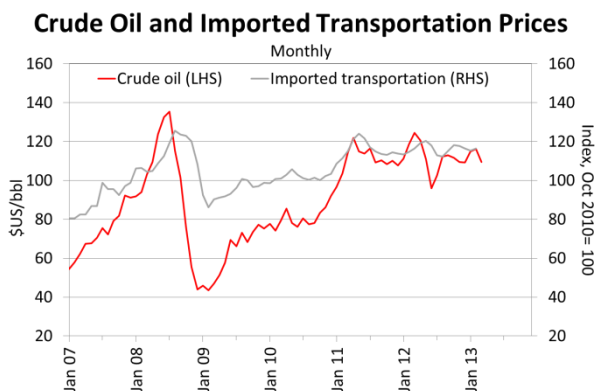
Consumer prices rose over the year ended February 2013, by 1.1 per cent. The rate was higher than over the year ended August 2012 but was below the NRBT reference range of 6 to 8 per cent.



Source: Tonga Department of Statistics

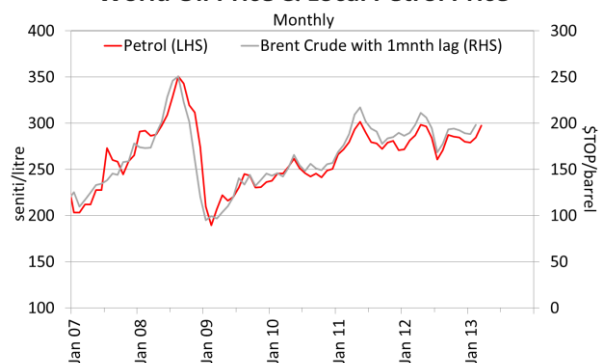
The prices of imported goods rose by 2.1 per cent over this period, higher than reported in the previous *Monetary Policy Statement*. Still, the rise was well below the 5.7 per cent average of the past 5 years. Prices of the food component grew most quickly, particularly meat fish and poultry, which Tonga imports mostly from New Zealand. The New Zealand Dollar has been appreciating consistently against the Tongan Pa'anga since last May.

Another driver of the increase in imported prices was a pick-up in the prices of imported fuels. The private transportation component rose by 1.5 per cent over the year ended February 2013, through a 3 per cent increase in US Dollar crude oil prices.



Source: Ministry of Commerce, Tourism and Labour; Tonga Department of Statistics

World Oil Price & Local Petrol Price

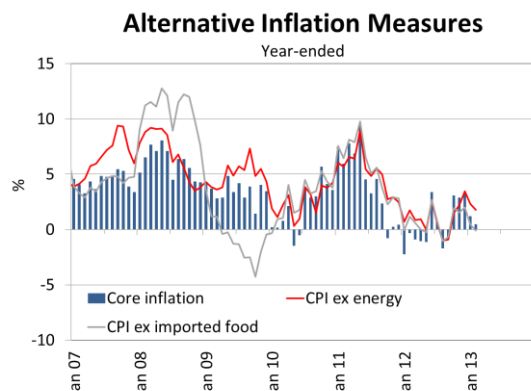


Source: Ministry of Commerce, Tourism and Labour

At the same time, prices of domestic goods fell by 0.3 per cent, which, like for imported inflation, is a soft outcome by standards of the past five years. The most significant decline in domestic prices was recorded for the household operations component, down by 3.1 per cent, partly because Tonga Power Limited had not updated electricity prices to reflect rises in diesel prices after August 2012. Domestic food prices increased by 0.7 per cent despite significant price declines being recorded for some items.

The soft domestic inflation outcome was also supported by a slowdown in the rate of imported inflation over the past two years. Most domestic production is import intensive, so the slower imported inflation has helped to keep domestic production costs down. The modest economic growth of late has contributed as well.

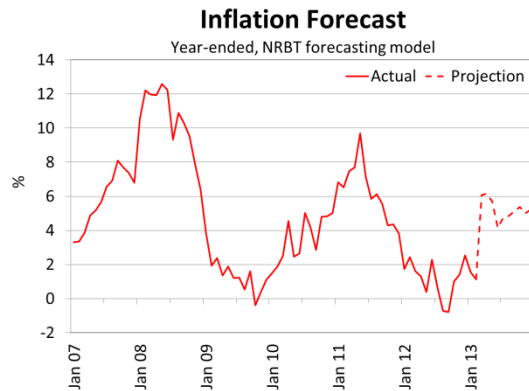
The rate of core inflation, which excludes food and energy prices, increased by 0.8 per cent over the year ended February.



Source: NRBT; Tonga Department of Statistics

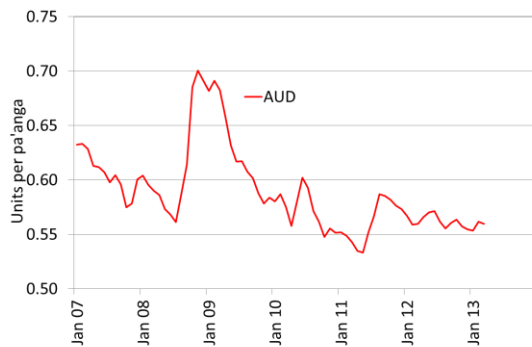
Outlook

To help forecast inflation, the NRBT uses an inflation model that is based on variables such as the crude oil price and the New Zealand Dollar exchange rate. The model suggests that year-ended inflation will increase from current levels, to be around 4.9 per cent in August 2013.

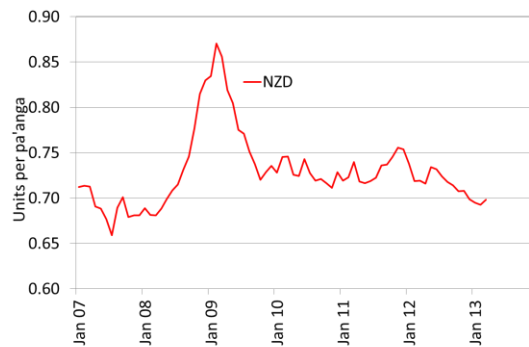


The NRBT's assessment is that an increase in headline inflation to around 5 per cent is possible in the near term, with Tonga Power realigning electricity prices to diesel prices in the June quarter. Continued drought conditions in New Zealand's north island could increase the rate of imported food inflation. Growth in core inflation is projected to be lower than 5 per cent, as the NRBT outlook for domestic economic growth is modest over the near term. Global uncertainties, unanticipated changes to global oil prices and weather patterns will continue to pose significant risks to the inflation outlook.

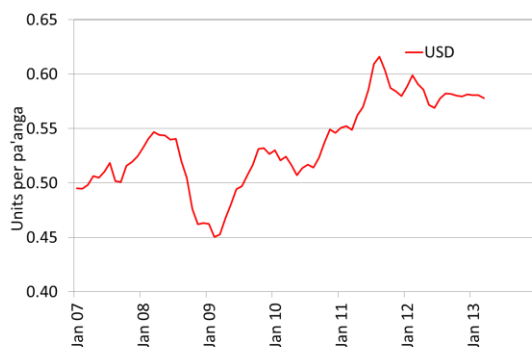
Appendix 1: Tongan Pa'anga Exchange Rates



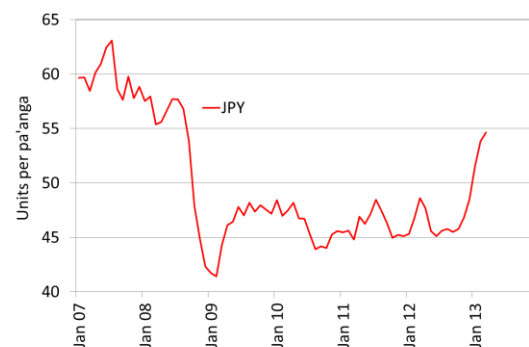
Source: Bank of England & NRBT



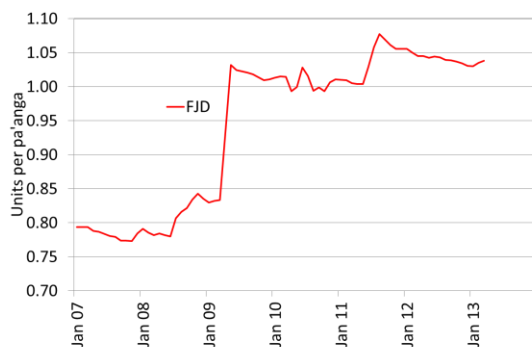
Source: Bank of England & NRBT



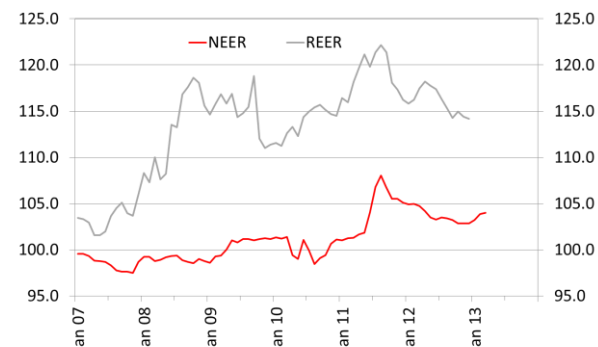
Source: Bank of England & NRBT



Source: Bank of England & NRBT



Source: Bank of England & NRBT



Source: NRBT

Appendix 2: Monetary Policy Objectives

The NRBT's obligations with respect to monetary policy are laid out in Section 4 (1) of the National Reserve Bank of Tonga (Amendment) Act 2007, which state that the principal objectives of the Bank shall be to:

- (a) maintain internal and external monetary stability; and
- (b) promote a sound and efficient financial system;

Section 4 also states that the Reserve Bank will conduct its activities in a manner that supports macroeconomic stability and economic growth. In addition, Section 30 (2) of the Act gives the Reserve Bank the responsibility of maintaining an adequate level of foreign exchange reserves.

Under the Act, the Reserve Bank shall maintain internal and external monetary stability through maintaining official foreign exchange reserves and promoting price stability.

Maintaining an adequate level of foreign reserves is vital for a small open economy such as Tonga. It is dependent on imports for the supply of most of its goods, which needs to be paid for in foreign currency. Given Tonga's vulnerability to external shocks and natural disasters, its small size, narrow export base, and dependence on imports, it is imperative that foreign reserves are maintained at an adequate level to meet individuals' needs for basic essentials and support economic growth.

An adequate level of foreign reserves also minimizes volatility in the exchange rate and provides confidence that businesses and individuals in Tonga are able to meet their foreign currency obligations.

The Reserve Bank targets a level of foreign reserves equivalent to 3 to 4 months of imports.

Imported goods account for 58 percent of the CPI basket, so changes in the prices of imported goods and the exchange rate have a significant influence on the overall level of domestic prices.

Price stability contributes to economic welfare and sustainable economic development. Price stability also contributes to better economic performance. When inflation is low and stable it is easier for people to distinguish changes in relative prices and to adjust their decisions regarding consumption, saving, and investment accordingly. Importantly, an environment of stable prices also reduces risk in long-term financial agreements, as lenders and investors will be less likely to demand a high inflation risk premium to compensate for the loss of purchasing power. This reduces the costs to borrowers and increases the incentives for businesses to invest.

The high proportion of Tonga's exports and imports as a share of production mean that domestic prices are likely to move closely with the prices of traded goods, which in turn depend closely on the value of the exchange rate. Vulnerability to external shocks, such as oil price increases, adverse weather conditions, and high dependence on remittances and imports, heighten the importance of promoting external stability, exchange rate stability and therefore overall price stability.

By promoting external stability through maintaining an adequate level of foreign reserves and promoting price stability, the NRBT through its conduct of monetary policy can most effectively contribute towards macroeconomic stability, sustained economic growth and raising prosperity for Tonga.

Pangike Pule Fakafonua ‘a Tonga

Fakamatala Fokotu’utu’u Ngaue Fakapa’anga

Fepueli 2013

Kanotohi

Vakai ki he Fokotu’utu’u Ngaue Fakapa’anga.....	20
1. Ko e Fakalakalaka Faka’ekonomika ‘i Tu’aPule’anga.....	23
2. Vakai ki he Tu’unga Faka’ekonomika ‘a Tonga	26
3. Vakai ki he Tu’unga Fakapa’anga	29
4. Pukepuke ‘a e Pa’anga Talifaki ‘i he Tu’unga Fe’unga.....	31
5. Ta’ota’ofi ‘a e Hikihiki ‘i he Totongi Koloa	33
Fakalahi 1: Fakafetongi Pa’anga Tonga.....	35
Fakalahi 2: Ngaahi Taumu’a ‘o e Fokotu’utu’u Ngaue Fakapa’anga.....	36

Vakai ki he Fokotu'utu'u Ngaue Fakapa'anga

Na'e 'i he tu'unga fakafaingamalie pe 'a e fokotu'utu'u ngaue fakapa'anga 'a e Pangike Pule 'i he mahina 'e ono kuohili. Na'e fakafuofua 'a e Pangike Pule 'e ma'ulalo 'a e hikihihi fakata'u 'i he totongi koloa 'i he peseti 'e 6 pea kei tu'unga ma'olunga pe 'a e pa'anga talifaki 'a e Pule'anga 'i muli 'o laka hake 'i he mahina 'e 4 'o e koloa humai mei muli.

Na'e 'alu hake 'a e pa'anga talifaki 'a e Pule'anga 'i muli 'i he mahina 'e 6 kuohili, ki he \$258 miliona. Na'e fe'unga 'a e tu'unga 'o e pa'anga talifaki mo e mahina 'e 9.1 'o e koloa hu mai mei muli, 'o ma'olunga 'aupito 'i he tu'unga fe'unga 'oku fiema'u 'e he Pangike Pule Fakafonua 'o Tonga ko e mahina 'e 3 ki he 4 'a e koloa hu mai mei muli. Na'e 'alu hake 'a e hikihihi 'i he totongi koloa ki he peseti 'e 1.1 'i he ta'u 'o ngata ki Fepueli 2013. Na'e maa'usia 'a e tefito'i taumu'a 'a e Pangike Pule ke pukepuke 'a e tu'unga fe'unga 'o e pa'anga talifaki 'a e Pule'anga 'i muli pea mo e tokoni ke ta'ota'ofi 'a e hikihihi 'i he totongi koloa.

Na'e holo ki he peseti 'e 3.2 'a e tupu faka'ekonomika fakamamani lahi 'i he ta'u 2012, mei he peseti 'e 4.0 'i he ta'u 2011. Na'e malava 'e he kau fokotu'utu'u ngaue fakapa'anga 'o tokoni'i 'a e feitu'u 'Iulope pea ta'ota'ofi mo holoki lahi 'a e ngaahi fakamole 'a e Pule'anga 'Amelika, 'a ia kapau na'e 'ikai eni, na'e toe ma'ulaloange 'a e tupu faka'ekonomika fakamamani lahi.

Na'e ha 'i he fakamatala fakaangaanga ki he tu'unga faka'ekonomika ki he ta'u fakapa'anga 2012, na'e tupu peseti 'e 0.8 'a e tu'unga faka'ekonomika. Ko e fika ko eni 'oku lahiange ia 'i he fakafuofua 'a Tonga na'e ha atu 'i he *Fakamatala Fokotu'utu'u Ngaue Fakapa'anga* 'i Sepitema 2012, makatu'unga mei he leleiange 'a e ola 'i he ngaue 'a e tafa'aki ngoue pea mo e ngaahi ngaue langa. Kaikehe 'oku ha mai 'a e tu'unga ma'ulalo 'oku 'i ai 'a e tupu faka'ekonomika 'a Tonga fakafehoanaki ki he tupu faka'ekonomika fakamamani lahi mo e ngaahi fonua 'o e Pasifiki Saute.

'O hange pe na'e hoko talu mei he 2009, ko e tafa'aki ngaahi ngaue'anga na'e lahi taha 'ene tupu 'i he ngaahi tefito'i sekitoa 'e tolu 'o e 'ekonomika, 'a ia ko e lahi taha na'e ha'u ia mei he ngaahi ngaue langa 'i he tafa'aki 'a e Pule'anga. Na'e 'alu hake 'aki e peseti 'e 0.5 'i he ta'u 'a e tafa'aki ki he ngoue, vaotata mo e toutai, pea ko e tupu 'i he tafa'aki ngoue na'e vave taha 'i he ta'u 'e 5 kuohili. Na'e feti'aki 'a e tupu 'i he tafa'aki ki he ngaahi ngaue (services). Na'e 'ikai ke ha mai ha kake ki 'olunga mei he ngaahi ngaue'anga 'oku fengae'aki mo e takimamata pea holo mo e ngaahi ngaue 'i he tafa'aki fakapa'anga. Na'e kake si'i 'a e tafa'aki fefakatau'aki neongo 'a e hokohoko mai 'a e holo 'i he no mo e tu'unga 'o e li pa'anga taautaha mai mei muli.

Na'e kake 'a e pa'anga ngaue 'a e ngaahi pangike 'i he mahina 'e ono ki Fepueli 2013 'a ia ko e hokohoko atu eni talu mei he 2009. Na'e tokoni 'a e kake 'a e pa'anga ngaue 'a e ngaahi pangike ki hono holoki 'a e totongi tupu ki he no, ka ko e ngaahi kake ki mui ni mai, na'e 'ikai ke pehee. Ko ia ai 'i Novema 'o e ta'u kuo'osi, na'e to'o 'e he Pangike Pule 'a e totongi tupu na'e hilifaki 'i he pa'anga ngaue 'a e ngaahi pangike ke tokoni ke toe holoange 'a e totongi tupu pea mo faka'ai'ai 'a e ngaahi pangike kenau tukuatu ha ngaahi no fo'ou. Talu mei ai, mo e tuku mai 'e he ngaahi pangike 'e ni'ihii 'a e no 'i ha ngaahi totongi tupu 'oku ma'ulaloange pe taimi loloaange. 'Oku te'eki ke ha mai 'a e toe holo ko eni 'a e totongi tupu 'i he ngaahi fakamatala faka'ofisiale makatu'unga mei he fakafuofua 'oku kei si'isi'i 'a e ngaahi no fo'ou, 'o fakahoa ki he lahi 'o e ngaahi no lolotonga.

Ngaahi Me'afua 'o e Fokotu'utu'u Ngaue Fakapa'anga

	Tis 2011	Ma'a 2012	Sun 2012	Sep 2012	Tis 2012	Fep 2013
Pa'anga Talifaki (\$TOP miliona)	226.0	239.2	246.1	247.9	257.3	258.0
Pa'anga Talifaki (Koloa hu mai 'i he mahina)	8.2	8.6	8.5	8.5	9.3	9.1
Fakafetongi Pa'anga (NEER)	105.1	104.7	103.3	103.2	102.9	103.9
'Avalisi 'o e totongi tupu 'i he Fakahu Pa'anga (%)*	3.5	3.9	3.8	3.8	3.8	3.5
'Avalisi 'o e totongi tupu 'i he no (%)*	12.5	10.1	10.0	10.1	10.1	10.0
Hikihiki 'i he tu'unga 'o e totongi koloa (fakata'u, %)	3.8	1.6	2.3	-0.8	2.5	1.1
Koloa Fakalotofonua	1.0	0.0	5.3	-1.1	2.8	-0.3
Koloa Humai mei muli	5.9	2.8	0.3	-0.6	2.3	2.1
No ki he tafa'aki Taaautaha (fakata'u, %)	-10.8	-12.6	-9.7	-9.8	-10.0	-7.9

* Na'e kamata 'i Sanuali 2012 hono liliu 'a e founa lipooti fakamatala 'a e ngaahi pangike, 'a ia ne makatu'unga mei ai 'a e ngaahi faikehekehe lahi 'i he ngaahi 'avalisi mei he kuohili.

Ma'u'anga Fakamatala: Ngaahi pangike; Pangike Pule Fakafonua 'o Tonga; Potungaue Sitesitika

Fakafuofua ki he Kaha'u

Ko e fakafuofua 'a e Pangike Pule Fakafonua 'o Tonga ki he ta'u fakapa'anga 2013, 'e meimei tatau pe 'a e tupu faka'ekonomika mo ia 'i he ta'u fakapa'anga 2012 pe ko e ki'i ma'ulaloange. 'Oku fakafuofua 'e ma'olungaange 'a e tupu faka'ekonomika 'i he ta'u fakapa'anga 2014.

'Oku fakafuofua ko e fakasi'isi'i 'a e patiseti 'a e Pule'anga, te ne uesia 'a e tupu faka'ekonomika 'i he kaha'u vave mai, 'aki 'a e 'amanaki ke holo 'a e ngaahi ngaue langa. Ka neongo ia, 'oku fakafuofua ke toe malohiange 'a e ngaahi ngaue 'i he tafa'aki ngoue, vaotata mo e toutai, makatu'unga mei he ngaahi faka'ilonga lelei 'i he kake 'a e koloa huatu ki tu'apule'anga mo e leleiange 'a e tu'unga 'o e 'ea 'i he ta'u. 'Oku fakafuofua 'e si'isi'i pe ha tupu 'i he tafa'aki 'o e ngaahi ngaue (services) makatu'unga mei he holo 'a e ngaahi ngaue fakapule'anga (public service activity). Ka neongo ia, 'e leleiange 'a e tupu 'i he tafa'aki fefakatau'aki makatu'unga mei he 'amanaki 'e kake 'a e lahi 'o e no mo e li pa'anga taaautaha mei muli. 'Oku fakafuofua 'e leleiange 'a e ola 'o e ngaahi tafa'aki 'oku fengaue'aki lahi mo e tafa'aki takimamata.

'Oku fakafuofua 'e tupu si'i 'a e no fakata'u 'a e ngaahi pangike 'i he konga kimu'a 'o e ta'u kaha'u. Ko e leleiange 'i he tupu 'a e no 'oku ha mahino ai 'a e fakafaingamalie 'a e fokotu'utu'u ngaue fakapa'anga 'a e Pangike Pule 'oku lolotonga fakahoko. Kuo ha mai 'a e fakalalakala 'i he ngaahi me'a na'a ne fakangatangata 'a e no 'a e ngaahi pangike hili 'a e faingata'a fakapa'anga, pea ko e ngaahi alea kimui ni mai mo e ngaahi pangike, 'oku ha mai 'oku 'i ai 'a e ngaahi no lalahi 'oku 'amanaki ke tuku atu ki he ngaahi kautaha 'a e Pule'anga.

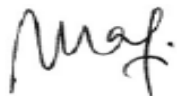
'Oku fakafuofua 'e 'alu hake 'a e pa'anga talifaki 'a e Pule'anga 'i muli 'i he ta'u 2013, pea 'e holo 'i he 2014. 'Oku makatu'unga 'eni mei he tefito'i 'uhinga 'e 4: ko e fakafuofua 'e 'alu hake 'a e totongi fakafoki 'e he Pule'anga 'ene ngaahi mo'ua ki tu'apule'anga, 'aki 'a e totongi fakafoki 'a e no lahi mei Siaina 'o kamata 'i Sepitema 2013; ko e fakafuofua 'e holo 'a e tokoni fakapa'anga 'a e ngaahi hoa ngaue fakalalakala 'a Tonga mei he tu'unga ma'olunga na'e 'i ai 'i he ngaahi ta'u si'i kuohili; ko e fakafuofua 'e 'alu hake si'isi'i 'a e li pa'anga taaautaha mai mei muli, makatu'unga 'i he 'amanaki 'e kake 'a e tu'unga faka'ekonomika fakamamani lahi pea mo e ngaahi fakalalakala faka'ekonomika 'i 'Amelika; pea 'oku fakafuofua 'e 'alu hake 'a e koloa hu mai mei tu'apule'anga, makatu'unga 'i he 'amanaki 'e kake 'a e li pa'anga taaautaha mai mei muli pea mo e 'amanaki 'e kake 'a e tupu 'i he no. Ka neongo ia, 'oku fakafuofua 'e kei 'i ha tu'unga fakafiemalie pe 'a e pa'anga talifaki 'a e pule'anga 'i muli 'o laka hake 'i he mahina 'e fa 'o e koloa hu mai 'i he ta'u 2013 pea mo e 2014.

'Oku fakafuofua 'a e Pangike Pule 'e kake 'a e hikihiki 'i he totongi koloa ki he peseti 'e 5 'i he kaha'u vave mai, makatu'unga 'i he ngaue 'a e Kautaha 'Uhila 'a Tonga ke hiki 'a e totongi 'uhila 'i he kuata Sune ke

fakafehoanaki mo e hiki 'i he totongi 'o e lolo tisolō. Ko e hokohoko atu 'a e la'ala'a 'i he motu Tokelau 'o Nu'usila 'e malava ai ke 'alu hake mo e hikihihi 'i he totongi koloa me'akai hu mai ki Tonga ni pea mo e

ngaahi fonua 'i he Pasifiki. 'E malava ke uesia 'a e fakafuofua ki he hikihihi 'o e totongi koloa makatu'unga mei he ta'eta'epau 'i he tu'unga faka'ekonomika fakamamani lahi, ngaahi fetō'aki 'i he totongi lolo fakamamani lahi, pea mo e tu'unga 'o e 'ea.

Makatu'unga 'i he ngaahi fakamatala kuo fakaha atu, 'oku fakafuofua 'e he Pangike Pule 'e kei hoko atu pe 'a e tu'unga fakafaingamalie 'a e fokotu'utu'u ngaue fakapa'anga 'oku lolotonga fakahoko 'i he mahina 'e ono ka hoko. 'Oku kei hokohoko atu pe 'a e taumu'a ngaue 'a e Pangike Pule ke pukepuke 'a e tu'unga fe'unga 'o e pa'anga talifaki 'a e Pule'anga 'i muli pea mo feinga ke ta'ota'ofi 'a e hikihihi 'i he totongi koloa.



Siosi C. Mafi
Kovana

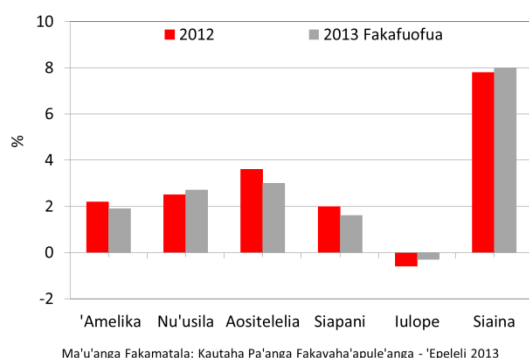
1. Ko e Fakalalakaka Faka'ekonomika 'i Tu'apule'anga

'Ekonomika 'i he Ngaahi Fonua Lalahi

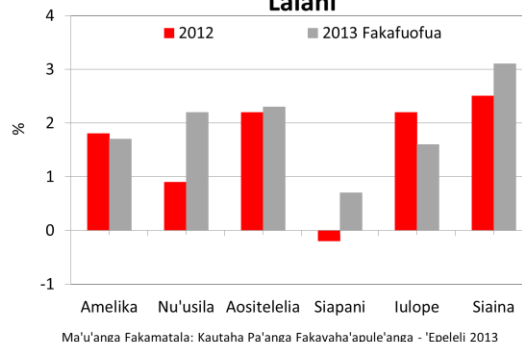
Na'e holo 'a e tupu faka'ekonomika fakamamani lahi ki he peseti 'e 3.2 'i he 2012 mei he peseti 'e 4.0 'i he 2011. Na'e malava 'e he kau fokotu'utu'u ngaue fakapa'anga 'o tokoni'i 'a e feitu'u 'Iulope pea ta'ota'ofi hano holoki lahi 'a e ngaahi fakamole 'a e Pule'anga 'Amelika, 'a ia kapau na'e 'ikai eni, na'e toe ma'ulaloange 'a e tupu faka'ekonomika fakamamani lahi. Na'e tokoni 'a e fokotu'utu'u ngaue fakapa'anga 'i he ngaahi fonua langalanga hake ke ta'ota'ofi ai 'a e holo 'i he tupu faka'ekonomika fakamamani lahi. Lolotonga 'a e fakafuofua 'e kake 'a e tupu faka'ekonomika, na'e holoki hifo 'e he Kautaha Pa'anga Fakamamani lahi 'a 'ene fakafuofua ki he tupu faka'ekonomika fakamamani lahi ki he peseti 'e 3.3 'i he ta'u fakapa'anga 2013 (mei he peseti 'e 3.6) talu mei he Fakamatala Fokotu'utu'u Ngaue fakamuimui taha. 'Oku fakafuofua 'e kake peseti 'e 4.0 'a e tupu faka'ekonomika ki he 2014.

Na'e leleiang'e 'a e tupu faka'ekonomika 'a 'Amelika 'i he 2012 neongo 'a e loloaange 'a e faingata'a 'i he tafa'aki fakapa'anga, fakasi'isi'i 'a e patiseti 'a e Pule'anga mo e kovi 'aupito 'a e tu'unga 'o e 'ea. Na'e fakalalakaka mo e ngaahi me'a na'e toki hoko; na'e malava 'e he Pule'anga ke holoki 'a e tu'utu'u 'o e fakamole na'e 'osi palani ki he 2013, 'alu hake 'a e no, kake 'a e ngaahi totongi fale, pea kamata ke holo 'a e lahi 'o e ta'ema'ungaue. 'Oku fakafuofua 'e mamalieange 'a e tupu faka'ekonomika ki he 2013 ka 'oku fakafuofua 'e kake peseti 'e 3.0 'i he 2014. 'Oku fakafuofua 'e kei ma'ulalo pe 'a e tu'unga vahenga mo e hikihihi 'i he totongi koloa makatu'unga mei he kei mamalie 'a e tupu 'a e ngaahi ngaue faka'ekonomika.

Tupu Faka'ekonomika 'i he Ngaahi Fonua Lalahi



Hikihihi 'o e Totongi Koloa 'i he Ngaahi Fonua Lalahi



Na'e malohiang'e 'a e tu'unga falala'anga 'o e 'iunioni fakapa'anga 'a 'Iulope pea na'e faingofua ange 'a e ma'u'anga pa'anga 'a e Pule'anga mo e ngaahi pangike 'i he faka'osinga 'o e 2012. Ka neongo ia, na'e 'ikai ha fakalalakaka 'i he no ki he tafa'aki tautaha fakataha mo e hokohoko atu 'a e ta'eta'epau 'i he fokotu'utu'u ngaue 'i he feitu'u ni 'a ia te ne kei uesia 'a e ngaahi ngaue faka'ekonomika. Koe'uhi ko e mafola atu 'a e ngaahi palopalema ni 'oku fakafuofua 'e holo 'a e tupu faka'ekonomika 'i he 2013, neongo 'e si'isi'i ange ia 'i he 2012.

Neongo 'a e mamalieange 'a e tupu faka'ekonomika mei he ngaahi ta'u si'i kuohili, na'e kei kake ma'olunga pe 'a e tupu faka'ekonomika 'a Siaina 'i he 2012. Na'e fakafaingofua 'e he kau ma'u mafai 'a 'enau ngaahi fokotu'utu'u ngaue fakapa'anga pea 'oku fakafuofua 'e toe kake 'a e tupu faka'ekonomika 'i he kaha'u. 'Oku makatu'unga eni mei he fakafuofua 'e lahiange hono ngaue'aki 'a e koloa, fakatupu koloa mo e fiema'u mei muli. 'Oku fakafuofua 'e 'ikai ke toe foki 'a Siaina ki he tupu faka'ekonomika peseti 'e 10.

Na'e leleiang'e 'a e tupu faka'ekonomika 'a Siapani 'i he 2012 makatu'unga mei he ngaahi ngaue langa fo'ou hili 'a e peaukula. 'Oku fakafuofua 'e holo 'a e tupu faka'ekonomika 'i ha 'osi 'a e ngaahi ngaue langa neongo ko e holo ko'eni 'e si'isi'i ange mei he holo na'e fakafuofua 'i he Fakamatala Fokotu'utu'u Ngaue na'e tuku fakamuimui atu, koe'uhi kuo fakaha 'e he kau ma'u mafai 'a Siapani 'a 'enau ngaahi fokotu'utu'u ngaue fakapa'anga ke tokoni'i 'enau 'ekonomika.

Ngaahi Fika'i Tu'apule'anga

Peseti

	Tu'unga Faka'ekonomika			Hikihiki 'i he totongi koloa			Lahi 'o e ta'ema'ungaue*		
	2012	2013f	2014f	2012	2013f	2014f	2012	2013f	2014f
'Amelika	2.2	1.9	3.0	1.8	1.7	1.7	8.1	7.7	7.5
Feitu'u Iulope	-0.6	-0.3	1.1	2.2	1.6	1.5	11.4	12.3	12.3
Siaina	7.8	8.0	8.2	2.5	3.1	3.0	4.1	4.1	4.1
Siapani	2.0	1.6	1.4	-0.2	0.7	3.0	4.4	4.1	4.1
'Aositelelia	3.6	3.0	3.3	2.2	2.3	2.5	5.2	5.3	5.2
Nu'usila	2.5	2.7	2.6	0.9	2.2	2.2	6.9	6.6	6.0

*I Tisema

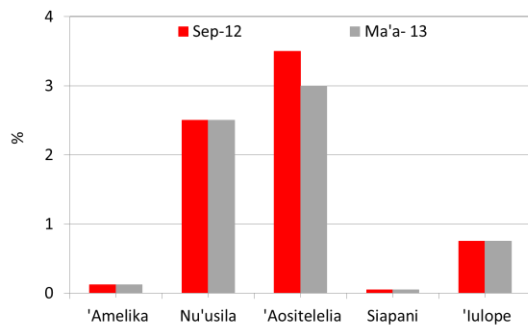
Ma'u'anga Fakamatala: Kautaha Pa'anga Fakavaha'apule'anga – 'Epeleli 2013

Na'e tupu 'aki 'a e peseti 'e 3.6 'a e 'ekonomika 'a 'Aositelelia 'i he 2012 makatu'unga 'i he toe lelei ange 'a e ngaue keli'anga maka koloa pea mo hono fakafaingamalie 'a 'enau fokotu'utu'u ngaue fakapa'anga. Na'e kei vaivai pe 'a e tupu 'i he ngaahi ngaue kehe 'ikai kau ai 'a e keli'anga maka koloa pea ki'i 'alu hake 'a e lahi 'a e ta'ema'ungaue neongo 'a e holo 'a e tokolahi 'i he maketi leipa pea mo e 'avalisi 'a e ngaahi houa ngaue. 'Oku fakafuofua 'e holo 'a e tupu faka'ekonomika 'i he 2013 kimu'a pea 'alu hake lahi 'i he 2014. 'Oku 'i ai 'a e ngaahi me'a kehe te ne fakatuai'i 'a e tupu faka'ekonomika 'i he vaha'a taimi ko'eni; 'oku fakafuofua 'e holo 'a e tupu 'i he ngaahi ngaue ki he keli'anga maka koloa mei he tu'unga ma'olunga 'oku 'i ai, fakasi'isi'i 'a e patiseti fakamole 'a e Pule'anga, koe kei ma'olunga fakahisitolia pe 'a e mahu'inga 'o e pa'anga 'Aositelelia mo e si'isi'i ha faka'ilonga 'e kake 'a e ngaahi ngaue kehe 'ikai kau ai 'a e keli'anga maka koloa.

tukukehe kapau 'e kei hokohoko ai pe 'a e tu'unga la'ala'a 'i he fakatokelau 'o e fonua. Ka hokohoko atu 'a e la'ala'a 'e malava ke ne holoki 'a e tupu faka'ekonomika pea mo hiki 'a e totongi koloa me'akai 'i Nu'usila pea mo e ngaahi fonua Pasifiki.

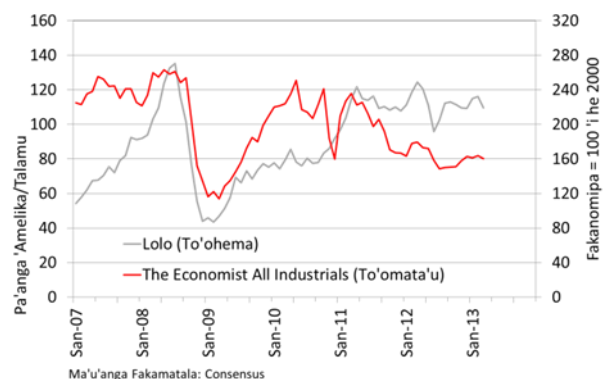
Ko e 'avalisi 'o e totongi lolo fakamamani lahi na'e 'i he pa'anga 'Amelika 'e \$109.5 ki he talamu 'i Ma'asi 2013, fakahoa ki he pa'anga 'Amelika 'e \$112.9 'i Sepitema 2012. Na'e makatu'unga 'a e holo mei he lahiange 'a e lahi 'o e lolo 'a e kautaha 'o e ngaahi fonua 'oku nau hu atu ki tu'apule'anga 'a e lolo (OPEC) pea mo e holo 'a e fiema'u fakamamani lahi. 'Oku fakafuofua 'e holo lahiange 'a e totongi 'i he 2013 makatu'unga mei he tupu 'a e lahi 'o e lolo 'a e ngaahi fonua 'oku 'ikai kenau kau he kautaha 'o e ngaahi fonua 'oku nau hu atu 'a e lolo ki tu'apule'anga .

Totongi Tupu 'i he Ngaahi Fonua Lalahi



Na'e 'alu hake 'a e tupu faka'ekonomika 'a Nu'usila ki he peseti 'e 2.5 'i 2012, makatu'unga 'i he tu'unga fakafaingamalie 'a e fokotu'utu'u ngaue fakapa'anga pea mo hono toe langa fo'ou 'o e feitu'u Kenitapeli hili 'a e mofuike. Na'e kei ma'olunga pe 'a e ta'ema'ungaue, pea kuo ha mai 'e malava ke 'alu hake 'a e hikihiki fakata'u 'o e totongi koloa 'i he ngaahi maketi 'oku fengaue'aki mo e ngaahi langa fale 'a Kenitapeli. 'Oku fakafuofua 'e kei tu'u pe 'a e tupu faka'ekonomika 'i he tu'unga lolotonga 'i he ngaahi ta'u ka hoko mai

Totongi 'o e Ngaahi Koloa Hu atu ki Tu'apule'anga

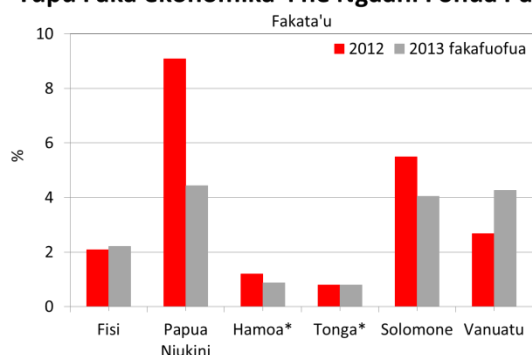


Na'e 'alu hake 'a e tu'unga fakanomipa 'i he fetongi pa'anga muli 'aki 'a e peseti 'e 0.8 'i he mahina 'e ono ki Ma'asi 2013, ka na'e holo 'aki 'a e peseti 'e 0.7 'i he ta'u (ko e mahu'inga 'o e fakafetongi pa'anga muli 'oku ha 'i he Fakalahi 1). Na'e holo 'a e tu'unga totonu 'i he fakafetongi pa'anga muli 'aki 'a e peseti 'e 1.8 'i he ta'u 'o ngata ki Tisema 2012 (ko e fika fakamuimui taha pe 'oku ma'u), makatu'unga mei he ma'ulaloange 'a e hikihiki fakata'u 'i he totongi koloa 'a Tonga fakafehoanaki ki he ngaahi fonua 'oku nau fefakatau'aki.

‘Ekonomika ‘i he Pasifiki

Na’e mamalie ange ‘a e tupu faka’ekonomika ‘i he ngaahi fonua ‘i he Pasifiki ‘i he 2012. Na’e uesia ‘a e ngaahi fonua lalahi mei he holo ‘a e fiema’u ki he ngaahi koloa hu atu, ‘o kau ai ‘a e suka, mataka, mo e koko. Na’e uesia ‘a e tu’unga faka’ekonomika ‘a Fisi mo Ha’amoia, mei he maumau na’e fakahoko ‘e he Saikolone ‘Evani ‘i Tisema. Na’e ma’olunga taha pe ‘a e tupu faka’ekonomika ‘a Papua mo e ‘Otu Motu Solomone ‘o hange pe ko e 2011. Na’e vave ange ‘a e tupu faka’ekonomika ‘a Papua Niukini, makatu’unga ‘i he lahi ‘a e ngaahi ngaue langa ki he ngaahi poloseki ‘oku fakahoko ai ‘a ia koe poloseki lahi taha ko e kasa fakanatula (Liquefied Natural Gas project).

Tupu Faka'ekonomika 'i he Ngaahi Fonua Pasifiki



*Ta'u fakapa'anga

Ma'u'anga Fakamatala: Kautaha Pa'anga Fakavaha'apuleanga; Pangike Pule Fakafonua 'o Tonga

‘Oku ngalingali ‘e toe holoange ‘a e tupu faka’ekonomika ‘i he ngaahi fonua ‘i he Pasifiki ‘i he 2013. ‘Oku makatu’unga eni ‘i he ‘amanaki ke holo ‘a e ngaahi langa fekau’aki mo e ngaahi poloseki lalahi, pea ‘e uesia ‘a e ngaahi ngaue faka’ekonomika ‘a Fisi mo Ha’amoia he ta’u ni tupu mei he maumau na’e hoko he Saikolone ‘Evani. Kaikehe ko e fakafuofua ki he 2014, ‘e sai ange ‘a e tupu faka’ekonomika ‘i Fisi mo Ha’amoia makatu’unga ‘i he teu ke kamata ‘a e ngaahi ngaue langa ki he maumau na’e hoko.

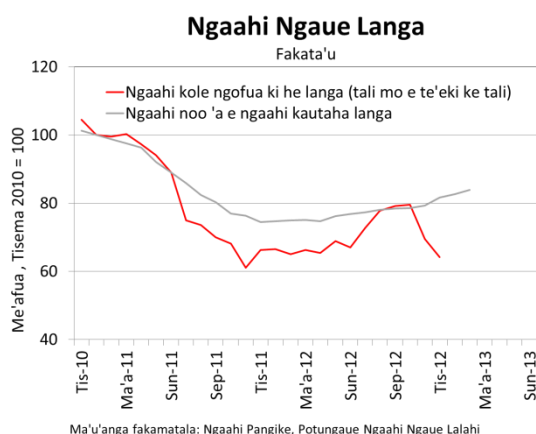
Na’e uesia ‘a e tu’unga ‘o e hikihihi ‘i he totongi koloa ‘i he 2012, makatu’unga ‘i he ngaahi liliu ki he tu’utu’uni ngaue fefakatauaki koloa ‘i Papua Niukini pea mo e tu’utu’uni ngaue fefakatauaki pa’anga ‘i he ‘Otu Motu Solomone. Ko ia ai, na’e fet’aki ‘a e ngaahi ola taautaha. Na’e kaunga lelei ‘a e holo ‘i he totongi lolo fakamamani lahi ‘i he ta’u ‘e ua kuo maliu atu ki he ngaahi fonua ‘i he Pasifiki.

Fakafuofua ki he Kaha'u

'Oku fakafuofua 'e he Pangike Pule Fakafonua 'o Tonga 'e meimei tatau pe koe ki'i ma'ulaloange 'a e tupu faka'ekonomika ki he ta'u fakapa'anga 2013 mo e tupu faka'ekonomika 'i he ta'u fakapa'anga 2012. 'Oku fakafuofua 'e ma'olungaange 'a e tupu faka'ekonomika 'i he ta'u fakapa'anga 2014.

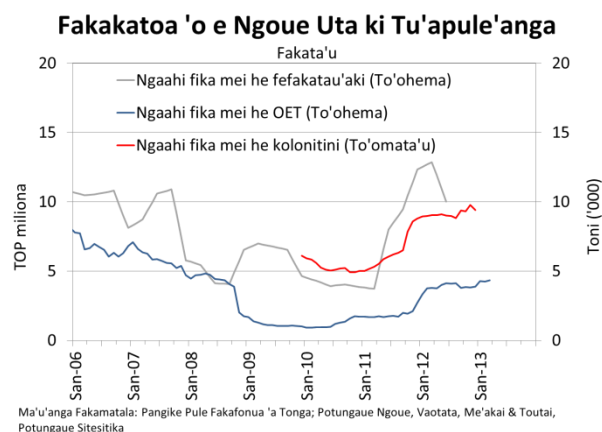
'I he Fakamatala Patiseti 'o e ta'u kuo'osi, na'e fakafuofua ai 'e he Pule'anga 'e fakahoko hono fakasi'isi'iang'e 'a e patiseti 'i he ta'u fakapa'anga 2013 'i hono fakafehoanaki ki he ta'u fakapa'anga 2012. Na'e fakafuofua ki he hulu \$1.2 miliona, pe ko e peseti 'e 0.2 'o e tu'unga faka'ekonomika fakalotofonua. Ko e fakasi'isi'i ko eni 'o e Patiseti te ne uesia 'a e tupu faka'ekonomika 'a e ngaahi tafa'aki lahi, neongo 'oku 'i ai mo e ngaahi me'a kehe 'a ia 'oku ha atu 'i lalo, 'e tokoni ke fakasi'isi'i 'a e uesia koeni.

'I he fakakatoa, 'oku fakafuofua 'e holo 'a e tafa'aki ki he ngaahi ngaue'anga 'i he ta'u fakapa'anga 2013 makatu'unga mei he holoange 'a e ngaahi ngaue langa. 'Oku 'i ai 'a e ngaahi ngaue lalahi 'a e Pule'anga kuo 'osi fokotu'utu'u, ka 'oku vaeua pe hono mahu'inga fakafehoanaki mo e ngaahi ngaue na'e fakahoko 'i he ta'u kuo'osi. Ko e ngaahi ngaue lalahi koeni, 'oku kau ai 'a e fokotu'u 'o e ngaahi ma'u'anga ivi mei he la'a, fakalelei'i 'a e ma'u'anga 'uhila 'a e ngaahi kolo, ngaahi ngaue ki he hala Pule'anga, pea mo e ngaue langa ki he hala fakakavakava 'o Vaipua 'i Vava'u. 'I he ta'u fakapa'anga 2014, 'e 'alu hake lahi ai 'a e mahu'inga 'o e ngaahi ngaue 'a e Pule'anga makatu'unga lahi taha pe mei he teu ke fakalelei'i 'a e mala'e vakapuna 'o Tongatapu mo 'Eua. Na'e holo 'a e ngofua ki he ngaahi langa fale, 'a ia ko e lahi taha ko e taautaha, 'i he faka'osinga 'o e 2012. Fakatatau ki he nga'unu fakamuimui taha 'a e no ki he tafa'aki langa, ngalingali 'e vave ni pe 'a e toe 'alu hake 'a e ngofua ki he langa fale.



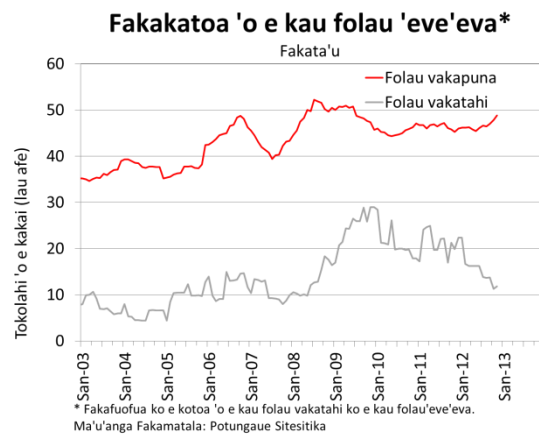
Ko e fakafuofua 'a e Pangike Pule ki he tafa'aki ki he ngoue, vaotata mo e toutai 'e fetu'aki ka 'i hono fakalukufua 'e kake ki 'olunga;

- 'Oku ha mai 'oku tupu 'a e hu koloa atu ki tu'apule'anga ki he ngaahi maketi lolotonga pea ko e fepotalanoa'aki 'i he konifelenisi kimui ni mai 'a ia na'e fakahoko 'e he Potungaue Ngoue, Vaotata, Me'akai mo e Toutai, na'a nau pehe ai, 'oku ngaue 'a e tafa'aki ngoue ki ha ngaahi maketi fo'ou ke uta atu ki ai 'etau ngoue. Kaekehe, na'e 'ikai ke 'alu hake 'a e lahi 'o e meleni na'e uta atu ki tu'apule'anga 'o hange ko ia na'e fakafuofua. Na'e lelei 'a e tu'unga 'o e 'ea ki ha konga 'o e tafa'aki ngoue tautautefito ki he temata 'a ia na'e makatu'unga ai 'a e holo lahi 'a hono totongi 'i Tisema 2012.
- Fakatatau ki he fakamatala 'a e Potungaue Ngoue, Vaotata, Me'akai pea mo e Toutai, ko e ngaahi vaka toutai valu 'eni 'e 37 kuo 'osi laiseni ki he ta'u 2013 'o fakafehoanaki ki he vaka toutai 'e 33 'i he 2012. Ko e 'alu hake koeni, ko e ngaahi vaka toutai 'oku 'ikai kenau toutai 'i Tonga ni, 'a ia ko 'enau tokoni ki he tupu faka'ekonomika 'a Tonga 'e si'isi'i pe. Na'e holo 'a e lahi 'o e ngaahi vaka toutai fakalotofonua 'aki 'a e 4 ki he 17.
- 'Oku fiema'u ha ngaahi ta'u lahi ke toe fakakake ai 'a e lahi 'o e ahi mo e mokohunu, pea 'e tuai ha toe kake hake 'a e pa'anga hu mai mei he uta atu 'a e ongo koloa koeni.



'Oku fakafuofua 'e ma'ulalo 'a e tupu faka'ekonomika 'i he tafa'aki ki he ngaahi ngaue (services). Ko e lahi taha 'i he tafa'aki ko eni ko e ngaahi ngaue fakapule'anga 'a ia 'oku fakafuofua 'e holo makatu'unga mei he fakasi'isi'iang'e 'a e patiseti 'a e Pule'anga. 'Oku malava pe ke lahiange 'a e tupu 'i he tafa'aki fefakatau'aki 'i he holo 'i he

ngaahi ngaue fakapule'anga, makatu'unga mei he fakafuofua 'e tupu 'a e li pa'anga taa'utaha mai mei muli pea 'e kake 'a e tupu 'i he no (vakai ki he Konga 3 mo e 4). 'Oku fakafuofua 'e 'alu hake 'a e ngaahi ngaue takimamata, makatu'unga 'i he 'alu hake 'aki e peseti 'e 6 'a e lahi fakata'u 'o e kau folau'eve'eva 'oku nau tu'uta vakapuna mai talu mei he 'osi 'o e ta'u fakapa'anga 2012, pea mo e tupu faka'ekonomika fakamamani lahi. 'E malava ke hoko 'a e maumau mei he saikolone 'Evani ki Fisi mo Ha'amo'a ke toe tokolahiang'e ha kau folau'eve'eva mai ki Tonga ni 'i he ki'i taimi nounou. Na'e fakafuofua 'e lahi 'a e ngaahi vaka meili 'e 'a'ahi mai hili 'a e kakato e langa 'o e Uafu Vuna ka 'oku te'eki pe ke hoko.

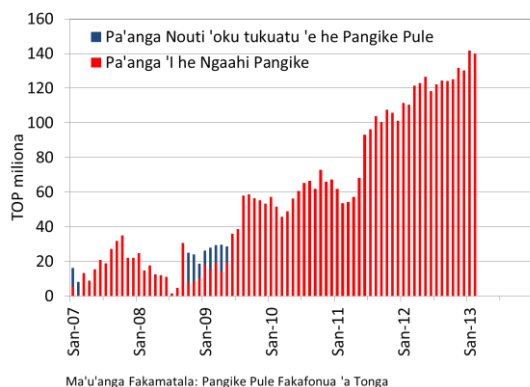


3. Vakai ki he Tu'unga Fakapa'anga

Lahi 'a e Pa'anga Ngaue 'i he Ngaahi Pangike

Na'e kake 'a e pa'anga ngaue 'a e ngaahi pangike 'aki 'a e peseti 'e 12 ki he \$139.7 miliona 'i he mahina 'e ono ki Fepueli 2013. Na'e makatu'unga 'a e kake ni mei he 'alu hake 'a e pa'anga talifaki 'a e fonua 'a ia na'e fokotu'utu'u 'e he Pangike Pule ke tuku pe 'i he ngaahi pangike. Na'e fakataumu'a 'a e fokotu'utu'u ngaue ko eni ke tokoni ki ha ngaahi ola faka'ekonomika 'oku lelelange 'i ha holo 'a e totongi tupu mo ha lahiange 'a e no. 'I he faka'osinga 'o Fepueli, na'e fe'unga 'a e pa'anga ngaue 'a e ngaahi pangike mo e peseti 'e 17 'a e tu'unga fakanomipa 'o e mahu'inga fakalukufua 'a e koloa ngaahi fakalotofonua pea peseti 'e 27 'a e fakakatoa 'o e koloa 'a e ngaahi pangike, 'a ia ko e ongo fika ma'olunga 'eni.

Pa'anga 'i he Ngaahi Pangike



Ngaahi Totongi Tupu

Na'e tokoni 'a e kake 'a e pa'anga ngaue 'a e ngaahi pangike ki hono holoki 'a e ngaahi totongi tupu 'i he no tautautefito 'i he 2009, neongo 'a e 'ikai ke fu'u tokoni 'a e ngaahi kake kimui ni mai. Ko ia ai, na'e to'o 'e he Pangike Pule 'a e totongi tupu na'e hilifaki 'i he pa'anga ngaue 'a e ngaahi pangike 'i Novema ta'u kuo'osi ke tokoni ke toe holo 'a e totongi tupu. Talu mei ai, mo e tuku mai 'e he ngaahi pangike 'e ni'ihii 'a e no 'i ha ngaahi totongi tupu 'oku ma'ulaloange pe taimi loloaange.

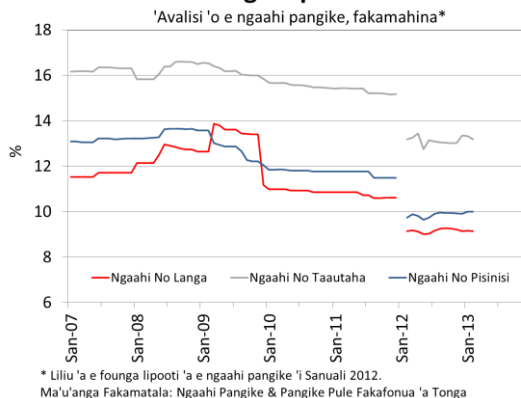
'Oku te'eki ke ha mai 'a e toe holo ko eni 'a e totongi tupu 'i he ngaahi fakamatala faka'ofisiale makatu'unga mei he fakafuofua 'oku kei si'isi' 'a e ngaahi no fo'ou, 'o fakahoa ki he lahi 'o e ngaahi no lolotonga. Na'e holo 'a e 'avalisi 'o e totongi tupu ki he ngaahi no langa fale 'aki 'a e poini 'e 10 'o e peseti 'i he mahina 'e ono ki Fepueli, pea kake 'aki 'a e poini 'e 15 'o e peseti 'a e totongi tupu ki he ngaahi no taautaha, pea kake 'aki 'a e poini 'e 5 'o e peseti 'a e no ki he ngaahi tafa'aki pisinisi. 'Oku kei ha mai pe 'a e ma'ulaloange 'a e tu'unga 'o e totongi

tupu ki he ngaahi no fakalukufua 'o fakahoa ki he ta'u 'e hongofulu kimu'a, neongo ko e ngaahi fakalelei ki he founa lipooti 'a e ngaahi pangike 'oku faingata'a ai hono fakafehoanaki ki he ngaahi fika kimu'a.

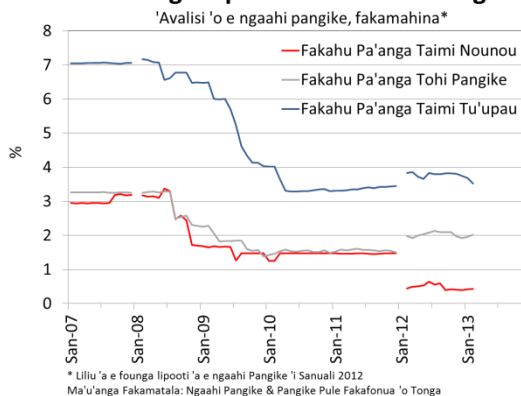
Totongi Tupu 'i he No



Totongi Tupu 'i he No



Totongi Tupu 'i he Fakahu Pa'anga

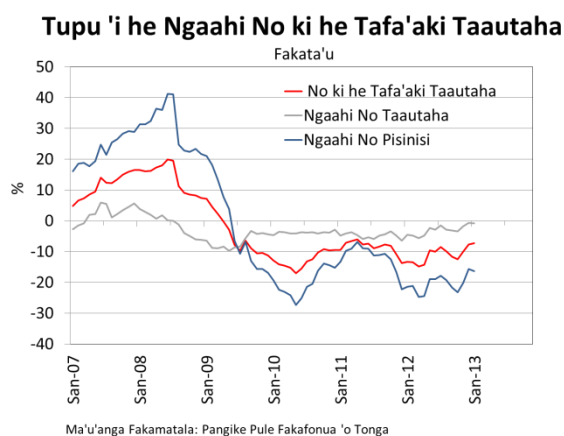


Na'e holo 'a e 'avalisi 'o e totongi tupu 'oku ma'u mei he fakahu pa'anga 'i he vaha'a taimi tatau. Na'e holo 'aki 'a e poini 'e 15 'o e peseti 'a e totongi tupu ki he fakahu pa'anga taimi nounou 'a e fakahu pa'anga tohi pangike, na'e holo 'aki 'a e poini 'e 10 'o e peseti pea holo 'aki 'a e poini 'e 25 'o e peseti 'a e fakahu pa'anga taimi tu'upau. Kaekehe, na'e kake 'a e totongi tupu 'i he fakahu pa'anga taimi tu'upau

ki he vaha'a taimi 'o e ta'u 'e taha mo e ua 'aki 'a e poini 'e 30 'o e peseti.

Tupu 'i he Ngaahi no ki he Tafa'aki Taautaha

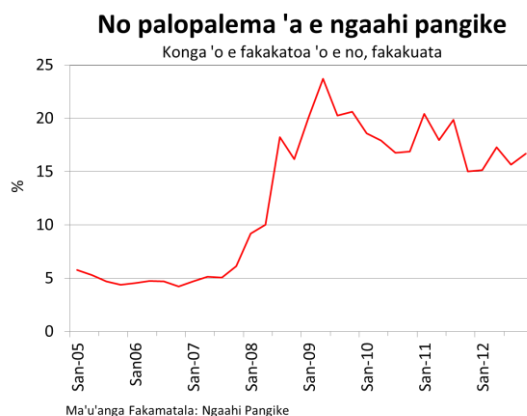
Neongo 'a e liliu si'i ki he 'avalisi 'o e totongi tupu ki he no 'i he ngaahi mahina si'i kuo maliu atu, na'e 'alu hake si'i 'a e tupu 'i he no. Na'e holo 'aki 'a e peseti 'e 7 'a e no ki he tafa'aki taautaha 'i he ta'u 'o ngata ki Fepueli 2013 'o fakafehoanaki ia ki he holo peseti 'e 9 'i he ta'u 'o ngata ki 'Aokosi 2012. Na'e makatu'unga 'a e tupu 'i he no mei he kake 'i he no ki he tafa'aki pisinisi, 'i he taimi tatau na'e kake pe mo e no ki he ngaahi fiema'u taautaha.



'I he ngaahi ta'u si'i kuo maliu atu, na'e lahi 'a e ngaahi no na'e fakahoko mei he ngaahi tafa'aki kehe mei he ngaahi pangike. 'I he 2011, na'e tuku atu ai 'e he Sino'i Pa'anga Malolo 'a e kau ngaue Fakapule'anga 'a e no ki he ngaahi fiema'u taautaha 'ene kau memipa; 'I he 2010, na'e kamata tukuatu 'e he kautaha no taautaha ko e SPBD 'a e ngaahi no ki he ngaahi kulupu 'i he komiuniti mo e fakafo'ituitui 'a ia 'oku 'ikai kenau malava 'o fakakakato 'a e ngaahi fiema'u 'a e ngaahi pangike ki he no, pea 'i he 2008, na'e kamata ai 'a e no atu 'e he Pule'anga 'a e konga 'o 'ene no mei Siaina ki he ngaahi ngaue ki hono toe langa fo'ou 'o e senita fakapisinisi 'o Nuku'alofa. Neongo kuo 'osi katoa hono ngaue'aki 'a e pa'anga no mei Siaina 'i he mahina 'e 12 kuo'osi, ka na'e kei tupu 'a e no mei he ongo tafa'aki koe. Kapau 'e fakataha'i mai 'a e no 'a e ongo kautaha ni, 'e tupu 'aki 'a e peseti 'e 5.1 'a e no ki he ngaahi fiema'u taautaha pea holo 'aki 'a e peseti 'e 4.2 'a e fakakatoa 'o e no 'i he ta'u 'o ngata ki Fepueli.

'Oku kei ma'ulalo pe 'a e tupu 'i he no 'o fakahoa ki he 'avalisi 'o e tupu 'i he no na'e lekooti 'i he ta'u 'e 10 kimu'a 'i he faingata'a fakapa'anga fakamamani lahi. Na'e kake lahi 'a e ngaahi no palopalema 'i Sune 2008 'o tupu fakautuutu ai pe talu mei ai, pea fakahoko ai 'e he ngaahi pangike hono fakamalohi'i 'a 'enau ngaahi tu'utu'uni ki he ngaahi fiema'u no;

na'e faingata'a'ia 'a e kakai na'e no hono totongi fakafoki 'a e no makatu'unga mei he tolalo 'a e li pa'anga taautaha mai mei muli mo e holo 'a e ngaahi ma'u'anga pa'anga hu mai kehe 'a e kakai. Ko e vaivai mo e ta'eta'epau 'a e tu'unga faka'ekonomika ki he kaha'u 'oku malava ke ne uesia 'a e faingamalie ki ha ngaahi fiema'u no.



Ko e no ki he ngaahi fiema'u taautaha 'oku fe'unga ia mo e peseti 'e 58 'o e fakakatoa 'o e no ki he tafa'aki taautaha, pea peseti 'e 42 'a e no ki he ngaahi pisinisi. Ko e lahi taha 'o e no ki he ngaahi fiema'u taautaha ko e no langa fale.

Fakafuofua ki he Kaha'u

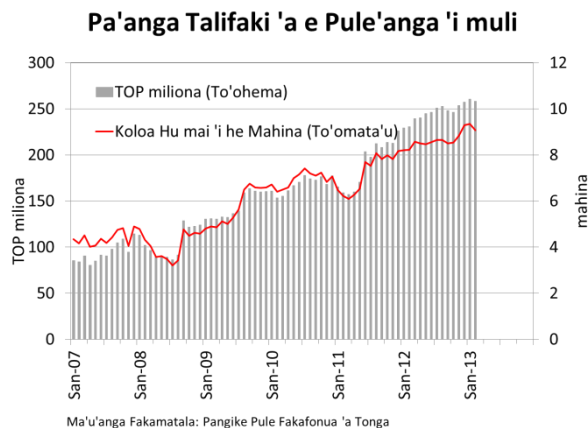
Ko e fokotu'utu'u ngaue fakapa'anga lolotonga 'a e Pangike Pule na'e fakataumu'a ia ke tokoni ki hono fakakake 'a e tupu 'a e no. Kuo ha mai 'a e matangofua ange 'a e tuku atu 'e he ngaahi pangike 'enau no, hili 'a e faingata'a fakapa'anga, pea ko e ngaahi alea kimui ni mai mo e ngaahi pangike, 'oku ha mai 'oku 'i ai 'a e ngaahi no lalahi 'oku 'amanaki ke tuku atu ki he ngaahi kautaha 'a e Pule'anga. 'I he taimi tatau, 'oku 'i ai 'a e ngaahi me'akehe 'oku hangehange 'e hokohoko atu ke ne fuotautau 'a e ngaahi fiema'u no 'a e ngaahi pangike tautautefito ki he kei veiveiua 'a e tu'unga faka'ekonomika 'a Tonga ki he kaha'u. 'I he fakakatoa 'oku fakafuofua 'e tupu si'isi'i 'a e lahi 'o e no 'a e ngaahi pangike 'i he konga kimu'a 'o e 2014. Ko e ngaahi fakalelei kehe ki he tafa'aki fakapa'anga 'e tokoni ia ke fakakake 'a e tupu 'i he ngaahi no.

Makatu'unga 'i he fakafuofua 'e kake si'i 'a e pa'anga talifaki 'a e fonua 'i he ta'u 2013 (vakai ki he Vahe hoko mai), 'e kei 'i he tu'unga ma'olunga pe 'a e lahi 'o e pa'anga ngaue 'a e ngaahi pangike.

4. Pukepuke ‘a e Pa’anga Talifaki ‘i he Tu’unga Fe’unga

Pa’anga Talifaki ‘a e Pule’anga ‘i Muli

Na’e ‘alu hake ‘aki e peseti ‘e 12 ‘a e pa’anga talifaki ‘a e Pule’anga ‘i muli ‘i he ta’u ki Fepueli, ki he \$258.0 miliona. Na’e ‘alu hake ‘a e pa’anga talifaki ‘aki ‘a e peseti ‘e 2 makatu’unga ‘i he hu mai ‘a e pa’anga taa’utaha ‘i he ‘akauni tefito talu mei he Fakamatala Fokotu’utu’u Ngaue Fakapa’anga fakamuimui taha. Na’e fe’unga ‘a e tu’unga ‘o e pa’anga talifaki mo e mahina ‘e 9.1 ‘o e koloa hu mai mei muli, ‘o ma’olunga ‘aupito ‘i he tu’unga fe’unga ‘oku fiema’u ‘e he Pangike Pule Fakafonua ‘o Tonga ko e mahina ‘e 3 ki he 4 ‘a e koloa hu mai mei muli.



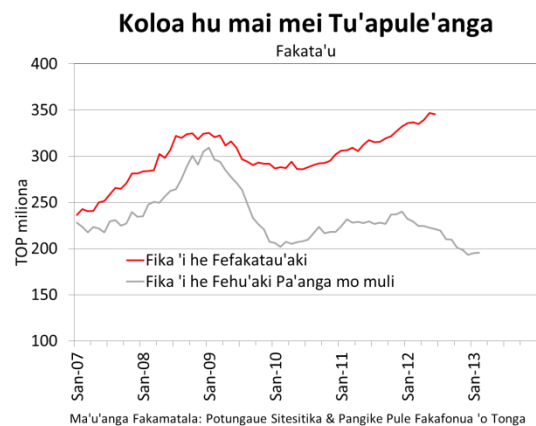
Pa’anga Totongi Atu ki Muli

Fakatatau ki he ngaahi fehu’aki pa’anga mo muli ‘a e ngaahi pangike, na’e liliu si’i ‘a e fakakatoa ‘o e pa’anga totongi atu ki muli ‘i he ta’u, ‘i he mahina ‘e ono ki Fepueli 2013. Na’e fetamate’aki pe ‘a e holo peseti ‘e 7 ‘i he ngaahi totongi koloa humai mo e ‘alu hake ‘a e ngaahi totongi hu atu ki muli mei he ngaahi tafa’aki kehe.

Na’e holo ‘a e ngaahi totongi koloa hu mai mei tu’apule’anga. Na’e holo kotoa ‘a e ngaahi koloa hu mai mei tu’apule’anga tukukehe ‘a e totongi lolo, ‘a ia na’e ‘alu hake makatu’unga ‘i he ma’olungaange ‘a e totongi lolo fakamamani lahi. Makatu’unga ‘i he fetu’aki si’i ‘i he totongi ‘a e ngaahi koloa hu mai ‘i he ta’u kuohili, ko e holo fakalukufua ‘i he koloa hu mai ‘oku fenapasi ia mo e holo ‘i he ngaahi fiema’u fakalotofonua. Na’e holo lahi ‘a e ngaahi naunau langa hu mai, hili ‘a e kakato ‘a e ngaahi ngaue langa lalahi ‘i he fonua.

Fakatatau ki he fakamatala faka’ofisiale ‘a e Fefakatau’aki ‘a Tonga, neongo ‘oku ‘ikai kau ai ‘a e mahina ‘e valu na’e toki ‘osi, na’e ‘alu hake ‘a e koloa hu mai mei he kamata’anga ‘o e 2012, ka ‘i he ngaahi fehu’aki pa’anga mo muli ‘a e ngaahi

pangike, na’e ha ia ai ‘oku holo. ‘Oku pehe ‘e he Pangike Pule Fakafonua ‘o Tonga ‘oku kau ‘a e ‘alu hake ‘i he ngaahi koloa tokoni taa’utaha’oku humai mei hotau kainga mei muli ki he faikehekehe ko eni (remittance in kind). ‘Oku ngalingali ‘oku kau ki ai mo e liliu ‘i he fa’unga ‘o e maketi fefakatau’aki pa’anga muli, makatu’unga ‘i he lahi ‘a e kakai Tonga ‘oku nau fakahoko ‘enau totongi pa’anga ki muli ‘i he ngaahi kautaha kehe ‘oku nau fe’au’auhi ‘i he fefakatau’aki pa’anga muli. ‘Oku feinga ‘a e Pangike Pule Fakafonua ‘o Tonga ke fakalelei’i ‘a e ngaahi fakamatala ki he fehu’aki pa’anga mo muli ‘aki hono tanaki mai ha ngaahi fakamatala falala’anga mei he ngaahi kautaha fefakatau’aki pa’anga muli ‘oku laiseni ‘o keheange mei he ngaahi pangike.

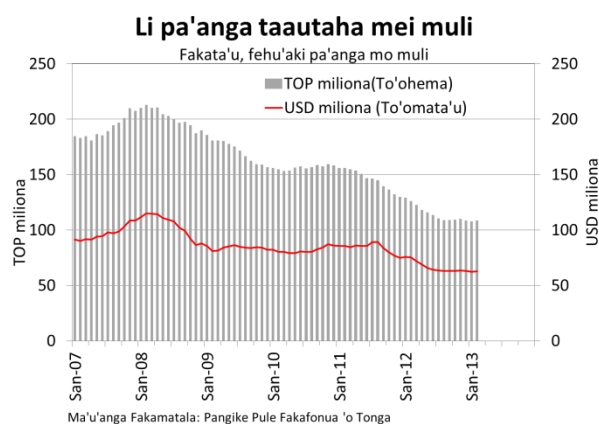


Pa’anga Humai mei Muli

Na’e tu’uma’u pe ‘a e lahi fakata’u ‘o e pa’anga hu mai mei muli ‘i he mahina ‘e ono kuo hili. Na’e tatau pe ‘a e holo ‘i he ma’u’anga pa’anga mo e pa’anga hu mai mei he ngaahi ngaue ‘a e Pule’anga pea mo e ‘alu hake ‘i he pa’anga hu mai mei he ngaahi koloa hu atu ki tu’apule’anga pea mo e ngaahi pa’anga tefito. Na’e tu’uma’u pe ‘a e pa’anga hu mai mei he li pa’anga taa’utaha mai mei muli.

Ko e taha ‘o e me’afua ‘a e Potungaue Sitesitika ‘a Tonga, ‘a e ma’u’anga pa’anga fakalukufua ‘a e fonua, ‘oku ‘i he peseti ‘e 10 ‘a e li pa’anga taa’utaha mai mei muli, ko e lekooti ma’ulalo taha ‘eni. Ko e ma’olunga taha fakahisitolia, na’e hoko he 2005, ‘a ia ko e peseti ‘e 30 ‘o e ma’u’anga pa’anga fakalukufua ‘a e fonua, na’e ma’u mei he li pa’anga taa’utaha mai mei muli. Ko e holo ko eni ‘i he li pa’anga taa’utaha mei muli ‘oku ne holoki ‘a e ma’u’anga pa’anga ‘a e kakai Tonga. Ko e konga lahi ‘o e holo ‘i he li pa’anga taa’utaha mai mei muli ‘i he ngaahi ta’u kimui ni, na’e makatu’unga ia ‘i he holo ‘a e tu’unga ma’ungaue pea mo e tupu

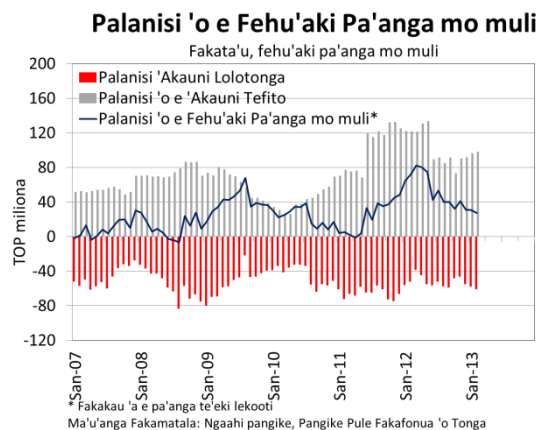
faka'ekonomika 'i Nu'usila, 'Aositelelia pea mo 'Amelika. Ko e ngaahi fonua 'eni 'oku lahi taha 'enau li pa'anga taautaha mai ki Tonga ni. Ko e fakamatala mei he ngaahi kautaha fefakatau'aki pa'anga muli, 'oku pehe ko 'Aositelelia mo Nu'usila 'oku lahi taha 'a e li pa'anga taautaha mai ki Tonga. ('I he ngaue'aki 'a e fakamatala mei he ngaahi fehu'aki pa'anga mei muli 'a e ngaahi pangike 'ata'ata pe, ko 'Amelika 'oku lahi taha 'a e li pa'anga mai mei ai). Ko e ngaue ki hono fakalelei'i 'a e fakamatala 'a e Pangike Pule Fakafonua 'o Tonga ki he ngaahi fehu'aki pa'anga muli, 'a ia 'oku ha 'i 'olunga, 'e tokoni ke mahino 'a e ngaahi fakamatala ki he ngaahi fonua 'oku lahi taha 'a 'enau li pa'anga taautaha mai pea mo e ngaahi nga'unu 'i he li pa'anga taautaha mai mei muli.



Na'e 'alu hake 'a e koloa hu atu ki tu'apule'anga fakata'u 'aki e peseti 'e 27 ki he \$10 miliona, 'i he mahina 'e ono ki Fepueli. Na'e 'alu hake 'aki e peseti 'e 14, ki he \$4.3 miliona 'a e pa'anga hu mai mei he uta atu 'o e ngoue ki tu'apule'anga, pea na'e 'alu hake 'a e ika 'aki e peseti 'e 14, ki he \$1 miliona. Na'e ofi ke liunga ua 'a e pa'anga hu mai mei he uta atu 'o e ngaahi naunau 'o 'oseni ki he \$1.9 miliona, makatu'unga 'i he 'alu hake 'a e pa'anga hu mai mei he feo pea mo e limu. Na'e tu'uma'u pe 'a e pa'anga hu mai mei he uta atu 'o e mokohunu 'a ia na'e 'i he \$300,000.

Palanisi 'o e Fehu'aki Pa'anga mo Muli

Na'e 'alu hake 'a e fe'amokaki fakata'u 'i he 'akauni lolotonga 'i he mahina 'e ono ki Fepueli, neongo na'e si'isi'i pe. Na'e holo si'i 'a e hulu 'i he 'akauni tefito, 'o kei ma'ulalo pe 'i he tu'unga na'e 'i ai 'i he taimi tatau 'o e ta'u kuohili. 'I hono fakataha'i mo e holo 'a e pa'anga te'eki lekooti, na'e lekooti ai 'a e hulu \$27.4 miliona 'i he palanisi 'o e fehu'aki pa'anga mo muli, fakafehoanaki ki he hulu \$40.2 miliona 'i he ta'u ngata ki 'Aokosi 2012.



Fakafuofua ki he Kaha'u

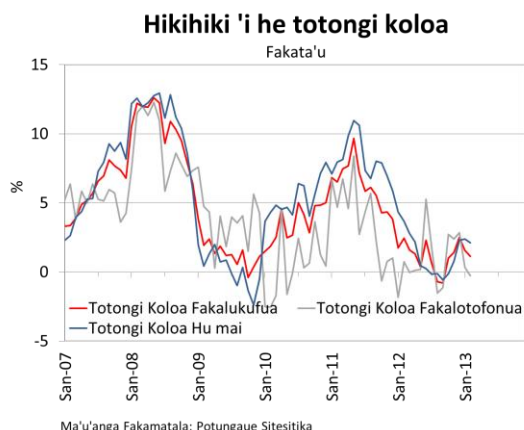
'Oku fakafuofua 'e 'alu hake 'a e pa'anga talifaki 'a e Pule'anga 'i muli 'i he ta'u 2013, pea 'e holo 'i he 2014. 'Oku makatu'unga 'eni mei he tefito'i 'uhinga 'e 4: 'oku fakafuofua 'e 'alu hake 'a e totongi fakafoki 'e he Pule'anga 'ene ngaahi mo'ua ki tu'apule'anga, 'aki 'a e totongi fakafoki 'a e no lahi mei Siaina 'o kamata 'i Sepitema 2013; 'oku ngalingali 'e holo 'a e tokoni fakapa'anga 'a e ngaahi hoa ngaue fakalakalaka 'a Tonga mei he ngaahi tu'unga ma'olunga na'e 'i ai he ngaahi ta'u kuohili; 'oku fakafuofua 'e 'alu hake si'i 'a e li pa'anga taautaha mai mei muli, makatu'unga 'i he fakafuofua 'e kake 'a e tu'unga faka'ekonomika fakamamani lahi mo e ngaahi fakalakalaka 'i he tu'unga faka'ekonomika 'a 'Amelika; pea 'oku fakafuofua 'e 'alu hake 'a e koloa hu mai mei tu'apule'anga, makatu'unga 'i he fakafuofua 'e 'alu hake 'a e li pa'anga taautaha mai mei muli pea mo e fakafuofua 'e kake 'a e tupu 'i he no.

'I hono fakakatoa, 'oku fakafuofua 'e kei 'i ha tu'unga fakafiemalie pe 'a e pa'anga talifaki 'a e fonua 'i muli 'o ma'olunga 'i he tu'unga fe'unga 'oku fiema'u 'e he Pangike Pule Fakafonua 'o Tonga ko e mahina 'e tolu ki he fa 'o e koloa hu mai mei muli 'i he ta'u 2013 pea mo e 2014.

5. Ta'ota'ofi 'a e Hikihiki 'i he Totongi Koloa

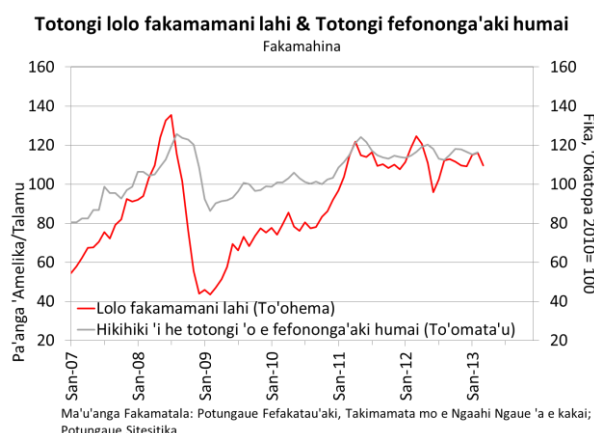
Hikihiki 'i he Totongi Koloa

Na'e kake 'a e hikihiki 'i he totongi koloa 'aki 'a e peseti 'e 1.1 'i he ta'u 'o ngata ki Fepueli 2013. Na'e ma'olungaange 'a e hikihiki 'i he totongi koloa 'i he ta'u 'o ngata ki 'Aokosi 2012 ka na'e kei ma'ulalo pe 'i he fakangatangata 'a e Pangike Pule Fakafonua 'o Tonga ko e peseti 'e 6 ki he 8.

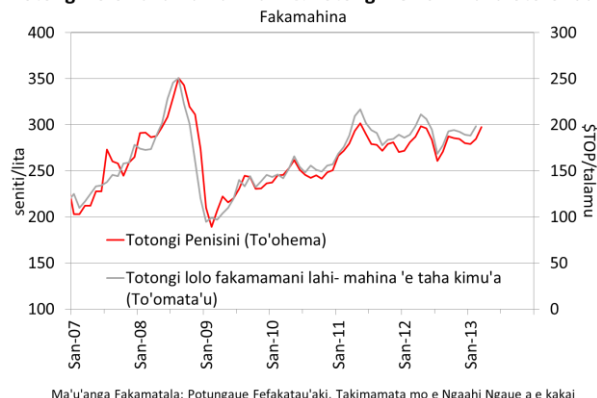


Na'e kake 'aki 'e peseti 'e 2.1 'a e hikihiki 'i he totongi 'o e ngaahi koloa hu mai, 'i he vaha'a taimi tatau, 'o ma'olungaange ia 'i he Fakamatala Fokotu'utu'u Ngaue Fakapa'anga fakamuimui taha. Kae kei ma'ulalo pe ia 'i he 'avalisi ko e peseti 'e 5.7 'i he ta'u 'e 5 kuohili. Na'e vave 'aupito 'a e 'alu hake 'i he totongi 'o e ngaahi koloa me'akai, tautefito ki he kakano'i manu, ika mo e moa, 'a ia 'oku lahi taha hono hu mai mei Nu'usila. Na'e hokohoko ai pe 'a e malohiange 'a e pa'anga Nu'usila 'i hono fakafehoanaki ki he pa'anga Tonga talu mei Me 'o e ta'u kuo'osi.

Ko e taha 'o e makatu'unga 'o e kake 'i he totongi koloa hu mai, ko e 'alu hake 'i he totongi lolo hu mai. Na'e 'alu hake 'aki 'a e peseti 'e 1.5 'a e totongi 'o e fefononga'aki taautaha 'i he ta'u 'o ngata ki Fepueli 2013, makatu'unga 'i he 'alu hake peseti 'e 3 'o e totongi lolo 'i he pa'anga 'Amelika.



Totongi Lolo Fakamamani lahi & Totongi Penisini Fakalotofonua

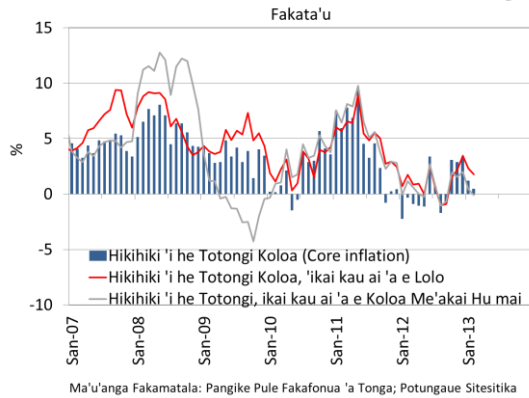


'I he taimi tatau, na'e holo 'aki 'a e peseti 'e 0.3 'a e hikihiki 'i he totongi koloa fakalotofonua, tatau pe mo e hikihiki 'i he totongi 'o e ngaahi koloa hu mai, 'a ia 'oku ma'ulalo fakafehoanaki ki he tu'unga 'i he ta'u 'e 5 kuohili. Ko e holo lahi 'i he totongi koloa fakalotofonua, makatu'unga ia mei he holo 'aki 'a e peseti 'e 3.1 'i he totongi 'o e ngaahi koloa ki he ngaue faka'api. 'Oku 'i ai 'a e kaunga ki heni 'a e te'eki ke hiki 'e he Kautaha 'Uhila 'a Tonga 'a e totongi 'uhila, ke ha mahino ai 'a e 'alu hake 'i he totongi 'o e lolo tisolo hili 'a 'Aokosi 2012. Na'e 'alu hake 'a e totongi 'o e ngaahi koloa me'akai fakalotofonua 'aki 'a e peseti 'e 0.7, neongo na'e holo lahi 'a e ngaahi me'akai 'e ni'ih.

Na'e tokoni ki he holo 'i he hikihiki fakata'u 'i he totongi koloa fakalotofonua, 'a e holo 'i he hikihiki fakata'u 'i he totongi koloa hu mai 'i he ta'u 'e ua kuohili. Ko e lahi taha 'o e koloa ngaohi fakalotofonua, 'oku ngaue'aki e koloa hu mai, 'a ia ko e holo 'i he hikihiki 'o e totongi koloa hu mai 'oku tokoni ke holoki 'a e fakamole 'o e ngaahi koloa fakalotofonua. Na'e tokoni mo e tuai 'a e tupu faka'ekonomika kimui ni mai ki he holo.

'I he ta'u 'o ngata ki Fepueli na'e 'alu hake mo e hikihiki 'i he totongi 'o e koloa 'o 'ikai kau ai 'a e koloa me'akai humai mo e lolo (core inflation), 'aki 'a e peseti 'e 0.8.

Me'afua Kehekehe ki he Hikihiki 'i he Totongi Koloa

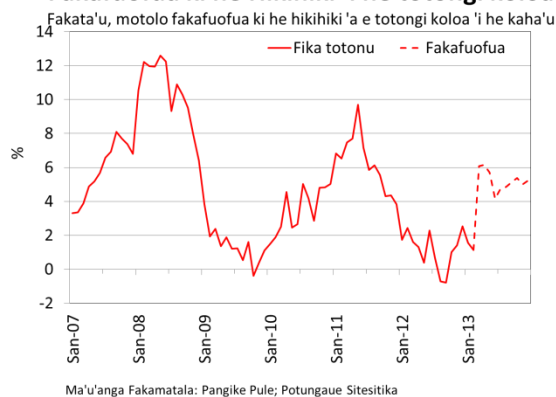


Fakafuofua ki he Kaha'u

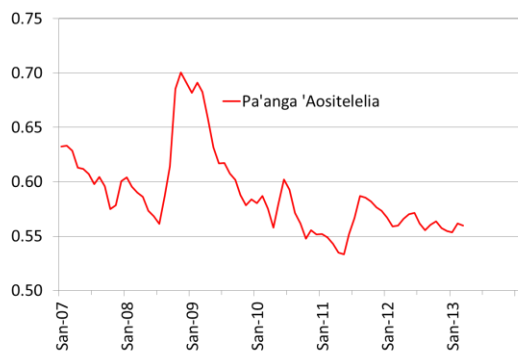
‘Oku ngaue’aki ‘e he Pangike Pule ‘a e motolo ke ne tokoni ki he fakafuofua ‘a e hikihiki ‘i he totongi koloa ki he kaha’u. ‘Oku ngaue’aki ‘e he motolo ‘a e totongi lolo fakamamani lahi mo e mahu’inga ‘o e fakafetongi pa’anga Nu’usila. ‘Oku fakafuofua ‘e he motolo, ‘e ‘alu hake ‘a e hikihiki fakata’u ‘i he totongi koloa mei he tu’unga lolotonga ki he peseti ‘e 4.9 ‘i ‘Aokosi 2013.

‘Oku fakafuofua ‘e he Pangike Pule Fakafonua ‘o Tonga ‘e malava pe ke ‘alu hake ‘a e hikihiki fakata’u ‘i he totongi koloa ki he peseti ‘e 5 ‘i he kaha’u vave mai, makatu’unga ‘i hono hiki hake ‘e he Kautaha ‘Uhila ‘a Tonga ‘i he kuata Sune ‘a e totongi ‘uhila, ke fenapasi mo e hiki ‘i he totongi ‘o e lolo tisolo. Ko e hokohoko atu ‘i he tu’unga la’ala’a ‘i he motu Tokelau ‘o Nu’usila, ‘e malava ke ne fakakake ‘a e hikihiki ‘i he totongi me’akai hu mai. ‘Oku fakafuofua ‘e ma’ulaloange ‘i he peseti ‘e 5 ‘a e hikihiki ‘i he totongi ‘o e koloa ‘o ‘ikai kau ai ‘a e koloa me’akai humai mo e lolo (core inflation), makatu’unga ‘i he fakafuofua ‘a e Pangike Pule ‘e kei mamalie pe ‘a e tu’unga faka’ekonomika ‘o Tonga ki he kaha’u vave mai. ‘E malava ke uesia ‘a e fakafuofua ki he hikihiki ‘o e totongi koloa makatu’unga mei he ta’eta’epau ‘i he tu’unga faka’ekonomika fakamamani lahi, ngaahi feto’aki ‘i he totongi lolo fakamamani lahi, pea mo e tu’unga ‘o e ‘ea.

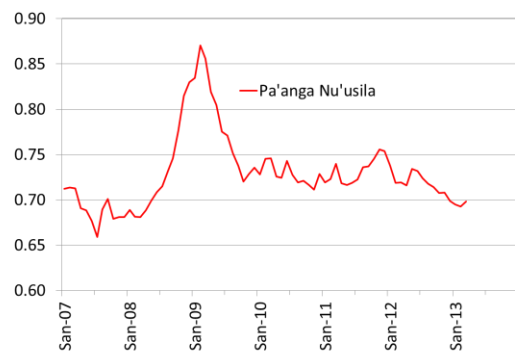
Fakafuofua ki he Hikihiki 'i he totongi koloa



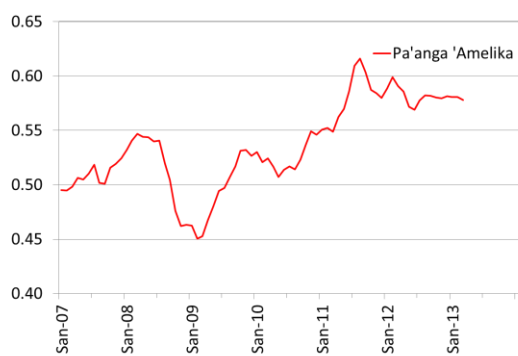
Fakalahi 1: Fakafetongi Pa'anga Tonga



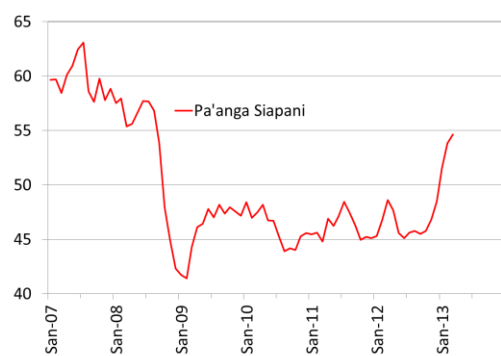
Ma'u'anga Fakamatala: Pangike 'o 'Ingilani & Pangike Pule Fakafonua 'o Tonga



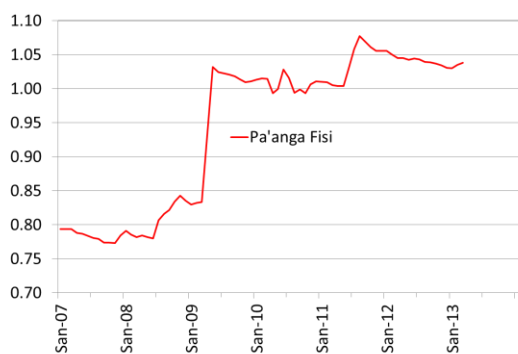
Ma'u'anga Fakamatala: Pangike 'o 'Ingilani & Pangike Pule Fakafonua 'o Tonga



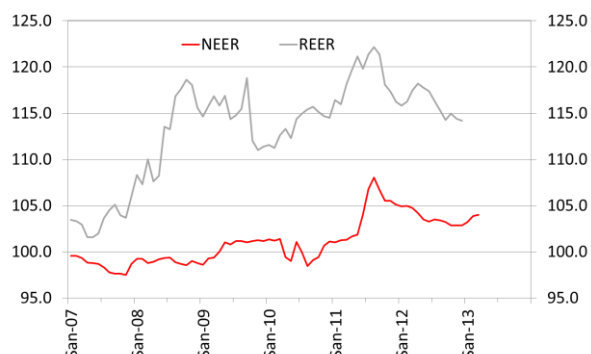
Ma'u'anga Fakamatala: Pangike 'o 'Ingilani & Pangike Pule Fakafonua 'o Tonga



Ma'u'anga Fakamatala: Pangike 'o 'Ingilani & Pangike Pule Fakafonua 'o Tonga



Ma'u'anga Fakamatala: Pangike 'o 'Ingilani & Pangike Pule Fakafonua 'o Tonga



Ma'u'anga Fakamatala: Pangike Pule Fakafonua 'o Tonga

Fakalahi 2: Ngaahi Taumu'a 'o e Fokotu'utu'u Ngaue Fakapa'anga

Ko e ngaahi fatongia 'o e Pangike Pule Fakafonua 'o Tonga felave'i mo e fokotu'utu'u ngaue fakapa'anga 'oku ha ia 'i he Kupu 4 (1) 'o e Lao (Fakatonutonu) ki he Pangike Pule Fakafonua 'o Tonga 2007, 'a ia 'oku fakaha ai ko e ngaahi tefito'i taumu'a 'o e Pangike ko hono:

- (a) pukepuke ke ma'uma'uluta 'a e tu'unga fakapa'anga fakalotofonua mo faka-tu'apule'anga; mo
- (b) langa hake ha sistemi fakapa'anga 'oku malu mo lele lelei;

'Oku toe fakaha 'e he Kupu 4 kuo pau ke fakahoko 'e he Pangike Pule 'ene ngaahi ngaue 'i ha founa 'oku ne tokoni'i 'a e malu 'a e tu'unga faka'ekonomika fakalukufua mo e tupu faka'ekonomika. 'Oku toe kau ki ai mo e Kupu 30 (2) 'o e Lao 'a ia 'oku tuku ki he Pangike Pule 'a e fatongia ki hono fakapapau'i 'oku 'i he tu'unga fakafiemalie 'a e pa'anga talifaki 'a e Pule'anga 'i muli.

Fakatatau ki he Lao, kuo pau ki he Pangike Pule ke ne pukepuke ke ma'uma'uluta 'a e tu'unga fakapa'anga fakalotofonua mo faka-tu'apule'anga 'aki 'a hono fakapapau'i 'oku 'i he tu'unga fe'unga mo fakafiemalie 'a e pa'anga talifaki 'a e pule'anga 'i muli pea mo ta'ota'ofi 'a e hikihi 'i he tu'unga 'o e totongi koloa.

Ko hono fakapapau'i 'oku 'i he tu'unga fakafiemalie 'a e pa'anga talifaki 'a e Pule'anga 'i muli, 'oku mahu'inga ia ki he 'ekonomika 'o ha fonua si'isi'i hange ko Tonga, 'a ia 'oku fakafalala ki he ngaahi koloa hu mai mei tu'apule'anga ke fakaa'i 'ene ngaahi fiema'u koloa, 'a ia kuopau ke totongi atu ia 'i he pa'anga muli. Koe'uhi ko e tu'u laveangofua 'a Tonga ki he ngaahi fakatamaki fakafokifa 'oku 'ikai ke ne malava 'o mapule'i mo e ngaahi fakatu'utamaki fakaenatula, pehe ki he si'isi'i 'a e tu'unga faka'ekonomika mo e koloa 'oku hu atu ki tu'apule'anga pea mo e fakafalala ki he ngaahi koloa hu mai mei tu'apule'anga, 'oku mahu'inga 'aupito ai ke fakapapau'i 'oku 'i he tu'unga fe'unga 'a e pa'anga talifaki 'a e Pule'anga 'i muli ke feau 'a e ngaahi tefito'i fiema'u taautaha mo tokoni ki he tupu faka'ekonomika.

Oku tokoni foki 'a e tu'unga fakafiemalie 'a e pa'anga talifaki 'a e Pule'anga 'i muli ke fakasi'isi'i 'a e feto'aki 'i he fakafetongi pa'anga pea ke 'i he tu'unga falala'anga mo pau ke malava 'e he ngaahi pisinisi mo e kakai taautaha 'i Tonga 'o feau 'enau ngaahi fiema'u pa'anga muli.

Ko e taumu'a 'a e Pangike Pule ki he tu'unga fe'unga mo fakafiemalie 'i he pa'anga talifaki 'a e Pule'anga 'i muli 'oku tatau mo e koloa hu mai ki he mahina 'e 3 ki he 4.

Tupu mei he lahi 'a e ngaahi koloa hu mai 'oku ngaue'aki 'i he me'afua totongi koloa fakalukufua (peseti 'e 58), ko e ngaahi fe'unuaki 'i he ngaahi totongi koloa hu mai mo e fakafetongi pa'anga 'oku 'i ai 'ene kaunga lahi ki he tu'unga fakalukufua 'o e ngaahi totongi koloa fakalotofonua.

Ko hono ta'ota'ofi 'a e hikihi 'i he tu'unga 'o e totongi koloa, 'oku tokoni ia ki he ola lelei 'a e tu'unga faka'ekonomika mo e fakalakalaka faka'ekonomika 'oku tu'otu'ataau. 'Oku tokoni foki hono ta'ota'ofi 'o e hikihi 'i he tu'unga 'o e totongi koloa ki he lelelange 'a e ngaahi ngaue faka'ekonomika. 'Oku faingofuaange ki he kakai ke nau fakafaikehekehe'i 'a e ngaahi liliu 'i he ngaahi totongi koloa pea ke liliu 'enau fai tu'utu'uni fekau'aki mo e fakatau koloa, fakahu pa'anga mo e 'inivesi, 'i he taimi 'oku ma'ulalo ai mo 'ikai feliuliaki lahi ai 'a e hikihi 'i he totongi koloa. Ko e me'a 'oku mahu'inga, ko ha 'ataakai 'oku ta'ota'ofi ai 'a e hikihi 'i he tu'unga 'o e totongi koloa, 'oku si'isi'iange ai 'a e faingata'a 'o e aleapau fakapa'anga taimi loloa, koe'uhi 'e si'isi'iange ha fiema'u 'e he kau no pa'anga atu mo e kau 'inivesitoa ha fu'u totongi ma'olunga ke malu'i'aki ha holo 'a e ivi fakatau 'o e pa'anga. 'Oku ne fakasi'isi'i leva 'a e ngaahi totongi ki he kau no pa'anga pea hiki hake hono faka'ai'ai 'a e ngaahi pisinisi ke nau 'inivesi.

Ko e tu'unga ma'olunga ko ia 'o e lahi 'o e ngaahi koloa hu atu mo e ngaahi koloa hu mai 'a Tonga 'oku fiema'u ki he'ene fakatupu koloa 'oku 'uhinga ia ko e ngaahi totongi koloa fakalotofonua 'oku ngalingali ke nga'unu vaofi mo e totongi koloa hu mai, 'a ia 'oku makatu'unga ia 'i he mahu'inga 'o e fakafetongi pa'anga. Koe'uhi ko e tu'u lavea ngofua 'a e fonua ki he ngaahi fakatamaki fakafokifa 'oku 'ikai ke ne malava 'o mapule'i, hange ko e hikihi 'i he totongi lolo, ngaahi fakatu'utamaki fakaenatula, lahi 'a e fakafalala ki he ngaahi koloa hu mai mei tu'apule'anga mo e li pa'anga mai mei muli, 'oku mahu'inga ai hono faka'ai'ai 'a e

tu'unga lelei mo malohi 'i he fehu'aki pa'anga mo muli, fakafetongi pa'anga mo e tu'unga fakalukufua 'o e totongi koloa.

Ko hono fakapapau'i ko ia 'a e tu'unga lelei mo malohi 'a e tu'unga fefakatau'aki fakapa'anga mo tu'apule'anga 'aki hono pukepuke 'a e pa'anga talifaki 'a e Pule'anga 'i muli 'i he tu'unga 'oku fakafiemaleie pea mo ta'ota'ofi 'a e hikihihi 'i he tu'unga 'o e totongi koloa, ko e founa lelei taha ia 'e malava ai 'a e ngaahi fokotu'utu'u ngaue fakapa'anga 'a e Pangike Pule ke tokoni'i mo faka'ai'ai 'a e tu'unga ma'uma'uluta mo falala'anga 'a e tu'unga faka'ekonomika fakalukufua 'a e fonua, tupu faka'ekonomika 'oku tu'otu'atatau pea mo hakeaki'i 'a e tu'umalie ki Tonga.