



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC NEWS

### SUMMARY

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Issue 148

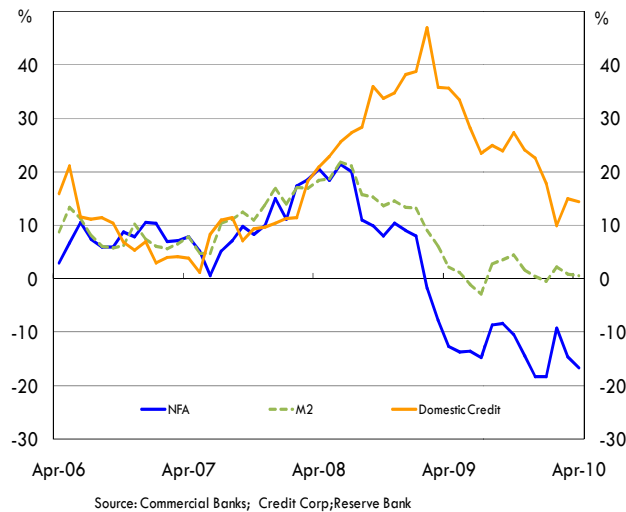
May 2010

### MONETARY SURVEY

Total money supply declined further by 1.2 percent in April, to reach VT56,878.6 million. Overall, the trend in April improved from a much bigger decline of 3.4 percent recorded in March 2010. The monthly fall was largely determined by the continuous fall in the net foreign assets of the banking system which outweighed the increase in domestic credit. This monthly decline triggered the annual growth in M2 to slow to 0.4 percent for the year to April 2010.

Chart 1 shows that the deceleration in the growth rate of broad money supply was driven by the declining trend of NFA, while domestic credit continued to record strong growths.

**Chart 1: Total Money Supply**  
(Percentage Change; Year-on-Year Growth)

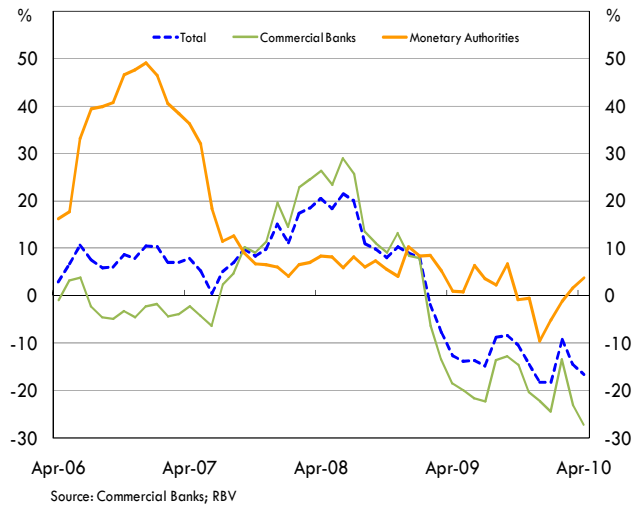


### Determinants of Money Supply

Total Net foreign Assets (NFA) fell by 5.1 percent in April, as the NFA holdings of both the monetary authority and commercial banks fell by 1.3 percent and 7.7 percent, respectively. Likewise, the annual growth in NFA for the year to April 2010 declined to 16.6 percent.

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**Chart 2: Net Foreign Assets**  
(Percentage Change; Year-on-Year Growth)



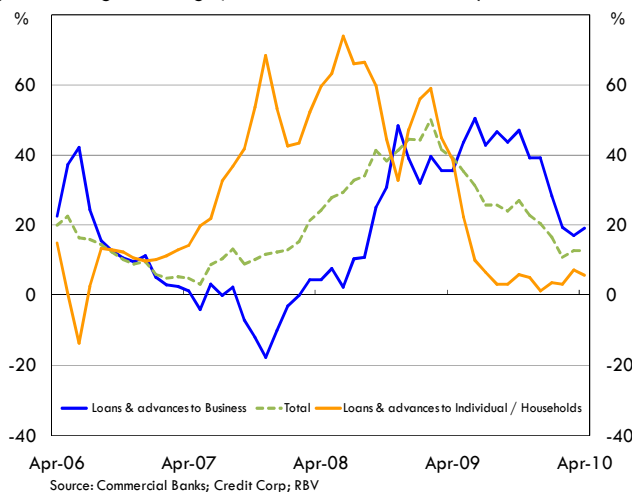
The decline in the NFA holdings of the Reserve Bank was mirrored in the outflows of foreign exchange recorded in April, driving the decline in foreign assets. The Reserve Bank's foreign liabilities remained virtually unchanged over the month. Despite the decline in foreign reserves, import cover is estimated to remain comfortable at 5.8 months.

Commercial banks recorded declines in their holdings of foreign assets by 4.1 percent, hence contributing substantially to the decline in their NFA. Similarly, their holdings of foreign liabilities increased by 2.0 percent, therefore also contributing to the overall decline. The annual growth over the year to April 2010 remained negative at -27.2 percent.

Total domestic credit increased by 2.2 percent during the month under review, though the growth slowed from 4.5 percent recorded in March 2010. The growth in domestic credit stemmed from increases in loans to the private sector and the increase in net claims on the government. Loans extended to municipalities and non-

financial public enterprises recorded declines during the month.

**Chart 3: Private Sector Credit**  
(Percentage Change; Year-on-Year Growth)



Private sector credit<sup>1</sup> grew by 1.1 percent in April 2010, decelerating from 2.8 percent recorded in March 2010. The year ended growth over the year to April 2010 remained virtually unchanged from the growth recorded over the year to March 2010 at 12.6 percent. The current growth in private sector credit reflects the growth in economic activities.

Almost all economic sectors contributed to this monthly growth, with housing and land purchases being the largest contributor to this monthly growth. Miscellaneous sectors, tourism, agriculture, and transport made negative contributions to growth. Likewise, nearly all sectors contributed positively to the annual growth of private sector credit, with personal loans and miscellaneous sectors being the largest contributor to growth. Manufacturing, transport and housing and land purchases made negative contributions to growth over the year.

Loans granted for business purposes increased by 2.1 percent in April, hence contributing to the overall increase in private sector credit. Growth in loans to individual and households declined by a marginal 0.1 percent during the month. The annual growth rate of business loans for the year to April 2010 accelerated by 19.2 percent from 17.0 percent for the year to the previous month. Loans to individual and households decelerated to 5.7 percent for the year to April 2010, down from 7.1 percent over the year to the previous month. This trend indicates a shift from personal lending

<sup>1</sup> Credit to the private sector includes data from Commercial banks, Credit Corp and RBV.

to business loans over the month and year, respectively (Chart 3).

Table 1 shows private sector credit by economic sectors over the month and the year.

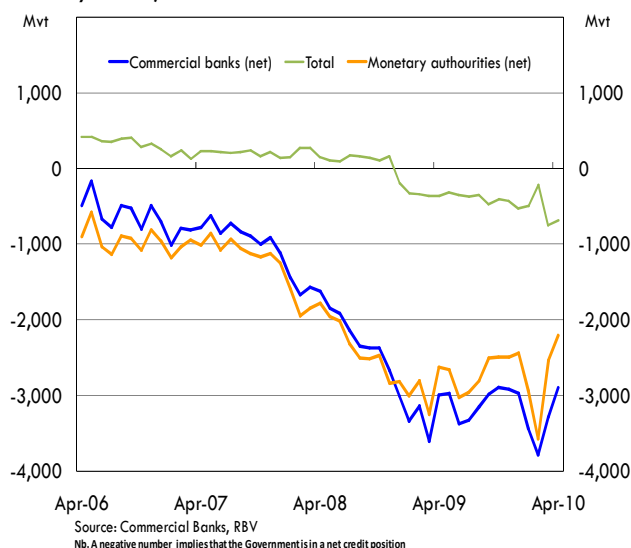
**Table 1: Commercial Banks Sectoral Distribution of Loans and Advances**

| SECTOR                        | (Millions of Vatu) |                 |                 | % Change   |             |
|-------------------------------|--------------------|-----------------|-----------------|------------|-------------|
|                               | Apr-09             | Mar-10          | Apr-10          | 1 Month    | 12 Months   |
| Agriculture                   | 581.4              | 801.6           | 796.9           | -0.6       | 37.1        |
| Fisheries                     | 97.1               | 51.7            | 22.7            | -56.0      | -76.6       |
| Mining & Quarring             | 109.7              | 88.4            | 89.2            | 0.9        | 0.0         |
| Manufacturing                 | 2236.8             | 1744.2          | 1745.1          | 0.1        | -22.0       |
| Distribution                  | 2992.7             | 3402.5          | 3442.6          | 1.2        | 15.0        |
| Tourism                       | 2450.1             | 2712.8          | 2660.6          | -1.9       | 8.6         |
| Entertainment & Catering      | 110.8              | 146.5           | 146.7           | 0.1        | 32.4        |
| Transport                     | 1622.0             | 1564.7          | 1547.6          | -1.1       | -4.6        |
| Public Utilities              | 33.6               | 36.0            | 35.9            | -0.2       | 7.0         |
| Construction                  | 4205.0             | 4971.1          | 5140.8          | 3.4        | 22.3        |
| a) Central Government         | 0.2                | 1.3             | 29.5            | 0.0        | 0.0         |
| b) Public Corporation         | 25.6               | 27.7            | 6.3             | -77.2      | -75.3       |
| Financial Institutions        | 204.8              | 191.9           | 194.4           | 1.3        | -5.1        |
| Professional & Other Services | 1541.2             | 2000.5          | 2061.1          | 3.0        | 33.7        |
| Housing & Land Purchases      | 13627.4            | 12785.7         | 13112.9         | 2.6        | -3.8        |
| Other Personal                | 4094.6             | 5863.7          | 5923.1          | 1.0        | 44.7        |
| Miscellaneous                 | 2357.7             | 3981.8          | 3861.3          | -3.0       | 63.8        |
| <b>TOTAL</b>                  | <b>36,290.6</b>    | <b>40,372.1</b> | <b>40,816.8</b> | <b>1.1</b> | <b>12.5</b> |
| Of which: Vatu                | 33480.0            | 34252.8         | 34555.5         | 0.9        | 3.2         |

Loans extended to non-financial public enterprises fell by 1.8 percent during the month, but remained 38.4 percent higher over the year. Loans to municipalities fell by 8.1 and 15.7 percent over the month and year, respectively.

The Government's net borrowing from the banking system increased by 11.8 percent during the month. The deterioration in the Government's position reflected increases in its net borrowing from the Reserve Bank and Commercial banks by 13.0 percent and 7.7 percent, respectively. The deterioration in its net borrowing from the Reserve Bank mainly reflected a decline in Government deposits with the Bank during the month, while its deteriorating position with commercial banks reflected an increase in commercial banks claims on the government reflecting an increase in their holding of bonds. Over the year to April 2010, the Government's net credit position vis-à-vis the banking system deteriorated, reflecting its deteriorating position with the Reserve Bank, while its net credit position with commercial banks remained favorable (Chart 4).

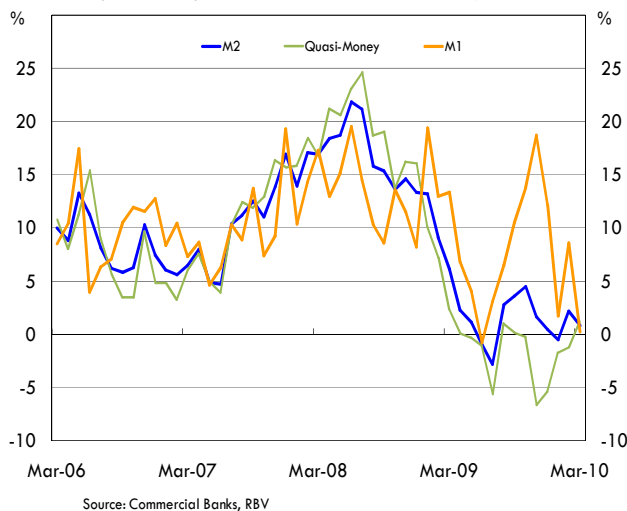
**Chart 4: Net Lending Position of Government**  
(Vis-à-vis the Total Banking Sector; Billions of Vatu; Monthly Data)



**Measures of Money Supply**

Both components of broad money (M2); narrow money (M1) and quasi-money decreased during the month, therefore causing the overall decline in broad money supply (Chart 5).

**Chart 5: Measures of Money**  
(Percentage Change; Year-on-Year Growth)



Narrow money (M1) decreased by 2.8 percent due to a decline of 4.4 percent in demand deposits. This outweighs the increase of 5.4 percent in currency outside banks. Despite the monthly decline, money flows into the economy for the year to April 2010 remained strong, as reflected in the increase of 6.0 percent in the annual growth trend of narrow money.

Demand deposits denominated in both the local and foreign currency fell by 0.4 percent and 7.9 percent,

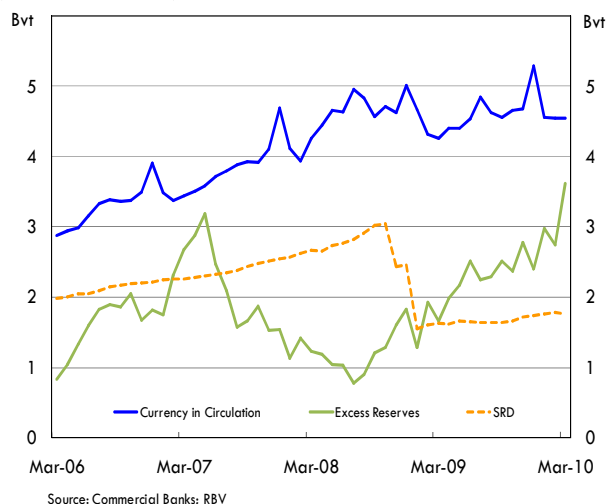
respectively. The offsetting effect of these declines was seen in the increase in currency outside banks. The increase in currency outside banks reflected the increase in private sector credit and deterioration in the government net credit position with the banking system.

Residents' investment in interest bearing deposits fell by 0.3 percent during the month, and 2.5 percent over the year to April 2010. The decline during the month was mainly attributed to a decline of 1.4 percent in time and savings deposits denominated in foreign currency, which outweighed the increase of 0.2 percent in time and savings deposits denominated in the local currency

**Reserve Money**

Reserve money<sup>2</sup> declined by 0.8 percent during the month, but remained higher by 22.6 percent for the year to April 2010. The decline was mainly attributed to a decline in excess reserves by 2.1 percent which offset the increase in SRD. Currency in circulation remains virtually unchanged as in the previous month. The decline in excess reserves reflected several factors, i) the Bank being aggressive in its open market operations as reflected in the increase in outstanding RBV notes ii) outflows through balance of payments as mirrored in the decline in the NFA of the Reserve Bank and iii) the increase in private sector credit.

**Chart 6: Components of Reserve Money**  
(In Billions of VT)



**Open Market Operations (OMO) – May 2010**

The Bank conducted four OMOs during May 2010, where VT1,500 million worth of RBV notes were issued. This is comparable to the amount issued in April 2010.

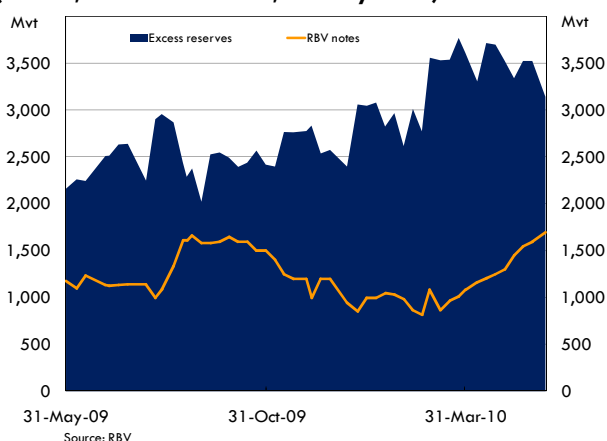
<sup>2</sup> Reserve money comprises of currency in circulation, Statutory Reserve Deposits (SRD) and Excess Reserves.

Total subscription received for these issues was VT4,475 million, compared to VT3,350 million received during the previous month. This high level of subscription compared to the level of issue reflects the high level of liquidity in the system, and strong competition in the RBV notes market.

Allotments were made as follows:

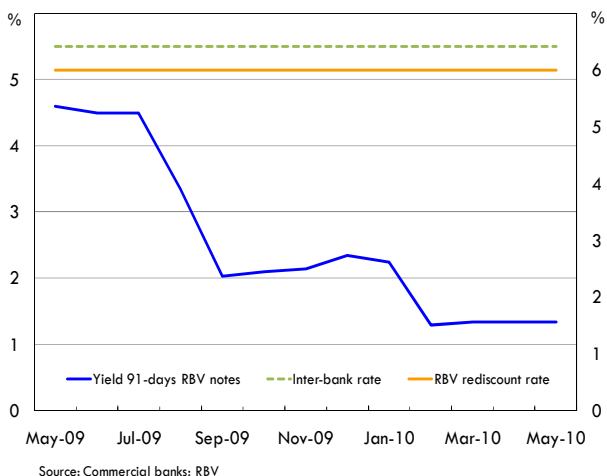
- 7 days: VT400 million
- 14 days: VT400 million
- 28 days: VT300 million
- 63 days: VT200 million
- 91 days: VT200 million

**Chart 7: Commercial Banks Liquidity (Levels; Millions of Vatu; Weekly Data)**



Total maturity for the month was VT1,100 million, leaving outstanding notes at VT1,700 million as of end May, compared to VT1,300 million at the end of the previous month.

**Chart 8: Short-term Interest rates**



**Yields of RBV Notes**

Yields on RBV Notes as of end May 2010:

| Term     | End May. 10 | End Apr. 10 |
|----------|-------------|-------------|
| 7 Days:  | 0.90%       | 1.00%       |
| 14 days: | 0.94%       | 1.00%       |
| 28 days: | 0.90%       | 1.00%       |
| 63 days: | 1.10%       | 1.20%       |
| 91 days: | 1.34%       | 1.35 %      |

The inter-bank rate remained at 5.5 percent.

**Interest Rates**

Commercial banks' deposit and lending interest rates have been maintained as in the previous two months with the exception of a decline in the upper interest rates on fixed deposits with maturities of over six months See Table 2.

|       | Savings  | 1-mnth    | 2-6 Months | Above 6 Months |
|-------|----------|-----------|------------|----------------|
| Feb10 | 0.5-5.00 | 1.25-8.00 | 1.60-8.45  | 2.50-9.80      |
| Mar10 | 0.5-5.00 | 1.25-8.00 | 1.60-8.45  | 2.50-9.80      |
| Apr10 | 0.5-5.00 | 1.25-8.00 | 1.60-8.45  | 2.50-8.45      |

|       | Commercial | Personal | Housing  | Agriculture |
|-------|------------|----------|----------|-------------|
| Feb10 | 9.50-23.0  | 5.5-26.5 | 8.9-13.0 | 9.99-19.5   |
| Mar10 | 9.50-23.0  | 5.5-26.5 | 8.9-13.0 | 9.99-19.5   |
| Apr10 | 9.50-23.0  | 5.5-26.5 | 8.9-13.0 | 9.99-19.5   |

**Tourism Update - April 2010**

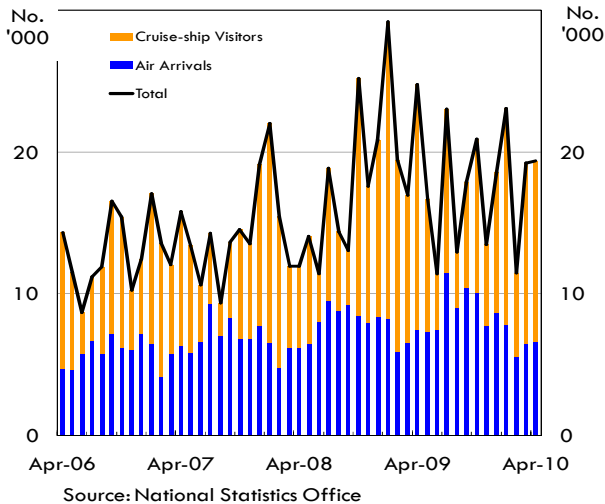
Tourism statistics compiled by the National Statistics Office for April 2010 show total non-resident visitor arrival (air plus cruise-ship visitors) to Vanuatu rose slightly in the month by 0.7 percent to 19,396 visitors as air arrivals rose, though cruise-ship arrivals fell. In annual terms, total visitor arrivals fell by 22 percent over the year as both air and cruise arrivals dropped.

In April, day-visitors (cruise-ship) dropped slightly by - 0.1 percent to 12,775 visitors, as the P&O Cruise scheduled calls to Port Vila remained around the same level as the previous month at an estimated number of 6 calls, with various en-route port calls to the outer-island ports of Mystery Island and Pentecost Island (following the land-diving festival). These calls were made by the following P&O vessels: Pacific Sun from Auckland, Pacific Dawn from Brisbane and Pacific Jewel from Sydney. Compared to April 2009, (8 calls with 17,271 visitors), day-visitors fell 26 percent over the year to April 2010.

Air arrival visitors, who usually spend more than a day in Port Vila and contribute to spending in hotels/restaurants sectors, etc, to rise by 2.3 percent in the month, to 6,621 visitors. Holiday visitors rose in the month whilst arrivals visiting friends and relatives,

stopovers and visitors on meetings/conferences fell. The increase in the month was led by the following major markets: New Caledonia (47%), New Zealand (23%), Europe (8%), Other Countries (14%), North America (4%) offsetting the negative growth shown for Australia (-7%), Other Pacific Countries (-4%), and Japan (-21%).

**Chart 9: Tourism Arrivals  
(Number of Arrivals, Monthly Data)**



Over the year to April 2010, air arrivals declined by 12 percent, mainly in holiday visitors, visitors visiting friends and stopovers, with an exception being visitors arriving for meetings/conferences, which rose over the year. The decline in growth in visitor arrivals over the year was led by the following major markets: Australia (-24%), Europe (-15%), Japan (-29%), offsetting the positive growth in the New Caledonian market (21%), Other Countries (77%), Other Pacific Countries (33%), North America (58%), and New Zealand (3%). The highest ranked visitor by type, holiday visitors (accounted for 82 percent of total air visitor arrivals in the month), rose 4 percent in the month and declined 9 percent over the year. Visitors arriving for meetings/conferences declined 1 percent over the month and rose 0.5 percent over the year. The average length of stay for visitors rose slightly to 9.4 days, compared to 9.2 days in the previous month. Air arrivals to Port Vila (Bauerfield Airport), the major port of entry of air visitors, rose 0.4 percent in the month and declined 11 percent over the year.

Visitor arrivals to Vanuatu's second town, Luganville (Pekoa Airport) recorded stronger increases in growth (774 percent) in the month, reflecting the recommencement of the direct Air Vanuatu direct Brisbane-Pekoa flight beginning April; however, figures remained down 23 percent over the year.

### Consumer Price Index: March Quarter

The Consumer Price Index (CPI) released by the Vanuatu National Statistics Office for the March Quarter of 2010 rose 2.4 percent over the December quarter of 2010, and 2.8 percent over the March quarter 2009. The increase in the March quarter reflected the rise in price for food, alcoholic drinks and tobacco and housing and utilities.

In the December quarter, both urban towns showed increases in prices, with prices in Port Vila rising 2.7 percent and in Luganville by 0.7 percent. The expenditure groups contributing the most to the overall inflation in the quarter was food which rose 3.6 percent, followed by drinks & tobacco (7.4%) and housing and utilities (1.7%). The increase in the food price index group was caused by the increased prices of seasonal fruits and vegetables. The higher price in the alcoholic drinks and tobacco group was caused by the increase in the excise tax on these products. In the Port Vila index, both alcohol and tobacco increased compared to the previous quarter, while in Luganville, the increase was due mostly to an increase in the price of cigarettes. The rise in the index for the housing and utilities group resulted from the increase in the electricity supply charges in both urban centres of Port Vila and Luganville. Decreases were shown for the education expenditure group (-4.2%) and for the clothing and footwear group (-1.9%).

Comparing CPI for the March quarter 2010 over the same quarter of 2009, the index increased by 2.8 percent, up from 2.3 percent recorded in the December quarter 2009. Port Vila recorded 3.0 percent and Luganville recorded 2.1 percent increases in prices. The annual increase was driven by increased prices for food, drinks and tobacco, recreation, transport, housing and utilities, health, miscellaneous expenditure categories. Education, communication, household supplies category showed declines over the year. (Source: Vanuatu National Statistics Office)

### Exchange Rate Developments – April 2010

The exchange rate developments of the Vatu vis-à-vis its major trading currencies for the month of April are shown in the following table and charts

| Exchange Rate of Vatu/ Foreign Currency - end periods |          |          |          |           |
|---|----------|----------|----------|-----------|
|   | Vatu/USD | Vatu/AUD | Vatu/NZD | Vatu/Euro |
| May 2010  | 103.35   | 87.33    | 69.95    | 126.79    |
| 1 month ago   | 97.62    | 90.53    | 70.64    | 129.11    |
| %▲  | -5.9     | 3.5      | 1.0      | 1.8       |
| 3 months ago  | 99.55    | 88.47    | 68.85    | 134.97    |
| %▲  | -3.8     | 1.3      | -1.6     | 6.1       |
| 12 months ago   | 103.88   | 83.85    | 67.5     | 146.25    |
| %▲  | 0.5      | -4.2     | -3.6     | 13.3      |
| Note : (-) depreciation of vatu                       |          |          |          |           |

euro (EUR), whilst depreciating against the US dollar (USD).

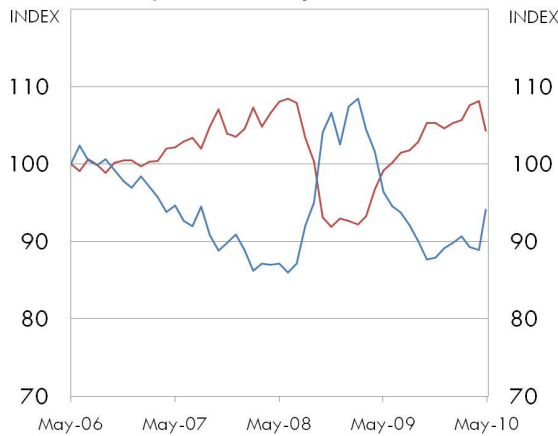
The EUR has depreciated globally as a result of increasing concerns about the affordability of debt in a number of countries, despite significant efforts by the EU and individual member states to back the currency. Ratings agencies have downgraded Spanish, Portuguese and Greek debt. Uncertainty within the European monetary union has been the major source of volatility across the world during the month and driven many of the substantial shifts into between other currencies as investors adjust portfolios.

Depreciation against the USD was driven by a return to safe-haven currencies following sovereign debt concerns in the euro area. Investors increasingly sought to shed what were perceived as risky currencies from their portfolios in exchange for USD, which remains the world's *de facto* reserve currency.

The AUD was weighed by the fact that it is considered a commodity currency, and therefore subject to volatility during periods of economic uncertainty. Furthermore, figures released for Australian GDP growth in the first quarter to 2010 showed a distinct slowing from the fourth quarter of 2009.

Similar the AUD, the NZD was impacted by a shift away from what are traditionally perceived as riskier currencies towards reserve currencies. However, the Reserve Bank of New Zealand is expected to begin removing monetary stimulus within the next few months as the domestic macroeconomic environment improves and business confidence increases. The currency was boosted by April data showing a year-ended trade surplus for the first time in 8 years.

Exchange Rate Index of the Vatu/USD & Vatu/AUD- Base April 2006=100



Exchange Rate Index of the Vatu/NZD & Vatu/EUR- Base April 2006 =100



During the month, the Vatu appreciated against the Australian dollar (AUD), New Zealand dollar (NZD) and



## MONETARY AND FINANCIAL STATISTICS

TABLE A1 : CONDENSED BALANCE SHEET OF RESERVE BANK OF VANUATU

| End of Period                     | Apr-09         | Jan-10         | Mar-10         | Apr-10         | %Change |          |          |
|-----------------------------------|----------------|----------------|----------------|----------------|---------|----------|----------|
|                                   |                |                |                |                | 1 Month | 3 months | 12months |
| Foreign Assets                    | 12238.7        | 14777.8        | 14986.2        | 14826.3        | -1.1    | 0.3      | 21.1     |
| Foreign Exchange 1/               | 11577.6        | 14151.4        | 14362.2        | 14201.3        | -1.1    | 0.4      | 22.7     |
| Reserve Position with IMF         | 434.2          | 382.2          | 382.2          | 382.2          | 0.0     | 0.0      | -12.0    |
| SDR Holdings                      | 226.9          | 244.1          | 241.8          | 242.8          | 0.4     | -0.5     | 7.0      |
| Claims on Government              | 620.1          | 618.5          | 621.0          | 620.9          | 0.0     | 0.4      | 0.1      |
| Advances to statutory Bodies      | 0.0            | 0.0            | 0.0            | 0.0            | 0.0     | 0.0      | 0.0      |
| Advances to commercial Banks      | 0.0            | 0.0            | 0.0            | 0.0            | 0.0     | 0.0      | 0.0      |
| O/w under repurchase agreement    | 0.0            | 0.0            | 0.0            | 0.0            | 0.0     | 0.0      | 0.0      |
| Other Assets                      | 1823.4         | 2070.3         | 1961.1         | 1893.2         | -3.5    | -8.6     | 3.8      |
| <b>Total Assets</b>               | <b>14682.2</b> | <b>17466.5</b> | <b>17568.3</b> | <b>17340.5</b> | -1.3    | -0.7     | 18.1     |
| Reserve Money                     | 7541.6         | 9297.7         | 9906.8         | 9831.4         | -0.8    | 5.7      | 30.4     |
| Currency outside Banks 3/         | 3249.5         | 3665.6         | 3545.2         | 3735.2         | 5.4     | 1.9      | 14.9     |
| Commercial Banks Cash             | 1008.9         | 892.6          | 994.5          | 801.9          | -19.4   | -10.2    | -20.5    |
| Commercial Banks Deposit with RBV | 3283.2         | 4739.6         | 5367.2         | 5294.3         | -1.4    | 11.7     | 61.3     |
| Foreign Liabilities 2/            | 163.4          | 2871.8         | 2706.2         | 2706.0         | 0.0     | -5.8     | 1555.7   |
| Government Deposits, of wich      | 3869.9         | 3560.7         | 3156.9         | 2826.8         | -10.5   | -20.6    | -27.0    |
| Government contribution to RTP    | 434.2          | 382.2          | 382.2          | 382.2          | 0.0     | 0.0      | -12.0    |
| RBV Notes                         | 2012.7         | 1046.3         | 1082.5         | 1297.2         | 19.8    | 24.0     | -35.5    |
| Other Liabilities                 | 1594.6         | 690.0          | 715.9          | 679.1          | -5.1    | -1.6     | -57.4    |
| <b>TOTAL Liabilities</b>          | <b>15182.2</b> | <b>17466.5</b> | <b>17568.3</b> | <b>17340.5</b> | -1.3    | -0.7     | 14.2     |

1/ Reserve Bank's foreign currency accounts with residents commercial banks are included in foreign exchange holdings of the Bank.

2/ Including deposits by the Asian Development Bank and the Commission of the European Communities (CEC)

3/ Currency Outside Banks was revised to comply with the Monetary and Financial Statistics Manual

TABLE A2 : CONDENSED BALANCE SHEET OF COMMERCIAL BANKS IN VANUATU

| END OF PERIOD                              | Apr-09         | Jan-10         | Mar-10         | Apr-10         | %Change |          |           |
|--|----------------|----------------|----------------|----------------|---------|----------|-----------|
|  |                |                |                |                | 1 Month | 3 months | 12 Months |
| Domestic currency                          | 1008.9         | 892.6          | 994.5          | 801.9          | -19.4   | -10.2    | -20.5     |
| Deposits with RBV                          | 3283.2         | 4739.6         | 5367.2         | 5294.3         | -1.4    | 11.7     | 61.3      |
| RBV Notes                                  | 2012.7         | 1046.3         | 1082.5         | 1297.2         | 19.8    | 24.0     | -35.5     |
| Foreign Assets, of wich                    | 31631.8        | 28902.2        | 28100.2        | 26949.2        | -4.1    | -6.8     | -14.8     |
| Claims on non-residents banks              | 30367.9        | 25588.6        | 25353.3        | 24137.3        | -4.8    | -5.7     | -20.5     |
| Claims on Private sector                   | 35841.6        | 38589.1        | 40257.3        | 40704.8        | 1.1     | 5.5      | 13.6      |
| Claims on Government                       | 434.5          | 434.5          | 587.0          | 686.7          | 17.0    | 58.0     | 58.0      |
| Other claims 1/                            | 91.1           | 120.4          | 114.8          | 112.0          | -2.4    | -7.0     | 22.9      |
| Other Assets                               | 3051.9         | 3251.3         | 3111.5         | 3149.1         | 1.2     | -3.1     | 3.2       |
| <b>TOTAL ASSETS</b>                        | <b>77355.6</b> | <b>77976.0</b> | <b>79614.9</b> | <b>78995.2</b> | -0.8    | 1.3      | 2.1       |
| Demand Deposits, of wich                   | 17561.4        | 17333.6        | 17307.0        | 16537.8        | -4.4    | -4.6     | -5.8      |
| Foreign currency                           | 9351.4         | 9326.0         | 9297.3         | 8562.5         | -7.9    | -8.2     | -8.4      |
| Savings deposits, of which                 | 3965.6         | 4540.8         | 4551.1         | 4509.5         | -0.9    | -0.7     | 13.7      |
| Foreign currency                           | 260.9          | 415.1          | 406.7          | 409.2          | 0.6     | -1.4     | 56.8      |
| Time deposits, of which                    | 32326.5        | 32895.4        | 32162.0        | 32096.1        | -0.2    | -2.4     | -0.7      |
| Foreign Currency                           | 16334.7        | 15731.2        | 14097.8        | 13944.8        | -1.1    | -11.4    | -14.6     |
| Foreign Liabilities, of which              | 8675.5         | 8045.5         | 10438.2        | 10646.2        | 2.0     | 32.3     | 22.7      |
| Non residents Banks                        | 1621.1         | 2974.4         | 3425.1         | 3341.4         | -2.4    | 12.3     | 106.1     |
| Government Deposits                        | 791.2          | 933.8          | 1332.1         | 1374.1         | 3.2     | 47.2     | 73.7      |
| Credit from RBV                            | 500.0          | 0.0            | 0.0            | 0.0            | 0.0     | 0.0      | 0.0       |
| Other Liabilities, including shareholders' | 13535.4        | 14227.0        | 13824.5        | 13831.6        | 0.1     | -2.8     | 2.2       |
| <b>TOTAL LIABILITIES</b>                   | <b>77355.6</b> | <b>77976.0</b> | <b>79614.9</b> | <b>78995.2</b> | -0.8    | 1.3      | 2.1       |

1/ Includes: Claims on other Financial Institutions and Interbank Claims, Claims on Municipalities and Claims on Public Enterprises

Nb: Figures highlighted have been revised

TABLE A3 : MONETARY SURVEY: A CONSOLIDATED STATEMENTS OF ACCOUNTS OF THE MONETARY INSTITUTIONS

| END OF PERIOD  | Apr-09     | Jan-10     | Mar-10     | Apr-10     | %Change |          |           |
|--|------------|------------|------------|------------|---------|----------|-----------|
|  |            |            |            |            | 1 Month | 3 months | 12 Months |
| 1. Net Foreign Assets                                  | 34,088.1   | 32,762.7   | 29,942.0   | 28,423.4   | -5.1    | -13.2    | -16.6     |
| Monetary Authorities (Net)                             | 11,681.3   | 11,906.0   | 12,280.0   | 12,120.4   | -1.3    | 1.8      | 3.8       |
| Commercial Banks (Net)                                 | 22,406.9   | 20,856.7   | 17,662.0   | 16,303.0   | -7.7    | -21.8    | -27.2     |
| 2. Net Domestic Assets                                 | 22,570.3   | 25,672.7   | 27,623.3   | 28,455.2   | 3.0     | 10.8     | 26.1      |
| (a) Domestic Credit                                    | 33,900.8   | 35,997.5   | 37,835.1   | 38,682.9   | 2.2     | 7.5      | 14.1      |
| (i) Net claims on government                           | (2,994.2)  | (3,441.5)  | (3,280.9)  | (2,893.3)  | 11.8    | 15.9     | 3.4       |
| Monetary Authorities                                   | (2,628.9)  | (2,942.3)  | (2,535.9)  | (2,205.9)  | 13.0    | 25.0     | 16.1      |
| Commercial Banks                                       | (365.3)    | (499.3)    | (745.0)    | (687.4)    | 7.7     | -37.7    | -88.2     |
| (ii) Claims on Non financial Public enterprises (NFPE) | 73.2       | 105.5      | 103.1      | 101.3      | -1.8    | -4.0     | 38.4      |
| (iii) Claims on Private Sector (1)                     | 36,809.1   | 39,318.7   | 41,001.3   | 41,464.2   | 1.1     | 5.5      | 12.6      |
| (iv) Claims on other financial institutions            | 0.0        | 0.0        | 0.0        | 0.0        | 0.0     | 0.0      | 0.0       |
| (v) Claims on Municipalities                           | 12.7       | 14.9       | 11.6       | 10.7       | -8.1    | -28.4    | -15.7     |
| (b) Other items (net)                                  | (11,330.5) | (10,324.8) | (10,211.8) | (10,227.7) | 0.2     | -0.9     | -9.7      |
| 3. Total Assets= Total Money Supply (M2)               | 55,416.6   | 58,435.4   | 57,565.3   | 56,878.6   | -1.2    | -2.7     | 2.6       |
| (a) Money (M1)   | 19,124.5   | 20,999.2   | 20,852.2   | 20,273.0   | -2.8    | -3.5     | 6.0       |
| (i) Currency outside Banks                             | 3,533.7    | 3,665.6    | 3,545.2    | 3,735.2    | 5.4     | 1.9      | 5.7       |
| (ii) Demand deposits                                   | 15,590.7   | 17,333.6   | 17,307.0   | 16,537.8   | -4.4    | -4.6     | 6.1       |
| (b) Quasi-money  | 36,292.1   | 37,436.2   | 36,713.1   | 36,605.5   | -0.3    | -2.2     | 0.9       |
| (i) Saving Deposits                                    | 3,965.6    | 4,540.8    | 4,551.1    | 4,509.5    | -0.9    | -0.7     | 13.7      |
| (ii) Time Deposits                                     | 32,326.5   | 32,895.4   | 32,162.0   | 32,096.1   | -0.2    | -2.4     | -0.7      |

1) Include RBV staff loans and credit corp

Nb: Figures highlighted have been revised.

TABLE A4 : MONTHLY CHANGES IN TOTAL MONEY SUPPLY

| END OF PERIOD                              | Apr-09    | Jan-10    | Mar-10    | Apr-10    |
|--|-----------|-----------|-----------|-----------|
| 1.1 Net Foreign Assets                     | (943.4)   | (646.3)   | (3,760.9) | (1,518.6) |
| Monetary authorities                       | (394.0)   | 306.3     | 1.8       | (159.6)   |
| Commercial Banks                           | (549.4)   | (952.6)   | (3,762.7) | (1,359.0) |
| 2.1 Domestic Money creation                | 453.5     | (1,063.8) | 1,577.4   | 831.9     |
| (a) Domestic credit                        | 994.0     | (1,136.9) | 1,467.8   | 847.8     |
| Net Claims on Government                   | 612.3     | (470.6)   | 340.1     | 387.6     |
| Monetary Authorities (net)                 | 620.9     | (503.0)   | 872.5     | 330.0     |
| Commercial Banks (net)                     | (8.6)     | 32.4      | (532.5)   | 57.7      |
| Claims on non financial public enterprises | (0.3)     | (1.8)     | (0.7)     | (1.9)     |
| Claims on Private sector                   | 386.9     | (663.0)   | 1,127.9   | 463.0     |
| (b) Other Domestic factor                  | (540.5)   | 73.1      | 109.6     | (15.9)    |
| 3.1 Money Supply creation (M4)             | (1,686.4) | (1,449.1) | (1,186.5) | (686.7)   |
| Money (M1)                                 | (1,686.4) | (1,449.1) | (1,186.5) | (579.2)   |
| Quasi-money                                | 0.0       | 0.0       | 0.0       | (107.5)   |

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