



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC ANALYSIS: August 2015

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### International and Exchange Rate Development

Global growth continues at a moderate pace, although prospects have worsened as the recovery in the major advanced economies has been weaker than anticipated and slowing of emerging and developing markets has been more pronounced than expected. The recent softening of growth in emerging economies, including China and East Asia, has led to lower commodity prices, and has eroded prospects for commodity exporters. China has cut interest rates five times since November of 2014 and devalued the Yuan in an effort to stimulate economic growth. Although global oil prices appeared to have partially recovered from lows earlier in the year, prices plummeted again in the month of July and August. Lower global oil prices continue to support global growth, but are negatively impacting countries that are net exporters of oil. Risks to growth include heightened geopolitical risks, and increased volatility in financial markets, particularly associated with the expectation of higher interest rates in the United States this year.

**Table 1: Exchange Rate of Vatu/Foreign Currency**

	USD	AUD	NZD	EURO
<b>Aug-15</b>	111.8	80.1	72.2	124.9
<b>1 month ago</b>	111.0	80.9	73.3	121.3
<b>% ▲</b>	0.7	-1.0	-1.4	2.99
<b>3 months ago</b>	107.2	82.9	77.9	118.1
<b>%▲</b>	4.3	-3.4	-7.3	5.8
<b>12 months ago</b>	95.5	89.3	80.0	125.9
<b>%▲</b>	17.1	-10.4	-9.8	-0.8

**Note: (-) Appreciation of Vatu**

The **USD** continues to remain high against major currencies over the month of August as the economy strengthens and speculation remains on interest rate hikes (USD appreciated against the Vatu by 0.7 percent over the month). The Federal Open Market Committee kept its funds rate at 0 to 0.25 percent in July. An increase in the target range in 2015 remains a possibility, as the June quarter data showed that real GDP grew by 2.3 percent over the year. The addition of 173,000 jobs over the month of August and reduction in the unemployment rate to 5.1 percent

indicates a strengthening of the labour market in line with expectations.

The Reserve Bank of Australia (RBA) kept its policy rate unchanged at 2.0 percent. Growth in the Australian economy remains moderate, although the mining sector continues to face challenges and growth in the non-mining sector remains weak. The unemployment rate decreased to 6.2 percent in August 2015, whilst inflation remained low. The RBA expects domestic inflation to be consistent with the target in the medium term due to very slow growth in labour costs, and continues to maintain an accommodative stance. This has caused **AUD** to remain low against USD over the year. As a result, Vatu has appreciated 1.0 percent against the AUD during the month of August.

New Zealand's growth outlook remains uncertain in light of the levelling of construction activity in Canterbury, weaker global dairy prices and a continuous decline in business confidence. In response to softer economic conditions and low inflation, the Reserve Bank of New Zealand (RBNZ) cut the official cash rate by 25 basis points to 3.0 percent in its July meeting. As a result, **NZD** has remained low against major currencies (depreciated by 1.4 percent against the Vatu over the month). The RBNZ has noted that whilst the NZD has declined significantly, further depreciation is appropriate, and further monetary policy easing seems likely.

Growth in the Euro area continues to be muted, with a slowing global demand for European exports. Last month, Greece negotiated a third bailout with creditors, narrowly avoiding default and an exit from the Euro currency. There are otherwise some signs of improvement in the periphery countries, with Spain registering 1.0 percent quarterly growth in the June quarter. Annual inflation remains low: annualised inflation is expected to be 0.2 percent in August. Low oil prices, low interest rates and continuation of the European Central Bank's asset purchase program are helping to support growth. The ECB has kept its refinancing rate at 0.05 percent since September 2014. Over the month of August, the **EURO** appreciated against the Vatu by 2.99 percent.

## **Real Sector Developments**

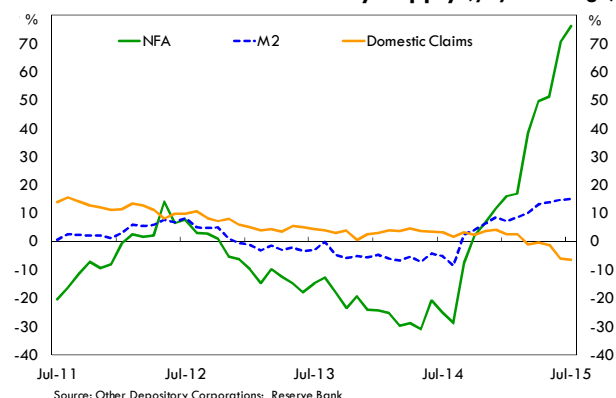
**Tourism arrivals** totalled 29,051 during the month of July 2015. This represents an increase of 74.5 percent from June and 26.8 percent from July 2014. From this total, 35 percent were air visitors while 65 percent represented day visitors. Day visitors rose 127.6 percent over the month and 65.9 percent compared to July 2014, to record 19,023 visitors. The increase was attributed to the increase in the number of cruise ship visits from 6 in July 2014 to 10 in July 2015. Air arrivals totalled 10,031, representing an increase of 21 percent over June 2015, though this depicted a decline of 12 percent over July 2014. The decline over the year was attributed to a drop in the number of visitors arriving for holidays. In terms of purpose of visit, 78 percent of arrivals were for holidays, 9 percent, to visit friends and families, 7 percent for other purposes, education or sports, 6 percent for business, meetings and conferences while the remaining 1 percent for stop over. (Source: Vanuatu National Statistics Office)

**Total export earnings** reached VT1,049 million in July 2015. Though this was a decline by 8 percent over June, it increased by 55 percent from July 2014. The increase over the year was attributed to huge increase in the exports of copra and coconut oil. The two commodities make up the largest shares of total exports, at 22 percent and 27 percent, respectively. Total value of monthly imports cleared for home consumption declined by 61 percent over the month, while it recorded an increase of 26 percent over a year ago to reach VT2,727 million(?). The trend over the year was attributed to the increase in imports of basic manufactured goods and machines & transport equipments. This resulted in a trade balance deficit of VT1, 678 million, which was a bigger deficit compared to the deficit of VT 1,493 million recorded in July 2014. (Source: Vanuatu National Statistics Office)

## **Monetary Developments**

M2 rose by 0.6 percent in July and 14.5 percent over the year to July 2015. This growth continues to reflect increases in net foreign assets (NFA), while domestic credit recorded further declines during both periods, respectively.

**Chart 1: Determinants of Money Supply (yoy% Change)**



Total NFA increased by 2.1 percent and 73.9 percent in July and over the year to July 2015, respectively. This increase is attributed to net inflows of foreign exchange recorded by the Reserve Bank. With these inflows, the level of official reserves is sufficient to cover 8.1 months of imports. ODCs<sup>1</sup> in contrast witnessed declines in their holdings of foreign assets and liabilities, respectively. Domestic credit fell by 0.3 percent and 6.5 percent during the month and year respectively, owing mainly to the decrease in net credit to the central government. However, claims on other sectors noted a gradual increase of 0.1 percent. Total loans extended by ODCs to various sectors are depicted in Table A4.

The Central Government's net credit position vis-à-vis the banking system improved further in July 2015 and over the year from July 2014. This improvement reflected the accumulation in government deposits held with both the RBV and ODCs.

Loans extended by OFIs<sup>2</sup> registered a gradual growth of 0.1 percent in July to VT985.2 million. Claims on the Government by OFIs fell by VT100 million from June 2015 to VT3,449.1 million at end-July 2015.

## **Open Market Operations (OMO)**

The RBV issued VT400 million worth of RBV notes in August 2015, a similar amount to that issued in the previous month. Total subscription received reached VT1,100 million, compared to VT1,200 million received in July 2015.

The amount allotted and yields on respective notes are depicted in Table 2.

**Table 2: Amount Allotted (Millions of Vatu) and Yields on RBV Notes (Percent)**

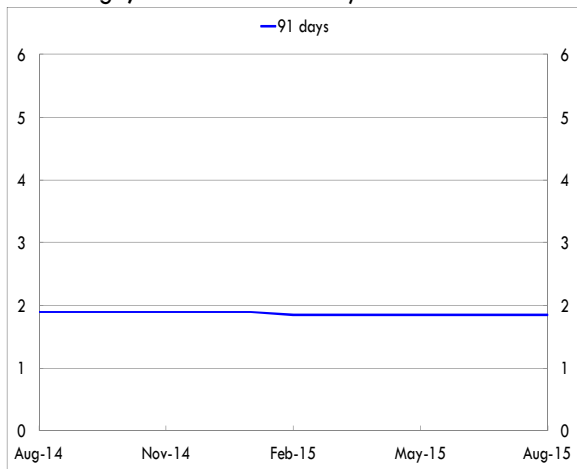
Term	Amount Allotted	Yield End Aug. 2015	Yield End July. 2015
7 days	110	1.35	1.35
14 days	110	1.45	1.45
28 days	80	1.75	1.75
63 days	50	1.80	1.80
91 days	50	1.85	1.85

Chart 2 below indicates the yield on the 91-days notes, which is tied to the RBV policy rate after policy changes made in the aftermath of Tropical Cyclone Pam this year.

<sup>1</sup> ODC: Other Depository Corporations

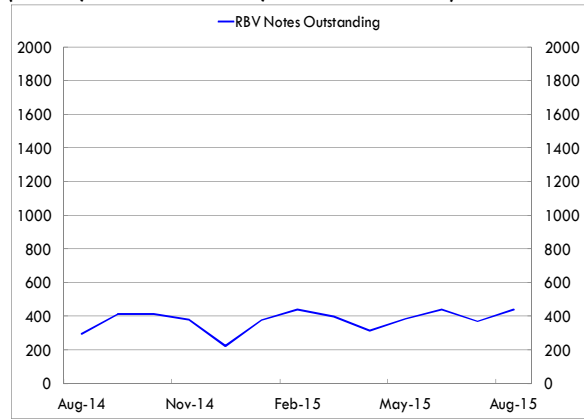
<sup>2</sup> OFI: Other Financial Institutions covers Credit Corporation; Vanuatu Agriculture Bank; and Vanuatu National Provident Fund

**Chart 2: Yield on 91-days RBV Note**  
 Percentage, Month-end Position)



The total amount of matured RBV notes amounted to VT330 million in August, leaving outstanding notes at VT440 million, compared to VT370 million in the previous month.

**Chart 3: Outstanding RBV Notes**  
 (Levels, millions of Vatu, month-End Data)



**TABLE A1 : CONDENSED BALANCE SHEET OF THE RESERVE BANK OF VANUATU (In Millions Vatu)**

End of Period	Jul-14	Apr-15	Jun-15	Jul-15	%Change		
					1 Month	3 months	12months
<b>Claims on nonresidents</b>	<b>17,428.4</b>	<b>20,653.3</b>	<b>28,478.8</b>	<b>28,823.0</b>	1.2	39.6	65.4
Monetary gold and SDR holdings	584.6	589.0	607.9	617.9	1.6	4.9	5.7
Reserve Assets	16,843.8	20,064.3	27,870.9	28,205.1	1.2	40.6	67.5
<b>Currency and Deposits</b>	<b>15.9</b>	<b>8.1</b>	<b>18.7</b>	<b>11.9</b>	-56.7	46.3	-24.9
National currency	15.9	8.1	18.7	11.9	-56.7	46.3	-24.9
<b>Securities other than shares</b>	<b>2,474.0</b>	<b>2,370.0</b>	<b>2,370.9</b>	<b>2,370.6</b>	0.0	0.0	-4.2
Central government	2,474.0	2,370.0	2,370.9	2,370.6	0.0	0.0	-4.2
<b>Loans</b>	<b>72.1</b>	<b>90.2</b>	<b>89.7</b>	<b>86.4</b>	-3.8	-4.2	19.8
Other residents sectors	72.1	90.2	89.7	86.4	-3.8	-4.2	19.8
<b>Other accounts receivable</b>	<b>620.7</b>	<b>546.6</b>	<b>694.7</b>	<b>689.1</b>	-0.8	26.1	11.0
Trade credit and advances	39.5	58.4	38.6	43.2	10.7	-26.1	9.4
Settlement accounts	63.4	34.5	147.1	81.9	-79.7	137.4	29.2
Miscellaneous Assets	517.9	453.8	509.1	564.1	9.8	24.3	8.9
<b>Nonfinancial assets</b>	<b>1,388.3</b>	<b>1,376.4</b>	<b>1,376.3</b>	<b>1,373.4</b>	-0.2	-0.2	-1.1
<b>TOTAL ASSETS</b>	<b>21,999.5</b>	<b>25,044.7</b>	<b>33,029.0</b>	<b>33,354.4</b>	1.0	33.2	51.6
<b>Monetary Base</b>	<b>15,568.9</b>	<b>17,544.7</b>	<b>18,765.2</b>	<b>18,938.5</b>	0.9	7.9	21.6
Currency in Circulation	5,283.0	5,735.4	5,863.7	6,159.7	4.8	7.4	16.6
Currency Other Depository Corporations	1,498.6	1,948.7	1,806.8	1,575.7	-14.7	-19.1	5.1
Liabilities to Other Depository Corporations	8,787.3	9,860.6	11,094.7	11,203.1	1.0	13.6	27.5
Reserve Deposits	3,059.1	2,332.8	2,420.0	2,464.8	1.8	5.7	-19.4
Other Liabilities	5,728.2	7,527.8	8,674.7	8,738.3	0.7	16.1	52.5
<b>Liabilities to Central Government</b>	<b>2,881.7</b>	<b>4,224.6</b>	<b>7,900.7</b>	<b>8,046.2</b>	1.8	90.5	179.2
Deposits	2,517.3	3,857.0	7,521.2	7,660.4	1.8	98.6	204.3
Other							
<b>Liabilities to non residents</b>	<b>285.8</b>	<b>133.5</b>	<b>2,706.6</b>	<b>2,777.8</b>	2.6	1,980.7	871.9
Deposits	285.8	133.5	2,706.6	2,777.8	2.6	1,980.7	871.9
Liabilities to the IMF- Central Government	364.4	367.6	379.5	385.8	1.6	5.0	5.9
<b>Securities other than shares</b>	<b>225.8</b>	<b>314.1</b>	<b>438.8</b>	<b>368.8</b>	-19.0	17.4	63.3
Central Bank	225.8	314.1	438.8	368.8	-19.0	17.4	63.3
<b>Loans</b>							
<b>Other accounts payable</b>	<b>310.6</b>	<b>337.7</b>	<b>353.2</b>	<b>336.4</b>	-5.0	-0.4	8.3
Trade credit and advances	261.6	313.8	311.9	303.8	-2.7	-3.2	16.1
Other Sectors	49.0	23.9	41.3	32.6	-26.8	36.4	-33.5
o/w Settlement Accounts	32.9	15.5	22.4	20.4	-9.7	31.9	-38.0
<b>Shares and other equity</b>	<b>351.6</b>	<b>461.9</b>	<b>390.9</b>	<b>372.3</b>	-5.0	-19.4	5.9
<b>SDR Allocation</b>	<b>2,375.1</b>	<b>2,395.8</b>	<b>2,473.7</b>	<b>2,514.5</b>	1.6	5.0	5.9
<b>TOTAL LIABILITIES</b>	<b>21,999.5</b>	<b>25,412.3</b>	<b>33,029.0</b>	<b>33,354.4</b>	1.0	31.3	51.6

**TABLE A2a : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU ( In Millions VT)**

END OF PERIOD	Jul-14	Apr-15	Jun-15	Jul-15	%Change		
					1 Month	3 months	12 Months
<b>Monetary gold and SDR</b>	-						
<b>Currency and deposits</b>	<b>17,683.6</b>	<b>22,654.9</b>	<b>22,650.1</b>	<b>22,498.5</b>	-0.7	-0.7	27.2
<b>Currency</b>	1,673.9	2,175.5	2,072.7	1,812.1	-12.6	-16.7	8.3
National	1,498.6	1,948.7	1,806.8	1,575.7	-12.8	-19.1	5.1
Foreign	175.3	226.8	265.9	236.4	-11.1	4.2	34.9
<b>Transferable deposits</b>	13,142.8	14,247.6	15,610.8	15,698.3	0.6	10.2	19.4
<i>In Local currency : Central Bank</i>	8,787.3	9,860.6	11,094.7	11,203.1	1.0	13.6	27.5
Nonresidents	10.1	20.2	42.9	34.3	-20.0	70.2	240.7
Head offices and Branches		-	17.5	20.2	15.5	0.0	0.0
Other depository corporations	10.1	20.2	25.4	14.2	-44.4	-29.8	40.5
<i>In foreign currency :</i>							
Nonresidents	4,345.5	4,366.8	4,473.2	4,461.0	-0.3	2.2	2.7
Head offices and Branches	1,520.7	2,130.0	1,356.8	1,148.1	-15.4	-46.1	-24.5
Other depository corporations	2,824.7	2,236.9	3,116.4	3,312.8	6.3	48.1	17.3
<b>Other deposits</b>	2,866.8	6,231.8	4,966.6	4,988.0	0.4	-20.0	74.0
<i>In Local currency :</i>							
Other depository corporations		397.7	400.1	400.1	0.0	0.6	0.0
Nonresidents	-	2.0	-	-			
Other depository corporations		2.0	-	-			
<i>In foreign currency :</i>							
Nonresidents	2,866.8	5,832.1	4,566.4	4,587.9	0.5	-21.3	60.0
Head offices and Branches	370.3	2,208.1	2,137.9	2,193.3	2.6	-0.7	492.3
Other depository corporations	2,496.5	3,624.0	2,428.5	2,394.6	-1.4	-33.9	-4.1
<b>Securities other than shares</b>	<b>813.3</b>	<b>901.6</b>	<b>1,026.3</b>	<b>1,056.3</b>	2.9	17.2	29.9
Central Bank	225.8	314.1	438.8	368.8	-16.0	17.4	63.3
Central Government	587.5	587.5	587.5	687.5	17.0	17.0	17.0
<b>Loans</b>	<b>56,258.0</b>	<b>57,404.2</b>	<b>57,775.2</b>	<b>57,850.5</b>	0.1	0.8	2.8
Other depository corporations	0.4	0.0	0.1	0.0	-94.1	0.0	-98.0
Other financial corporations	54.5	47.9	47.2	46.9	-0.7	-2.2	-14.1
State and local government	80.7	83.7	90.8	102.8	13.2	22.8	27.4
Public nonfinancial corporations	911.7	1,269.0	1,299.3	1,468.6	13.0	15.7	61.1
Other nonfinancial corporations	26,594.0	26,088.1	26,043.1	26,093.8	0.2	0.0	-1.9
Other residents sectors	26,969.2	28,499.3	28,874.1	28,726.2	-0.5	0.8	6.5
Nonresidents	1,647.4	1,416.2	1,420.7	1,412.2	-0.6	-0.3	-14.3
Interbank Funds sold	-	-	-	-			
<b>Other accounts receivable</b>	<b>3,125.7</b>	<b>3,563.9</b>	<b>3,346.4</b>	<b>3,619.7</b>	8.2	1.6	15.8
Trade credit and advances	116.9	201.2	150.3	125.5	-16.5	-37.6	7.4
Settlement accounts	1,774.8	2,337.6	2,426.1	2,425.8	0.0	3.8	36.7
Miscellaneous assets items	1,234.0	1,025.1	769.9	1,068.4	38.8	4.2	-13.4
<b>Nonfinancial assets</b>	<b>4,181.7</b>	<b>4,514.2</b>	<b>4,565.5</b>	<b>4,571.9</b>	0.1	1.3	9.3
<b>TOTAL ASSETS</b>	<b>82,062.3</b>	<b>89,038.7</b>	<b>89,363.4</b>	<b>89,596.9</b>	0.3	0.6	9.2

**TABLE A2b : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU ( In Millions VT)**

END OF PERIOD	Jul-14	Apr-15	Jun-15	Jul-15	%Change		
					1 Month	3 months	12 Months
<b>Deposits</b>	<b>59,364.0</b>	<b>65,362.1</b>	<b>66,009.6</b>	<b>66,442.7</b>	0.7	1.7	11.9
<b>Transferable deposits</b>	<b>25,652.8</b>	<b>30,676.0</b>	<b>31,794.0</b>	<b>32,071.8</b>	0.9	4.6	25.0
<i>In Local currency:</i>	16,099.5	18,626.7	20,082.1	20,187.2	0.5	8.4	25.4
Other depository corporation	154.1	107.8	134.8	145.9	8.2	35.3	-5.3
Other financial corporations	2,185.7	2,356.7	2,350.8	2,575.6	9.6	9.3	17.8
Central government	936.5	916.5	862.7	930.2	7.8	1.5	-0.7
State and local governments	23.3	74.0	62.2	56.3	-9.5	-23.9	141.4
Public nonfinancial coporations	239.6	279.2	322.8	299.5	-7.2	7.3	25.0
Other non financial coporations	4,354.7	5,113.6	6,097.2	6,019.3	-1.3	17.7	38.2
Other residents sectors	8,205.4	9,778.9	10,251.5	10,160.4	-0.9	3.9	23.8
Non-residents	1,054.2	1,056.8	1,274.1	1,289.9	1.2	22.1	22.4
Other Depository and financial corporations	3.4	5.1	10.6	0.5	-94.9	-89.3	-84.3
Other non residents	1,050.8	1,051.8	1,263.5	1,289.4	2.0	22.6	22.7
<i>In Foreign currency:</i>	6,833.9	8,958.9	8,522.8	8,711.7	2.2	-2.8	27.5
Other depository corporation	11.3	331.0	157.3	180.9	15.0	-45.4	1495.5
Other financial corporations	300.0	319.7	258.0	312.8	21.2	-2.1	4.3
Central government	109.2	277.3	291.8	285.1	-2.3	2.8	161.1
Public nonfinancial coporations	214.9	209.7	172.3	205.3	19.1	-2.1	-4.5
Other non financial coporations	3,884.8	5,328.3	4,796.9	4,856.9	1.2	-8.8	25.0
Other residents sectors	2,313.8	2,492.9	2,846.4	2,870.8	0.9	15.2	24.1
Non-residents	1,665.2	2,033.7	1,915.1	1,883.1	-1.7	-7.4	13.1
Head office and Branches	9.8	116.8	-	-	-	0.0	0.0
Other Depository and financial corporations	29.6	8.4	160.3	10.2	-93.6	22.5	-65.5
Other non residents	1,625.8	1,908.5	1,754.8	1,872.8	6.7	-1.9	15.2
<b>Other deposits</b>	<b>33,711.2</b>	<b>34,686.1</b>	<b>34,215.6</b>	<b>34,370.9</b>	0.5	-0.9	2.0
<i>In Local currency:</i>	20,811.2	22,020.2	21,754.7	21,772.8	0.1	-1.1	4.6
Other depository corporation	2.1	348.1	350.6	351.4	0.2	1.0	16894.1
Other financial corporations	4,644.1	3,752.5	3,280.0	3,259.1	-0.6	-13.1	-29.8
Central government	763.5	814.6	611.4	711.7	16.4	-12.6	-6.8
State and local governments	82.8	95.5	96.9	96.8	-0.1	1.3	16.9
Public nonfinancial coporations	644.4	398.2	392.8	393.1	0.1	-1.3	-39.0
Other non financial coporations	2,997.9	4,255.7	4,458.9	4,500.9	0.9	5.8	50.1
Other residents sectors	11,676.4	12,355.7	12,564.1	12,459.7	-0.8	0.8	6.7
Non-residents	2,591.9	1,979.6	2,004.7	2,013.6	0.4	1.7	-22.3
Other Depository and financial corporations	0.1	-	8.8	-	0.0	-	0.0
Other non residents	2,591.8	1,979.6	1,995.9	2,013.6	0.9	1.7	-22.3
<i>In Foreign currency:</i>	7,758.2	8,403.8	8,129.9	8,054.8	-0.9	-4.2	3.8
Other depository corporation	392.1	552.2	403.2	375.6	-6.8	-32.0	-4.2
Other financial corporations	744.1	1,467.1	1,339.5	1,031.5	-23.0	-29.7	38.6
Central government	-	-	-	-	-	-	-
Public nonfinancial coporations	146.5	104.2	106.4	412.6	287.7	296.1	181.6
Other non financial coporations	2,050.2	1,756.5	1,844.6	1,673.0	-9.3	-4.8	-18.4
Other residents sectors	4,425.3	4,523.8	4,436.2	4,562.0	2.8	0.8	3.1
Non-residents	2,549.9	2,282.5	2,326.3	2,529.8	8.7	10.8	-0.8
Other Depository and financial corporations	63.1	47.8	76.2	46.4	-39.1	-3.0	-26.5
Other non residents	2,486.8	2,234.7	2,250.1	2,483.4	10.4	11.1	-0.1
<b>Loans</b>	<b>2,133.3</b>	<b>2,781.9</b>	<b>2,805.7</b>	<b>2,522.6</b>	-10.1	-9.3	18.2
Non residents	2,133.3	2,781.9	2,805.7	2,522.6	-10.1	-9.3	18.2
Head office and Branches	2,122.8	1,845.4	1,817.5	1,750.8	-3.7	-5.1	-17.5
Other financial corporations	10.5	936.5	988.2	771.8	-21.9	-17.6	7263.5
<b>Other accounts payable</b>	<b>10,481.1</b>	<b>10,814.3</b>	<b>10,648.2</b>	<b>10,885.8</b>	2.2	0.7	3.9
Trade credit and advances	114.7	134.8	140.4	156.2	11.2	15.8	36.2
Settlement accounts	1,835.4	2,261.1	2,233.7	2,325.8	4.1	2.9	26.7
Provisions for losses	2,526.2	1,601.5	1,505.3	1,575.2	4.6	-1.6	-37.6
Accumulated depreciation	2,079.0	2,358.4	2,419.9	2,438.0	0.7	3.4	17.3
Miscellaneous liability items	3,925.8	4,458.5	4,349.0	4,390.7	1.0	-1.5	11.8
<b>Shares and other equity</b>	<b>10,083.9</b>	<b>10,080.4</b>	<b>9,899.9</b>	<b>9,745.8</b>	-1.6	-3.3	-3.4
<b>TOTAL LIABILITIES</b>	<b>82,062.3</b>	<b>89,038.7</b>	<b>89,363.4</b>	<b>89,596.9</b>	0.3	0.6	9.2

**TABLE A3 : MONETARY SURVEY: A CONSOLIDATED STATEMENTS OF ACCOUNTS OF THE MONETARY INSTITUTIONS (MVT)**

END OF PERIOD	Jul-14	Apr-15	Jun-15	Jul-15	%Change		
					1 Month	3 months	12 Months
<b>1. Net Foreign Assets</b>	<b>13,818.1</b>	<b>19,854.4</b>	<b>23,742.7</b>	<b>24,024.3</b>	1.2	21.0	73.9
Monetary Authorities (Net)	14,767.5	18,124.0	23,298.6	23,530.7	1.0	29.8	59.3
Other Depository Corporations (Net)	(949.4)	1,730.4	444.1	493.7	11.2	-71.5	-152.0
<b>2. Net Domestic Claims</b>	<b>41,158.5</b>	<b>41,882.3</b>	<b>38,844.6</b>	<b>38,934.9</b>	0.2	-7.0	-5.4
<b>(a) Domestic Claims</b>	<b>53,053.3</b>	<b>53,170.4</b>	<b>49,735.9</b>	<b>49,609.7</b>	-0.3	-6.7	-6.5
<b>(i) Net claims on central government</b>	<b>(1,629.4)</b>	<b>(2,907.9)</b>	<b>(6,708.2)</b>	<b>(6,915.1)</b>	-3.1	-137.8	-324.4
Monetary Authorities	(407.7)	(1,487.0)	(5,529.9)	(5,675.6)	-2.6	-281.7	-1,292.1
Other Depository Corporations	(1,221.7)	(1,420.9)	(1,178.4)	(1,239.4)	-5.2	12.8	-1.5
<b>(ii) Claims on other Sectors</b>	<b>54,682.7</b>	<b>56,078.3</b>	<b>56,444.1</b>	<b>56,524.7</b>	0.1	0.8	3.4
Other Financial Corporations	54.9	47.9	47.2	46.9	-0.7	-2.2	-14.6
State and local government	80.7	83.7	90.8	102.8	13.2	22.8	27.4
Public nonfinancial corporations	911.7	1,269.0	1,299.3	1,468.6	13.0	15.7	61.1
Other nonfinancial corporations	26,594.0	26,088.1	26,043.1	26,093.8	0.2	0.0	-1.9
Other residents sectors	27,041.3	28,589.5	28,963.8	28,812.6	-0.5	0.8	6.6
(b) Other items (net)	(11,894.9)	(11,288.1)	(10,891.2)	(10,674.8)	-2.0	-5.4	-10.3
<b>3. Broad Money (M2)</b>	<b>54,976.6</b>	<b>61,736.7</b>	<b>62,587.3</b>	<b>62,959.2</b>	0.6	2.0	14.5
<b>(a) Money (M1)</b>	<b>27,170.7</b>	<b>32,127.2</b>	<b>33,314.1</b>	<b>33,843.4</b>	1.6	5.3	24.6
(i) Currency in circulation	5,283.0	5,735.4	5,863.7	6,159.7	5.0	7.4	16.6
(ii) Transferable deposits	21,887.7	26,391.7	27,450.4	27,683.7	0.8	4.9	26.5
<b>(b) Quasi-money</b>	<b>27,805.9</b>	<b>29,609.5</b>	<b>29,273.2</b>	<b>29,115.8</b>	-0.5	-1.7	4.7
Other Deposits	27,805.9	29,609.5	29,273.2	29,115.8	-0.5	-1.7	4.7

**Table A4: Other Depository Corporations Sectoral Distribution of Loans and Advances in Vatu and Foreign Currency (MVT)**

SECTOR	Jul-14			Jul-15			YOY % Change		
	VT	FC	Total	VT	FC	Total	VT	FC	Total
Depository Institutions Domestic	0.4	0.0	0.4	0.0	0.0	0.0	-98.0		-98.0
Other Financial Corporations Domestic	54.5	0.0	54.5	46.9	0.0	46.9	-14.1		-14.1
Central Government	0.0	0.0	0.0	0.0	0.0	0.0			
Provincial Assemblies & Local Government	80.7	0.0	80.7	102.8	0.0	102.8	27.4		27.4
Statutory Non-financial Corporations Domestic	399.0	512.8	911.7	743.4	725.2	1468.6	86.3	41.4	61.1
Manufacturing	1493.9	199.0	1692.9	1403.1	294.3	1697.4	-6.1	47.9	0.3
Agriculture	539.3	40.4	579.7	422.1	47.1	469.2	-21.7	16.4	-19.1
Public Utilities	10.2	177.6	187.8	7.0	151.2	158.2	-31.5	-14.9	-15.8
Forestry	54.4	0.0	54.4	41.9	0.0	41.9	-23.0		-23.0
Fisheries	10.1	0.0	10.1	13.1	0.0	13.1	30.4		30.4
Mining & Quarrying	47.9	0.0	47.9	160.3	0.0	160.3	234.8		234.8
Construction	2794.4	973.5	3767.9	2880.6	860.8	3741.4	3.1	-11.6	-0.7
Distribution (Wholesale and Retail)	5040.9	334.5	5375.4	4708.7	547.0	5255.7	-6.6	63.5	-2.2
Tourism	1630.9	3976.8	5607.7	1908.0	4351.1	6259.2	17.0	9.4	11.6
Transport	474.6	83.5	558.1	460.7	106.5	567.2	-2.9	27.4	1.6
Communications	693.7	744.6	1438.3	625.9	884.8	1510.7	-9.8	18.8	5.0
Entertainment & Catering	614.0	180.5	794.5	732.4	166.7	899.2	19.3	-7.6	13.2
Professional & Other Services	4186.9	2292.4	6479.2	3418.0	1902.4	5320.4	-18.4	-17.0	-17.9
Housing & Land Purchases	14695.1	2175.9	16871.0	15144.2	2618.2	17762.5	3.1	20.3	5.3
Other individual	8040.8	1862.0	9902.8	8608.4	2085.8	10694.2	7.1	12.0	8.0
Non Profit Institutions Serving Households	195.4	0.0	195.4	269.6	0.0	269.6	38.0		38.0
<b>Grand Total</b>	<b>41,057.0</b>	<b>13,553.6</b>	<b>54,610.6</b>	<b>41,697.2</b>	<b>14,741.2</b>	<b>56,438.3</b>	1.6	8.8	3.3