



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC ANALYSIS: July 2018

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### **International Developments<sup>1</sup>**

In its July World Economic Outlook report, the IMF maintained its growth forecast of the global economy at 3.9 percent for both 2018 and 2019. The report highlighted concerns over growing risks to growth, calling for avoidance of protectionists' actions and requested cooperative solutions that may encourage growth. The IMF downgraded its growth forecast for advanced economies in 2018 to 2.4 percent, 0.1 percentage points lower than its April forecast, but retained the 2019 forecast of 2.2 percent. Growth in emerging markets and developing economies was projected to strengthen by 4.9 percent in 2018 and 5.1 percent in 2019.

Crude oil prices rose sharply in the month of July as concerns over supply disruptions intensified. With US sanctions on Iran back in place, following the US pulling out of the Iran nuclear deal, all eyes have been on the impact on crude oil exports from that country.

### **US economy**

The US economy gained momentum and possibly passed its peak. The strong economic growth is attributable to 4.0 percent surge in consumer spending and suppliers rush shipments ahead of tariff implementation, driving the export higher. Tighter labour market is expected to support the consumption growth, however it is not sustainable at 4 percent. Despite the trade headwinds, financial conditions provided a strong case for Fed to increase interest rate two more times this year.

### **Australian economy**

The head of RBA, Governor Philip Lowe, announced that the Australian economy continued to follow the correct path, with GDP growth of 3.1 percent, inflation at 2.1 percent and unemployment at 5.3 percent (lowest in number of years). The wage increased by 2.1 percent.

The RBA left the official cash rate at 1.5 percent as there was not a strong case for near term adjustments.

### **New Zealand economy**

In New Zealand, the Reserve Bank of New Zealand (RBNZ) announced on August 8<sup>th</sup> 2018 that it will keep interest rates at record low of 1.75 percent and signalled to keep the rates at that level through to 2020. The RBNZ also downgraded its forecasts for 2019. Gross Domestic Product (GDP) growth down to 2.6 percent from earlier forecast of 3.1 percent. The dovish policy slant hurt the New Zealand dollar which fell sharply, its lowest in nearly two and half years. Inflation was well contained though it was edging towards the 2 percent midpoint of RBNZ target. Business confidence fell resulting in the slowdown in business investment, thus may hurt economic activities.

### **EURO area economy**

In the Eurozone, GDP grew by 2.1<sup>2</sup> percent for the three months to the end of June, down from 2.5 per cent and lower than the predicted 2.2 per cent. On a quarterly basis it grew by 0.3 per cent, missing expectations of 0.4 per cent growth. Meanwhile inflation in the Eurozone rose by 2.1 per cent in the year to July, up from two per cent last month.

### **Developing economies**

Apart from the fact that the headline PMI data remained above the neutral level of 50 in most economies, the messages from the performance of its sub-indices and their interaction were far from encouraging, according to ANZ Research<sup>3</sup>. ANZ Research established the data to portend slower growth over the second half of the year, further pressure on corporate margins and a fading inflation impulse.

<sup>1</sup> Economic updates for US, Australia, NZ, Euro & developing economies are sourced from "Focus Economics" website.

<sup>2</sup> Eurostat flash estimate

<sup>3</sup> ANZ research, 10 August 2018, sobering messages from PMIs

### Exchange rate developments

At the end of July 2018, VATU depreciated against USD (0.8), AUD (0.2), NZD (0.7) and EURO (0.7). However, it appreciated against CNY (3.0).

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

Vatu per Foreign Currency							
	End Rates					Average Rates	
	USD	AUD	NZD	EURO	CNY	US	AUD
Jul-18	110.9	82.1	75.8	129.8	16.3	111.0	82.2
Jun-18	110.1	82.0	75.3	128.9	16.8	110.1	82.5
% ▲	0.8	0.2	0.7	0.7	-3.0	0.8	-0.5
Apr-18	108.9	82.7	77.1	132.4	17.2	107.7	82.9
% ▲	1.9	-0.7	-1.7	-1.9	-5.3	3.0	-0.9
Jul-17	105.8	84.3	79.1	123.6	15.7	107.4	83.4
% ▲	4.8	-2.6	-4.1	5.0	4.0	3.4	-1.5
% ▲	(-) : Appreciation of the Vatu						

### Official Reserves<sup>4</sup>

Official foreign reserves reached VT 42,500 million at the end of June, a slight decline from VT42,727.2 million recorded in May. This is sufficient to cover 9.5 months of import cover.

### Real sector developments

Vanuatu received 25,429 total visitors in May 2018. Total visitor arrivals dropped 30.7 percent over the previous month and rose by 42.7 percent over the year. Of the total, 8,853 visitors arrived by air and 16,576 by cruise-ships. Air visitors rose by 23.3 percent over the same month of last year and cruise-ship visitors rose by 55.8 percent. Cruise ships rose from 6 cruise ships in May 2017 to 9 in May 2018. Air visitors was driven by growth in holiday visitors (which made up 75.0 percent of air arrivals) by 28.9 percent over the year and visitors arriving for other purposes by 74.3 percent. In contrast, visitors visiting friends and family dropped by 8.0 percent, those arriving for businesses, meetings and conference fell by 6.1 percent and stopover visitors declined by 25.6 percent. All major tourist markets to Vanuatu rose in May 2018. Australia and New Zealand markets, which account for 61.6 percent of air visitors, rose by 22.2 percent and by 35.1 percent, respectively. This is followed by Other Pacific Countries by 37.2 percent, New Caledonia by 15.3 percent, Other

<sup>4</sup> One of the key objectives of the RBV is for official reserves to cover at least 4 months of import cover. It is calculated as Gross foreign reserves less IMF positions.

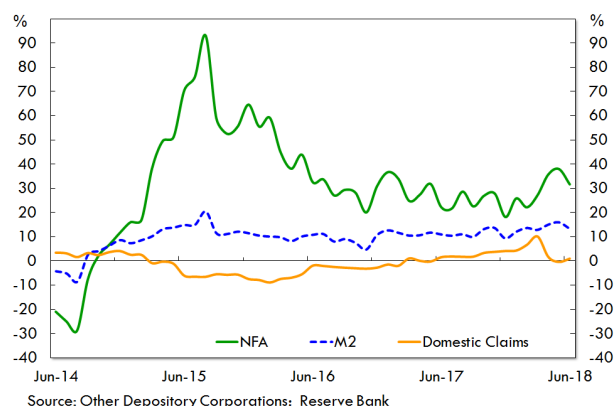
Countries by 87.8 percent, Europe by 12.8 percent, Japan by 69.1 percent, North America by 5.4 percent and China by 0.9 percent. Growth in visitor arrivals from major markets was partially attributed to the continuous efforts in marketing and promotion of Vanuatu as a tourist destination by Vanuatu Tourism Office and Air Vanuatu.

### Monetary Developments

Money supply slightly declined by 0.5 percent month-on-month, resulting in a slower annual growth of 13.3 percent over the year to June 2018, compared to 15.2 percent recorded over the year to May 2018. The downward movement in money supply reflected the fall in net foreign assets (NFA). Overall, the annual growth in money supply continues to be driven by NFA, while domestic credit remained subdued.

The decline in NFA reflected decreases in the NFA holdings of both other depository corporations (ODCs) and the Reserve Bank of Vanuatu. This descending trend implies net outflows of foreign exchange from the banking system during the month. Overall, the year on year growth in total NFA remained strong.

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



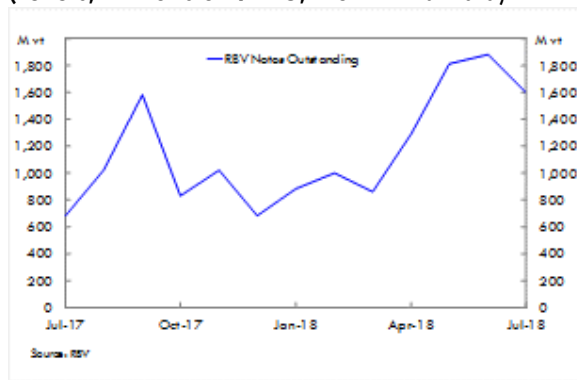
Domestic credit increased by 0.8 percent and 0.9 percent month-on-month and year-on-year, respectively. The growth reflects in particular the increase of 6.2 percent in net claims on the central government. On the contrary, claims on other sectors declined by 0.5 percent. Total loans extended by ODCs to various sectors are depicted in table A4.

The central governments net credit position vis-à-vis the banking system deteriorated in June 2018 due to the decline of government deposits held with ODCs. The government position remained favourable over the year to June 2018. Claims on the central government by OFIs<sup>5</sup> remained at VT2,850 million as at the end of July 2018, the same level recorded in June 2018. Loans extended by OFIs rose by 3.8 percent month-on-month and 77.8 percent year-on-year. Transport sector continues to dominate the share of loans.

**Open Market Operations (OMO)**

The RBV issued VT1,300 million worth of RBV notes in July, compared to VT2,000 million issued in June 2018. The total subscriptions received as a result increased to VT3,460 million compared to VT4,720 million in June.

**Chart 2: Outstanding RBV Notes (Levels, millions of VATU, month-End Data)**



<sup>5</sup> OFI: Other Financial Institutions cover Credit Corporation; Vanuatu Agriculture Bank; and Vanuatu National Provident Fund

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

Term	Amount Allotted	Yield End July. 2018	Yield End June. 2018
7 days	300	1.60	1.60
14 days	300	1.65	1.65
28 days	220	1.75	1.75
63 days	140	1.85	1.85
91 days	140	1.90	1.90

**Chart 3: Yield on 91-days RBV Note (Percentage, Month-end Position)**

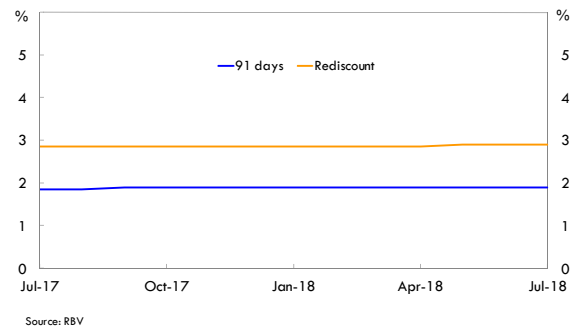


Chart 3 shows the yield on the 91-days<sup>6</sup> RBV notes. A total of VT1,550 million RBV notes matured in July 2018. The remaining balance increased to VT1,880 million compared to VT1,600 million reported in June.

<sup>6</sup>91 days RBV note rate plus a penalty rate of 100 basis points is the RBV policy interest rate.

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

End of Period	Jun-17	Mar-18	May-18	Jun-18	%Change		
					1 Month	3 months	12months
<b>Claims on nonresidents</b>	<b>35,871.1</b>	<b>43,656.8</b>	<b>43,556.2</b>	<b>43,353.5</b>	-0.5	-0.7	20.9
Monetary gold and SDR holdings	818.8	837.5	828.9	835.9	0.8	-0.2	2.1
Reserve Assets	35,052.3	42,819.4	42,727.3	42,517.6	-0.5	-0.7	21.3
<b>Currency and Deposits</b>	<b>17.0</b>	<b>32.5</b>	<b>13.4</b>	<b>16.2</b>	20.6	-50.3	-5.0
National currency	17.0	32.5	13.4	16.2	20.6	-50.3	-5.0
<b>Securities other than shares</b>	<b>3,517.2</b>	<b>2,826.5</b>	<b>2,827.5</b>	<b>2,827.5</b>	0.0	0.0	-19.6
Central government	3,517.2	2,826.5	2,827.5	2,827.5	0.0	0.0	-19.6
<b>Loans</b>	<b>76.0</b>	<b>67.7</b>	<b>66.1</b>	<b>65.4</b>	-1.0	-3.4	-14.0
Other depository corporations	-	-	-	-			
Other residents sectors	76.0	67.7	66.1	65.4	-1.0	-3.4	-14.0
<b>Other accounts receivable</b>	<b>650.3</b>	<b>4,009.2</b>	<b>4,023.8</b>	<b>4,096.2</b>	1.8	2.2	529.9
Trade credit and advances	104.5	110.1	98.2	96.9	-1.3	-12.0	-7.3
Settlement accounts	43.8	67.8	23.7	53.4	125.2	-21.3	22.0
Miscellaneous Assets	502.0	3,831.3	3,901.9	3,945.9	1.1	3.0	686.0
<b>Nonfinancial assets</b>	<b>1,575.2</b>	<b>1,583.4</b>	<b>1,574.9</b>	<b>1,570.0</b>	-0.3	-0.8	-0.3
<b>TOTAL ASSETS</b>	<b>41,706.7</b>	<b>52,176.1</b>	<b>52,061.8</b>	<b>51,928.8</b>	-0.3	-0.5	24.5
<b>Monetary Base</b>	<b>26,692.6</b>	<b>36,305.7</b>	<b>35,501.1</b>	<b>35,095.7</b>	-1.1	-3.3	31.5
Currency in Circulation	7,367.0	7,439.7	7,945.0	8,273.1	4.1	11.2	12.3
Currency Other Depository Corporations	2,333.6	2,075.2	2,213.4	2,051.7	-7.3	-1.1	-12.1
Liabilities to Other Depository Corporations	16,992.1	26,790.9	25,342.6	24,770.9	-2.3	-7.5	45.8
Reserve Deposits	3,011.8	3,333.3	3,611.6	3,629.9	0.5	8.9	20.5
Other Liabilities	13,980.3	23,457.6	21,731.0	21,141.0	-2.7	-9.9	51.2
<b>Liabilities to Central Government</b>	<b>7,387.4</b>	<b>5,097.8</b>	<b>4,853.4</b>	<b>4,903.9</b>	1.0	-3.8	-33.6
Deposits	7,387.4	5,097.8	4,853.4	4,903.9	1.0	-3.8	-33.6
Other							
<b>Liabilities to non residents</b>	<b>2,698.0</b>	<b>2,814.9</b>	<b>2,773.6</b>	<b>2,795.9</b>	0.8	-0.7	3.6
Deposits	2,698.0	2,814.9	2,773.6	2,795.9	0.8	-0.7	3.6
<b>Securities other than shares</b>	<b>758.0</b>	<b>757.5</b>	<b>1,695.7</b>	<b>1,874.4</b>	10.5	147.4	147.3
Central Bank	758.0	757.5	1,695.7	1,874.4	10.5	147.4	147.3
<b>Loans</b>	<b>631.0</b>	<b>16.5</b>	<b>9.8</b>	<b>15.3</b>	56.2	-7.4	-97.6
Liabilities to the IMF- Central Government	631.0	16.5	9.8	15.3	56.2	-7.4	-97.6
<b>Other accounts payable</b>	<b>440.9</b>	<b>431.0</b>	<b>396.8</b>	<b>390.9</b>	-1.5	-9.3	-11.3
Trade credit and advances	328.9	338.0	337.2	334.4	-0.8	-1.1	1.7
Other Sectors	112.0	93.0	59.6	56.5	-5.2	-39.2	-49.5
o/w Settlement Accounts	99.5	60.3	41.6	34.4	-17.3	-42.9	-65.4
<b>Shares and other equity</b>	<b>652.5</b>	<b>4,203.4</b>	<b>4,308.1</b>	<b>4,308.1</b>	0.0	2.5	560.3
<b>SDR Allocation</b>	<b>2,446.4</b>	<b>2,549.3</b>	<b>2,523.3</b>	<b>2,544.6</b>	0.8	-0.2	4.0
<b>TOTAL LIABILITIES</b>	<b>41,706.7</b>	<b>52,176.1</b>	<b>52,061.8</b>	<b>51,928.8</b>	-0.3	-0.5	24.5

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

END OF PERIOD	Jun-17	Mar-18	May-18	Jun-18	%Change		
					1 Month	3 months	12 Months
<b>Monetary gold and SDR</b>							
<b>Currency and deposits</b>	<b>35,016.4</b>	<b>42,164.0</b>	<b>49,771.9</b>	<b>48,866.0</b>	-1.8	15.9	39.6
<b>Currency</b>	2,907.8	2,418.8	2,736.1	2,688.8	-1.7	11.2	-7.5
National	2,333.6	2,075.2	2,213.4	2,051.7	-7.3	-1.1	-12.1
Foreign	574.3	343.7	522.7	637.1	21.9	85.4	10.9
<b>Transferable deposits</b>	19,631.3	29,516.7	28,587.5	27,032.5	-5.4	-8.4	37.7
<i>In Local currency : Central Bank</i>	16,992.1	26,790.9	25,342.6	24,770.9	-2.3	-7.5	45.8
Other depository corporations	-	-	-	-			
Nonresidents	25.4	25.9	33.0	30.4	-7.9	17.5	19.7
Head offices and Branches	-	-	-	-			
Other depository corporations	25.4	25.9	33.0	30.4	-7.9	17.5	19.7
<i>In foreign currency :</i>							
Nonresidents	2,613.8	2,700.0	3,211.8	2,231.2	-30.5	-17.4	-14.6
Head offices and Branches	147.5	41.4	38.0	61.3	61.4	48.2	-58.4
Other depository corporations	2,466.3	2,658.6	3,173.8	2,169.9	-31.6	-18.4	-12.0
<b>Other deposits</b>	12,477.2	10,228.5	18,448.2	19,144.7	3.8	87.2	53.4
<i>In Local currency :</i>							
Other depository corporations	478.4	485.2	537.1	514.0	-4.3	5.9	7.4
Nonresidents	-	-	-	-			
Other depository corporations	-	-	-	-			
<i>In foreign currency :</i>							
Other depository corporations	1,478.8	2,441.2	3,105.3	2,754.9	-11.3	12.8	86.3
Nonresidents	10,520.0	7,302.0	14,805.8	15,875.8	7.2	117.4	50.9
Head offices and Branches	-	-	-	334.7			
Other depository corporations	10,520.0	7,302.0	14,805.8	15,541.1	5.0	112.8	47.7
<b>Securities other than shares</b>	<b>2,245.5</b>	<b>2,045.0</b>	<b>2,983.2</b>	<b>3,161.9</b>	6.0	54.6	40.8
Central Bank	758.0	757.5	1,695.7	1,874.4	10.5	147.4	147.3
Central Government	1,487.5	1,287.5	1,287.5	1,287.5	0.0	0.0	-13.4
<b>Loans</b>	<b>61,039.3</b>	<b>62,217.3</b>	<b>62,602.5</b>	<b>62,309.5</b>	-0.5	0.1	2.1
Other depository corporations	-	0.1	0.0	-	-100.0		
Other financial corporations	0.7	35.3	34.9	52.2	49.7	48.0	7258.5
Central government	-	-	0.0	0.0			
State and local government	119.5	85.9	91.4	100.4	9.8	16.9	-15.9
Public nonfinancial corporations	1,351.3	1,313.1	1,263.6	1,175.0	-7.0	-10.5	-13.0
Other nonfinancial corporations	26,395.0	25,902.4	26,735.2	25,296.3	-5.4	-2.3	-4.2
Other residents sectors	31,616.3	33,304.6	32,958.5	34,159.8	3.6	2.6	8.0
Nonresidents	1,556.5	1,575.9	1,518.8	1,525.8	0.5	-3.2	-2.0
Interbank Funds sold	-	-	-	-			
<b>Other accounts receivable</b>	<b>7,059.2</b>	<b>3,305.4</b>	<b>2,765.4</b>	<b>2,481.9</b>	-10.3	-24.9	-64.8
Trade credit and advances	164.3	181.0	103.8	100.3	-3.4	-44.6	-38.9
Settlement accounts	5,396.7	2,240.2	1,797.0	1,733.4	-3.5	-22.6	-67.9
Miscellaneous assets items	1,498.3	884.2	864.6	648.2	-25.0	-26.7	-56.7
<b>Nonfinancial assets</b>	<b>4,582.0</b>	<b>4,495.5</b>	<b>4,537.0</b>	<b>4,524.6</b>	-0.3	0.6	-1.3
<b>TOTAL ASSETS</b>	<b>109,942.3</b>	<b>114,227.3</b>	<b>122,660.0</b>	<b>121,344.0</b>	-1.1	6.2	10.4

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

END OF PERIOD	Jun-17	Mar-18	May-18	Jun-18	%Change		
					1 Month	3 months	12 Months
<b>Deposits</b>	<b>81,278.6</b>	<b>87,299.3</b>	<b>95,059.5</b>	<b>93,894.0</b>	-1.2	7.6	15.5
<b>Transferable deposits</b>	48,543.7	49,926.9	55,790.9	51,724.7	-7.3	3.6	6.6
<i>In Local currency:</i>	29,719.2	32,160.3	31,879.7	31,043.2	-2.6	-3.5	4.5
Other depository corporation	194.4	197.6	242.2	129.4	-46.6	-34.5	-33.4
Other financial corporations	8,556.5	3,617.9	3,385.4	2,947.3	-12.9	-18.5	-65.6
Central government	1,386.5	1,085.0	1,257.8	1,050.5	-16.5	-3.2	-24.2
State and local governments	66.1	161.2	139.2	115.3	-17.2	-28.5	74.3
Public nonfinancial coporations	269.5	408.2	607.6	431.5	-29.0	5.7	60.1
Other non financial coporations	6,973.2	10,799.1	11,050.5	11,047.3	0.0	2.3	58.4
Other residents sectors	12,273.0	15,891.3	15,196.9	15,321.9	0.8	-3.6	24.8
<i>Non-residents</i>	1,466.8	1,496.3	1,447.6	1,318.2	-8.9	-11.9	-10.1
Other Depository and financial corporations	7.3	48.2	8.2	4.7	-42.1	-90.2	-35.2
Other non residents	1,459.6	1,448.1	1,439.5	1,313.5	-8.8	-9.3	-10.0
<i>In Foreign currency:</i>	16,016.6	14,535.5	20,840.7	17,315.8	-16.9	19.1	8.1
Other depository corporation	140.3	763.1	2,054.6	2,277.5	10.9	198.4	1523.0
Other financial corporations	616.2	546.0	826.3	721.1	-12.7	32.1	17.0
Central government	4,493.9	1,118.0	3,245.9	2,676.2	-17.6	139.4	-40.4
Public nonfinancial coporations	114.4	186.9	178.5	141.4	-20.8	-24.4	23.6
Other non financial coporations	8,170.3	8,474.2	11,627.6	8,438.6	-27.4	-0.4	3.3
Other residents sectors	2,475.6	3,442.5	2,875.1	3,027.7	5.3	-12.1	22.3
<i>Non-residents</i>	1,341.1	1,734.8	1,622.9	2,047.4	26.2	18.0	52.7
Head office and Branches	15.7	3.8	12.3	399.9	3,151.7	10,311.9	2450.7
Other Depository and financial corporations	-	47.8	66.9	48.4	-27.7	1.3	0.0
Other non residents	1,325.4	1,683.2	1,543.7	1,599.1	3.6	-5.0	20.7
<b>Other deposits</b>	<b>32,734.8</b>	<b>37,372.3</b>	<b>39,268.6</b>	<b>42,169.3</b>	7.4	12.8	28.8
<i>In Local currency:</i>	20,902.4	25,964.4	26,382.0	26,701.8	1.2	2.8	27.7
Other depository corporation	268.9	350.5	354.0	354.2	0.1	1.1	31.7
Other financial corporations	3,659.2	5,842.1	6,217.9	6,634.8	6.7	13.6	81.3
Central government	1,142.0	6,255.5	6,330.0	6,344.4	0.2	1.4	455.6
State and local governments	112.4	117.7	126.4	126.4	0.0	7.4	12.4
Public nonfinancial coporations	591.0	965.9	934.7	815.3	-12.8	-15.6	38.0
Other non financial coporations	2,836.0	2,990.1	3,415.3	3,020.4	-11.6	1.0	6.5
Other residents sectors	12,292.9	9,442.5	9,003.8	9,406.2	4.5	-0.4	-23.5
<i>Non-residents</i>	1,132.0	767.5	792.6	772.9	-2.5	0.7	-31.7
Other Depository and financial corporations	-	-	-	-	0.0	0.0	0.0
Other non residents	1,132.0	767.5	792.6	772.9	-2.5	0.7	-31.7
<i>In Foreign currency:</i>	9,916.0	9,777.6	11,359.7	13,885.6	22.2	42.0	40.0
Other depository corporation	426.2	473.0	782.5	3,270.0	317.9	591.4	667.2
Other financial corporations	2,466.1	2,344.9	3,131.3	2,648.5	-15.4	13.0	7.4
Central government	-	-	-	-	0.0	0.0	0.0
Public nonfinancial coporations	89.4	101.5	89.3	91.3	2.2	-10.1	2.1
Other non financial coporations	1,852.0	1,964.4	2,414.4	2,893.6	19.9	47.3	56.2
Other residents sectors	5,082.3	4,893.8	4,942.2	4,982.2	0.8	1.8	-2.0
<i>Non-residents</i>	784.4	862.9	734.2	809.2	10.2	-6.2	3.2
Other Depository and financial corporations	-	-	-	-	0.0	0.0	0.0
Other non residents	784.4	862.9	734.2	809.2	10.2	-6.2	3.2
<b>Loans</b>	<b>4,080.2</b>	<b>4,933.7</b>	<b>5,950.5</b>	<b>5,866.9</b>	-1.4	18.9	43.8
Other depository Corporations	1,254.9	1,714.4	3,361.0	3,136.3	-6.7	82.9	149.9
<i>Non residents</i>	2,825.3	3,219.3	2,589.5	2,730.5	5.4	-15.2	-3.4
Head office and Branches	2,783.7	3,155.6	2,495.7	2,629.9	5.4	-16.7	-5.5
Other financial corporations	41.6	63.7	93.9	100.6	7.2	58.0	141.8
<b>Other accounts payable</b>	<b>10,983.8</b>	<b>8,806.2</b>	<b>8,114.8</b>	<b>8,113.1</b>	0.0	-7.9	-26.1
Trade credit and advances	79.2	106.3	121.9	129.6	6.3	22.0	63.7
Settlement accounts	5,279.3	2,088.9	1,590.4	1,590.9	0.0	-23.8	-69.9
Provisions for losses	1,250.0	2,314.7	2,301.0	2,432.5	5.7	5.1	94.6
Accumulated depreciation	2,605.6	2,365.3	2,425.8	2,433.9	0.3	2.9	-6.6
Miscellaneous liability items	1,769.6	1,931.1	1,675.7	1,526.1	-8.9	-21.0	-13.8
<b>Shares and other equity</b>	<b>13,599.8</b>	<b>13,188.2</b>	<b>13,535.1</b>	<b>13,470.0</b>	-0.5	2.1	-1.0
<b>TOTAL LIABILITIES</b>	<b>109,942.3</b>	<b>114,227.3</b>	<b>122,660.0</b>	<b>121,344.0</b>	-1.1	6.2	10.4



**TABLE A3 : DEPOSITORY CORPORATION SURVEY**
**(MVT)**

END OF PERIOD	Jun-17	Mar-18	May-18	Jun-18	%Change		
					1 Month	3 months	12 Months
<b>1. Net Foreign Assets</b>	<b>38,467.9</b>	<b>42,159.3</b>	<b>51,164.5</b>	<b>50,635.1</b>	-1.0	20.1	31.6
Monetary Authorities (Net)	30,726.8	38,292.7	38,259.3	38,013.0	-0.6	-0.7	23.7
Other Depository Corporations (Net)	7,741.1	3,866.6	12,905.2	12,622.1	-2.2	226.4	63.1
<b>2. Net Domestic Claims</b>	<b>38,431.0</b>	<b>39,259.7</b>	<b>36,409.0</b>	<b>36,513.2</b>	0.3	-7.0	-5.0
<b>(a) Domestic Claims</b>	<b>49,522.7</b>	<b>51,250.2</b>	<b>49,577.6</b>	<b>49,989.2</b>	0.8	-2.5	0.9
<b>(i) Net claims on central government</b>	(10,036.1)	(9,458.8)	(11,572.1)	(10,860.0)	6.2	-14.8	-8.2
Monetary Authorities	(4,501.3)	(2,287.8)	(2,025.9)	(2,076.4)	-2.5	9.2	53.9
Other Depository Corporations	(5,534.8)	(7,171.0)	(9,546.2)	(8,783.6)	8.0	-22.5	-58.7
<b>(ii) Claims on other Sectors</b>	<b>59,558.8</b>	<b>60,709.0</b>	<b>61,149.7</b>	<b>60,849.2</b>	-0.5	0.2	2.2
Other Financial Corporations	0.7	35.3	34.9	52.2	49.7	48.0	7,258.5
State and local government	119.5	85.9	91.4	100.4	9.8	16.9	-15.9
Public nonfinancial corporations	1,351.3	1,313.1	1,263.6	1,175.0	-7.0	-10.5	-13.0
Other nonfinancial corporations	26,395.0	25,902.4	26,735.2	25,296.3	-5.4	-2.3	-4.2
Other residents sectors	31,692.3	33,372.3	33,024.5	34,225.2	3.6	2.6	8.0
(b) Other items (net)	(11,091.7)	(11,990.5)	(13,168.7)	(13,476.0)	2.3	12.4	21.5
<b>3. Broad Money (M2)</b>	<b>76,898.9</b>	<b>81,418.9</b>	<b>87,573.5</b>	<b>87,148.3</b>	-0.5	7.0	13.3
<b>(a) Money (M1)</b>	<b>47,222.4</b>	<b>51,932.5</b>	<b>56,161.6</b>	<b>52,905.4</b>	-5.8	1.9	12.0
(i) Currency in circulation	7,367.0	7,439.7	7,945.0	8,273.1	4.1	11.2	12.3
(ii) Transferable deposits	39,855.5	44,492.8	48,216.7	44,632.3	-7.4	0.3	12.0
<b>(b) Quasi-money</b>	<b>29,676.5</b>	<b>29,486.4</b>	<b>31,411.8</b>	<b>34,242.9</b>	9.0	16.1	15.4
Other Deposits	29,676.5	29,486.4	31,411.8	34,242.9	9.0	16.1	15.4

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

SECTOR	Jun-17			Jun-18			YOY % Change		
	VT	FC	Total	VT	FC	Total	VT	FC	Total
Depository Institutions Domestic	0.0	0.0	0.0	0.0	0.0	0.0			
Other Financial Corporations Domestic	0.7	0.0	0.7	16.8	33.2	50.1	2270.1		6951.8
Central Government	0.0	0.0	0.0	0.0	0.0	0.0	4400.0		4400.0
Provincial Assemblies & Local Government	119.5	0.0	119.5	100.4	0.0	100.4	-16.0	100.0	-15.9
Statutory Non-financial Corporations Domestic	924.4	427.0	1351.3	956.1	337.2	1293.3	3.4	-21.0	-4.3
Manufacturing	875.7	478.4	1354.1	787.0	949.7	1736.6	-10.1	98.5	28.3
Agriculture	458.1	90.5	548.6	683.2	79.5	762.6	49.1	-12.2	39.0
Public Utilities	4.9	132.3	137.2	0.1	0.1	0.1	-98.7	-100.0	-99.9
Forestry	5.5	0.0	5.5	7.0	7.0	14.0	26.4		152.8
Fisheries	27.8	0.0	27.8	22.6	0.0	22.6	-18.8	-50.0	-18.8
Mining & Quarrying	28.5	0.0	28.5	60.1	0.0	60.1	110.7		110.7
Construction	1881.1	1371.4	3252.5	2199.9	1348.2	3548.1	16.9	-1.7	9.1
Distribution (Wholesale and Retail)	4287.2	923.1	5210.3	3690.8	1245.9	4936.7	-13.9	35.0	-5.3
Tourism	1574.0	5062.6	6636.6	1622.0	5227.2	6849.2	3.0	3.3	3.2
Transport	580.1	175.8	755.9	639.3	251.4	890.7	10.2	43.0	17.8
Communications	1299.0	834.5	2133.5	1207.4	832.8	2040.2	-7.1	-0.2	-4.4
Entertainment & Catering	665.3	278.5	943.9	203.7	510.9	714.6	-69.4	83.4	-24.3
Professional & Other Services	3511.2	1849.5	5360.7	1980.9	2031.2	4012.1	-43.6	9.8	-25.2
Housing & Land Purchases	14825.5	4430.2	19255.8	12092.5	2817.4	14909.9	-18.4	-36.4	-22.6
Other individual	10214.2	1916.7	12130.9	15533.4	3955.4	19488.9	52.1	106.4	60.7
Non Profit Institutions Serving Households	229.5	0.2	229.6	246.8	0.0	246.8	7.6	-99.4	7.5
<b>Grand Total</b>	<b>41,512.2</b>	<b>17,970.6</b>	<b>59,482.8</b>	<b>42,050.1</b>	<b>19,627.1</b>	<b>61,677.1</b>	<b>1.3</b>	<b>9.2</b>	<b>3.7</b>