

<u>TABLE OF CONTENTS</u>	PAGE NO.
REFERENCE	2
STATISTICAL ANNEX	4
TECHNICAL NOTES	6
1 EXECUTIVE SUMMARY	7
2. INTERNATIONAL ECONOMIC CONDITIONS	7
3 DOMESTIC DEVELOPMENTS	10
4 FISCAL OPERATIONS	13
5 MONETARY DEVELOPMENTS	15
6 SITUATION ANALYSIS OF BANKING SECTOR	18
7 BALANCE OF PAYMENT	20
8 EXCHANGE RATE DEVELOPMENT	22
CHRONOLOGY OF MAJOR EVENTS	25
SUMMARY OF BUSINESS SURVEY NOVEMBER 2006	41

## REFERENCE

The following articles have appeared in previous Quarterly Reports since 1987.

<u>Issue</u>	<u>Title</u>
Q4 December 1986	The System of National Accounts of the Republic of Vanuatu: Data Sources, Methodology, and Assumptions
Q1 March 1987	Press Announcement from Minister of Finance concerning The Cyclone UMA – Economic recovery program
	<ol style="list-style-type: none"> <li>1. (A) Duty Exemptions on replacement materials &amp; equipment (B) Duty Exemptions on New Projects</li> <li>2. Insurance settlements / Loss adjustment disputes</li> <li>3. Future cyclone insurance cover in Vanuatu</li> <li>4. Banking Loans for reconstruction</li> <li>5. Business License fees 1988</li> </ol>
Q3 September 1988	Budget of the Government of Vanuatu for 1989
Q3 September 1988	Vanuatu National Provident Fund: First year of operations
Q1 March 2000	The Reserve Bank's Exchange Rate Policy
Q2 June 2000	Money Laundering
Q3 September 2000	Governor's Speech on the Exhibition of the "Mani Blong Yumi" Money in Vanuatu Society
Q3 September 2000	Notice to Commercial Banks concerning Money Laundering
Q4 December 2000	Money is Lubricant of the economy
Q4 December 2000	Capital Adequacy
Q1 March 2001	Update on Basel Capital Adequacy Reform Proposals
Q2 June 2001	Capital Adequacy
Q3 September 2003	International Banks – Overview of Developments
Q4 December 2003	Monetary Policy Statement by the Governor
Q1 March 2004	International Banking Act No. 4
Q1 March 2004	The Association of Financial Supervisors of Pacific Countries in collaboration with PFTAC
Q2 June 2004	Governor's Speech for Education Economics Workshop

Q2 June 2004	Governor's Speech for Media Freedom Day
Q2 June 2004	Press Release on Biri Group
Q3 September 2004	Bank Supervision Policy Guideline 3, Supervision of the Adequacy of Liquidity of Banks
Q3 September 2004	Reserve Bank Undertakes Major Review
Q4 December 2004	Governor's speech on overcoming Vanuatu's economic challenges, 2004 business forum
Q4 December 2004	Governor's speech for the association of financial supervisors of the pacific countries meeting
Q4 December 2004	The formulation of monetary policy in Vanuatu
Q4 December 2004	What are reserve bank notes
Q4 December 2004	Excess reserves
Q1 March 2005	Monetary Policy Statement by the Governor
Q1 March 2005	Challenges to Monetary Policy Implementation, The case of Vanuatu.
Q1 March 2005	Summary of Business Survey 2005
Q1 March 2005	Monetary Policy Instruments- The case for Vanuatu
Q1 March 2005	What is Balance of Payment, How is it compiled in Vanuatu.
Q4 December 2006	Summary of Business Survey 2006

## STATISTICAL ANNEX

TABLE NO.		PAGE
<b>I</b>	<b><i>Monetary Conditions (Tables: 1-16)</i></b>	
1	Assets and Liabilities of the Reserve Bank of Vanuatu	30
2	Assets and Liabilities of Commercial Banks	31
3	Monetary Survey: A Consolidated Statement of Accounts of the Monetary Institutions	32
4	Domestic Money Supply and Components	33
5	Distribution of Vatu and Foreign Currency Deposits of Residents by Categories	34
6	Time Deposits in Vatu of Residents with Commercial Banks by Maturity Period	35
7	Commercial Banks' Sectoral Distribution of Loans and Advances in Vatu and Foreign Currency	36
8	Distribution of Vatu Advances by Interest	37
9	Selected Interest Rates for Local Commercial Banks	38
10	Denominations of Currency on Issue	39
11	Net Official Reserves	40
12	Reserve Bank Notes Issued in Primary Market	41
13	Commercial Bank's Liquidity	42
14	Domestic Banking Industry Indicators	43
15	Domestic Banks	44
16	International Banks – Balance Sheet	45
<b>II.</b>	<b><i>Government Finance (Table: 17 - 20)</i></b>	
17	Vanuatu Government Fiscal Operations	46
18	Government Revenue Classified By Major Sources	46
19	Government Expenditure Classified by Major Category	47
20	Vanuatu Government Bonds Outstanding	48
<b>III</b>	<b><i>External Sector (Table 21 - 28)</i></b>	
21	Exchange Rates: Vatu per Unit of Foreign Currencies	49
22	Summary of Balance of Payments	50

23	Principal Exports	50
24	Composition of Imports	51
25	Domestic Exports by Country of Destination	52
26	Imports Cleared for Home Consumption by Country of Consignment	53
<b>IV</b>	<b><i>Finance Centre (Table: 27 - 57)</i></b>	
27	Finance Centre Institutions: Local Expenditure, Value Added, Employment and Total Assets	54
28	Trends in Business Turnover/Foreign Exchange Earnings of Finance Centre Institutions	55
29	Shipping Registration	56
30	Company Registration in Vanuatu	57
<b>V.</b>	<b><i>Real Sector (Tables: 31 -39)</i></b>	
31	Coconut Products and Prices	58
32	Cocoa Production for Exports and Prices	59
33	Commercial Meat Production	59
34	World Prices of Commodities Relevant to Vanuatu's Exports	60
35	Consumer Price Indices by Expenditure Group (Quarterly)	61
36	Consumer price Indices by Expenditure Group (Annual)	61
37	Selected Tourism Indicators	62
38	Motor Vehicle Registration	63
39	Telephone Service Subscription	64

**TECHNICAL NOTES**

Statistical data in the Quarterly Economic Review are based on the latest available information, and several statistical tables are substantially up-dated and amended from time to time to reflect figures revised by respective sources.

**Abbreviations used are:**

e	=	Estimated	n.a.	=	Not yet available
E	=	Estimated by Source			
n.e.i.	=	Not elsewhere included			
p	=	Provisional	-	=	Nil
r	=	Revised	..	=	Negligible/Almost
R	=	Revised by Source			

**1. EXECUTIVE SUMMARY**

International economic conditions have remained positive in the final quarter of 2006. While there has been a slow down in the US economy due to its cooling house market, there has been pick up growths in other region. In the Euro area, the economies performed better than expected despite earlier fears that a tighter monetary policy, high oil prices and the slowing US economy could impede growth in the area. Also, there has been an upward revision of fourth quarter economic growth data in the Japanese economy which suggested that Japan is growing at a healthy pace. Growth in the Chinese economy has accelerated further to 10.7 percent in 2006, a fastest pace in more than ten years. In Australia and New Zealand, growths were buoyed by strong domestic demands.

Domestic economic conditions have also been favorable with economic growth in 2006 being estimated at 4.0 percent. Fourth quarter indicators continue to show that growth is being driven by the services sector. The agriculture sector remained weak due to low domestic price for copra and the closure of COPV coconut oil mill at the beginning of the year. On the other hand, cocoa scored a significant improvement. In the tourism sector both air and cruise ship arrivals were down in the fourth quarter compared to the preceding quarter. However, compared to the same period last year, both were up by 11 percent and 35 percent, respectively. The sector was boosted by the introduction of flights by Air New Zealand and Solomon Airlines during October and November, and additional flights by Pacific Blue.

Domestic inflation remained subdued as shown by the consumer price index (CPI) for the fourth quarter. The CPI rose by 0.3 percent over the quarter and 1.8 percent on an annual basis.

The Government's budget was in deficit by VT272.5 million in the fourth quarter. This position stemmed from increased expenditures over revenues, especially following the implementation of the GRT decision to increase public servants' salaries and annual payments of gratuity to politicians. However, the overall position for the year was in surplus since the positive outturn of the economy has helped propped up revenue collections supported by increased donor support to the budget.

Total money supply expanded by 2.5 percent to VT45554.9 million in the fourth quarter. The growth stemmed from an expansion in net foreign assets while domestic credit

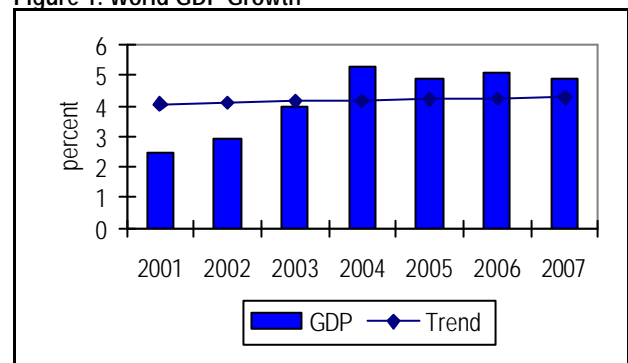
declined. Much of the increase in NFA was related to the inflows to the Bank which was also reflected in an increase in commercial banks' liquidity. However, the decline in domestic credit was caused by an improvement in the Government's net lending position with the banking system.

Provisional data have shown that the trade deficit continues to widen in the fourth quarter. Though exports have increased, a larger increase in imports continues to place the trade account in deficit. Regardless of the deficit the overall position is in surplus as official international reserves have increased further and were sufficient to cover 8.5 months of the country's import bills.

**2. INTERNATIONAL ECONOMIC DEVELOPMENT**

World economic conditions have remained positive in the fourth quarter of 2006. The high growth was widespread across all geographical regions. The International Monetary Fund indicated that global economic activity grew by 5.1 percent in 2006, and slowing to 4.9 percent in 2007. The group of ten industrialized nations meeting in Australia in November 2006, signaled confidence in the global economic outlook, and indicated that the world can withstand higher interest rates.

**Figure 1. World GDP Growth**



**2.1 Survey of world monetary policy stance**

In 2006, the world's major Banks raised interest rates to contain inflation marking the first global Policy since 2000. The Average policy rate of the five central Banks for the G7 Economies increased from 2.85 percent at the end of 2005 to 3.65 percent in December 2006.

Table 1. World interest rates

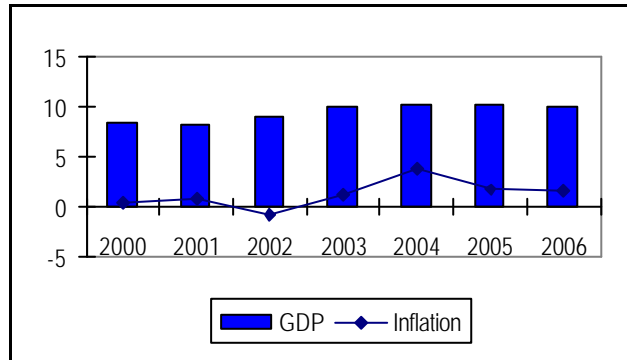
	G7AVG	FED	BOJ	ECB	BOE	BOC
End 2005	2.85	4.25	0	2.25	4.5	3.25
Jan	2.95	4.50	0.00	2.25	4.50	3.50
Feb	2.95	4.50	0.00	2.25	4.50	3.50
Mar	3.10	4.75	0.00	2.50	4.50	3.75
Apr	3.15	4.75	0.00	2.50	4.50	4.00
May	3.20	5.00	0.00	2.50	4.50	4.00
Jun	3.30	5.25	0.00	2.75	4.50	4.00
Jul	3.40	5.25	0.25	2.75	4.50	4.25
Aug	3.50	5.25	0.25	3.00	4.75	4.25
Sep	3.50	5.25	0.25	3.00	4.75	4.25
Oct	3.55	5.25	0.25	3.25	4.75	4.25
Nov	3.60	5.25	0.25	3.25	5.00	4.25
Dec	3.65	5.25	0.25	3.50	5.00	4.25

FED - US Federal Reserve; BOJ - Bank of Japan; ECB - European Central Bank  
 BOE - Bank of England; BOC - Bank of Canada;

## 2.2 US Economy

The US economy grew at a pace of 2.2% in the last three months of 2006, down from a previous estimate of 3.5% and below analysts' forecasts. The contraction came as firms cut their inventories and consumers spent less. Separate data showed new home sales fell nearly 17% in January from December, the biggest drop since 1994. The drop in new homes on Wednesday was far greater than forecast, leaving sales at 937,000 units annually - the lowest level since February 2003, and showing further evidence of a US housing slowdown.

Table 3. US GDP Growth and Inflation rates



The fall came after the US Commerce data showed spending on new home-building fell 19.1% in the last quarter of 2006 - the worst drop since early 1991. According to the Commerce Department data, the economy grew by 3.3% in 2006, below an earlier estimate of 3.4%. During the final quarter of 2006, spending by consumers grew at an annualized rate of 4.2%, against an earlier estimate of 4.4%. For the year as a whole, spending grew by 3.2%, down from growth of 3.5% in 2005. The "core" price index - viewed as a

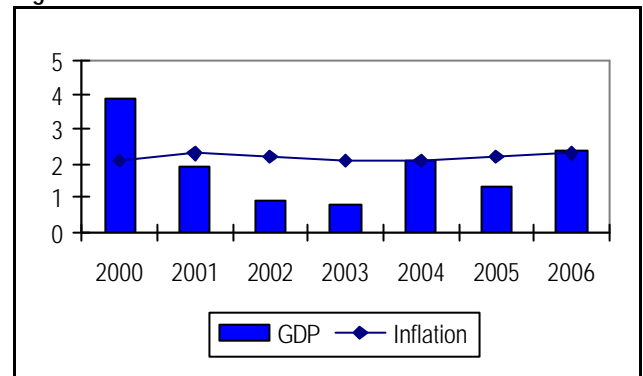
key indicator of future inflation pressures, hit 1.9% for the quarter, down from 2.1% originally estimated.

## 2.3 Euro zone Economy

The European economies performed better than expected in 2006 despite early fears reprisal from high oil prices, tighter monetary conditions and a slowdown of the US economy. Following a deceleration in the third quarter of 2006, real GDP growth rebounded to 0.9% quarter-on-quarter (QoQ) in the fourth quarter in both the euro area and the EU. For the year as a whole, economic activity expanded by 2.7% in the euro area and 2.9% in the EU.

In addition to a milder-than expected downturn in the US, this robust performance reflects an increase in the resilience of the European economies, with a significant improvement in the labor market helping to bolster domestic demand.

Figure 4. Euro zone GDP Growth and Inflation



Higher energy prices kept consumer price inflation above 2% in 2006 (2.2% in both the euro area and the EU). But core inflation, excluding energy and unprocessed food, remained subdued, suggesting limited indirect effects of higher energy prices. Reflecting lower oil prices and a moderate initial impact of the German VAT hike, the projections for HICP inflation in 2007 have been revised downwards, to 1.8% in the euro area and 2.0% in the EU.

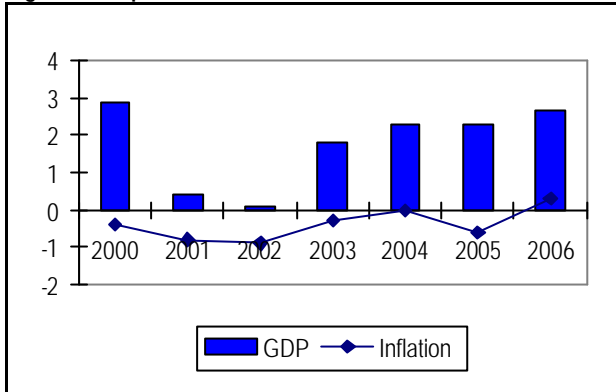
## 2.4 Japan

Japan had revised upward its economic-growth data for the October-December quarter, confirming that that the world's second largest economy grew at a robust pace during the past quarter. GDP (Gross Domestic Product) expanded by 1.3% in the fourth quarter, or an annualized rate of 5.5%... One of the contributing factors was factors was the strong growth in overseas economies. The growth rate for household consumption, the main driver of the economic



expansion in the fourth quarter, was left unchanged at 11 percent. Expansion in the fourth quarter was left unchanged at 1.1%.

Figure 5. Japan GDP Growth and Inflation

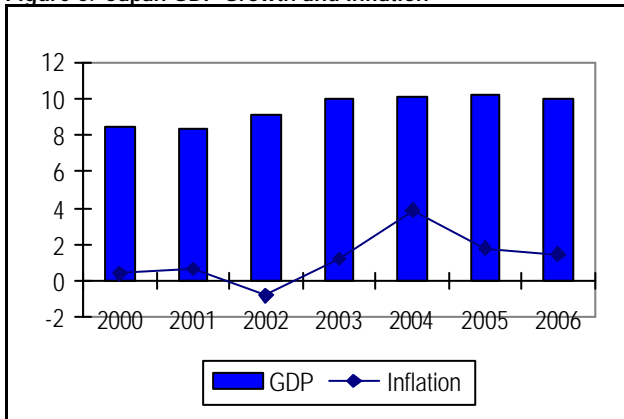


The upward revision was primarily because of stronger-than-expected capital spending. Corporate expenditure on plant and equipment expanded by 3.1% from the third quarter, higher than a 2.2% increase in the earlier announcement. Another contributor was public-sector investment, which increased 3.7%, higher than the 2.7% rise announced previously. Externally, the strong growth in overseas economies was also a contributing factor.

2.5 China

China announced that its economy grew 10.7 percent in 2006, the fastest pace in more than a decade, amid growing signs of inflation. The stronger-than-expected growth was largely propelled by soaring exports, stronger retail sales, a manufacturing boom and huge investments in new buildings, roads and cities.

Figure 6. Japan GDP Growth and Inflation



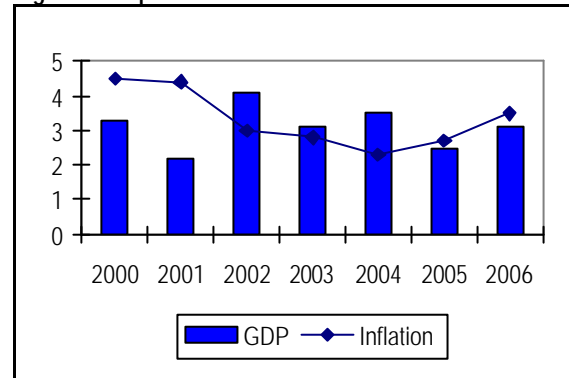
The high pace of growth in China is worrying government officials and economists, who say the country, the world's

fastest-growing major economy, faces increasing risks of overheating, a possibility that could derail global economic growth. Chinese economic growth in 2006 was the fastest since 1995, when the economy grew 10.9 percent. Beijing is expected to take more aggressive action if the economy continues this pace in 2007, and some economists are already forecasting further increases in interest rates. There are signs, however, that economic growth slipped in the last months of 2006 from the second quarter pace, when the economy grew at an annual rate of 11.5 percent.

2.6 Australia

Australia's economic growth rate more than tripled in the December quarter 2006 as consumer spending and business investment buoyed an economy now in its 16th year of expansion. Real GDP growth accelerated to 1.0 per cent in the December quarter (in seasonally adjusted terms); up from 0.3 per cent in the September quarter 2006. Year on year from the December quarter 2005 to the December quarter 2006 real GDP grew by 2.8 per cent.

Figure 7. Japan GDP Growth and Inflation



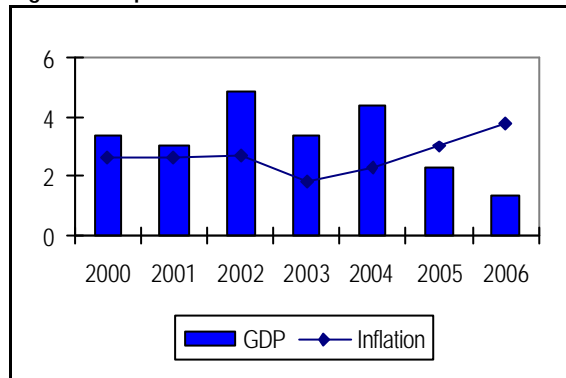
This was up from 2.3 per cent from September 2005 to September 2006. On the expenditure side, the major contributors to real GDP growth (in seasonally adjusted terms) over the year were household spending (contributing 2.2 percentage points) and total investment (contributing 1.2 percentage points). Offsetting total GDP growth was an increase in the net import of goods and services (detracting 1.3 percentage points).

2.7 New Zealand

Data released in February 2007 provided further evidence of the strength of domestic demand in the final quarter of 2006 and suggested continuing robust growth in activity in the first quarter of 2007. Growth in real GDP in the December quarter

of 2006 now appears to have been between 0.8% and 1.0%, considerably higher than our *Half Year Update* forecast of 0.4%. However, combined with a weaker than expected outturn in the September quarter, the level of activity in the second half of 2006 appears to have been similar to forecast.

Figure 8. Japan GDP Growth and Inflation



The following factors point to strong growth in domestic demand, particularly private consumption, in the December quarter and are in addition to the lower fuel prices (which boosted disposable incomes) and the recovery in consumer confidence in the quarter. Unemployment remained close to its twenty-year low despite a small fall in employment, while Labour income was boosted by increases in hour's paid and hourly wages. Retail sales also increased strongly, pointing to robust consumption growth in the quarter.

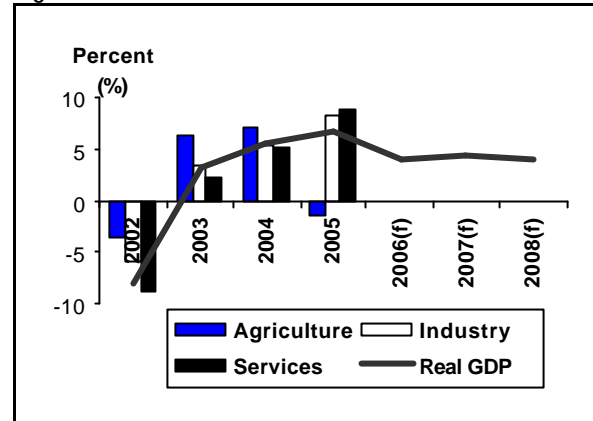
### 3. Domestic Economic Development

#### 3.1 Real Economy

Economic indicators continue to indicate growth in the economy in 2006 driven by the services sector. Real GDP growth for 2006 is forecasted to increase by 4.0 percent, expected to spill over to 2007 with a projected real GDP growth of 4.4 percent as forecasted by the Ministry of Finance, Department of Economic and Sector Planning. Although world market price of major Agricultural produce remained high, production figures of major export commodities showed decline over the fourth quarter of 2006, mainly due to low domestic price of copra and the closure of the COPV coconut oil mill which once used to contribute significantly to the coconut industry in 2004 and 2005. On the other hand, cocoa has marked an improvement over the quarter after production mount high due to new major harvesting plantations reflecting the increase in cocoa exports. In spite of a drop in beef and

Kava figures, both sectors showed improvement over the same quarter of the previous year.

Figure 9: GDP Growth Rate



Source: Ministry of Finance and Economic Management (MFEM), National Statistics Office

Although tourism figures showed slight decline over the fourth quarter, figures for both air and cruise-ship arrivals showed improvement from last year, indicating growth in this sector. This was followed by Air New Zealand commencing flights to Port Vila and Solomon Airlines to Santo boosting airline capacity. Cruise-ship arrivals also dropped slightly over the fourth quarter followed by a decline in port calls made by P & O Cruises.

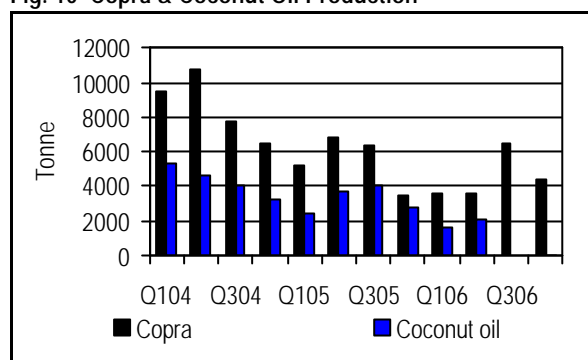
Variation in consumer prices showed slight change from the previous quarter after which world price for fuel surged towards the second half of the year.

#### 3.2 Copra and Coconut Oil

Over quarter 4, Copra production declined from 6,484 tons in the third quarter to 4,357 tons, valued at VT80 million. Despite the decline, this level is slightly higher by 998 tons (VT16.7million) from the same period of 2005 contributed by the drop noted in the average price for copra producers. After a four-quarter low, domestic price for copra continues to average around 18,000vt per ton and is particularly a reason to the decline in production output as farmers were reluctant to produce at a low price. Copra exports also showed a decline from 5,593 tons in the second quarter to 3,762 tons, a value of export of VT96 million.

Accordingly, the average price for copra in the world market increased from US\$400.3 per ton in the third quarter to US\$440.6 per ton.

Fig. 10 Copra & Coconut Oil Production



Source: VCMB, National Statistics Office

Despite the subsequent drop in coconut oil exports during the second quarter, the third quarter recorded 22 tons of coconut oil valued at VT15 million, the lowest value recorded since the country begin exporting coconut oil in 2002. Increases were also seen for coconut oil prices, after it increased to US\$671.2 per ton from US\$599.1 per ton.

### 3.3 Cocoa

Total cocoa production for the third quarter dropped from 377.6 tons to 244 tons of cocoa as received by the Vanuatu commodities Marketing Board ( VCMB) valued at VT23 million. Likewise, 517 tons of cocoa was exported over the fourth quarter valued at VT75 million, noting a drop in exports by 58 tons from the previous quarter.

Average price for cocoa in the world market slightly dropped over the quarter from 162.3 US Cents/Kg to 160.6 Cents/Kg.

### 3.4 Kava

Kava exports over the fourth quarter showed a drop from 166 tons exported over the third quarter to 119 tons exported over the fourth quarter. This level is higher by 30 tons from the same period of last year. Value of kava exports also declined from VT220 million in the previous quarter to VT160 million in the reviewed quarter.

Kava remains a major exported commodity for the country followed by the removal of the ban imposed by Fiji towards 2005. Demand from major export markets: New Caledonia and Fiji remain high amidst the rising export price. Total value of kava export for 2006 is expected to amount to VT698 million, a marked improvement over the last three years

Domestic Data Annual		2002	2003	2004	2005	2006
Real GDP Growth Annual		-7.9	3.2	5.5	6.8	4.0
inflation rate		2.3	2.9	0.8	1.8	1.8
<b>Production</b>						
Copra(t)		25,608	28,925	36,822	21,482	19,462
Cocoa(t)		868	1,346	865	926	1,314
Beef(t)		2,531	3,099	2,984	3,185	2,708
Coconut oil exports (t)		9,856	7,725	17,111	12,967	3,696
Kava exports (t)		601	491	828	686	575
<b>Air</b>						
arrivals(no.)		49,462	50,400	60,670	62,082	68,179
Cruise arrivals(no.)		49,447	51,995	37,870	63,554	85,922
Hotel Occ. Rate		44.20%	46.50%	51.90%	52.30%	51.5%
Energy Consumption		41,874	41,341	42,849	44,669	45,906
<b>Quarterly</b>						
		Q405	Q106	Q206	Q306	Q406
Real GDP Growth		-	-	-	-	-
Inflation rate (yearly)		1.8	2.0	2.2	2.9	1.8
Inflation rate (quarterly)		0.4	0.7	0.6	0.2	0.3
<b>Production</b>						
Copra(t)		3,359	3,559	3,516	6,484	4,357
Cocoa(t)		217	39.3	653	378	244
Beef(t)		843	540	538	895	735
Coconut oil exports(t)		2,794	1,588	2,086	-	22
Kava exports (t)		89	123	167	166	119
<b>Tourist</b>						
arrivals(no.)		17,618	13,789	15,144	18,712	19,486
Cruise arrivals(no.)		13,797	27,945	19,445	22,506	18,625
Hotel Occ. Rate (room)		52.00%	54.00%	45.50%	50.00%	57.6%
Energy Consumption		10,500	12,274	11,571	11,500	11,460

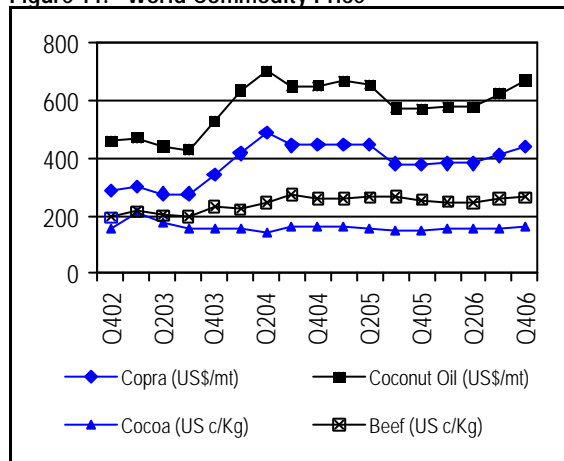
Source: National Statistics Office

**3.5 Beef**

Beef production for the three months ending December showed a decline by 160 tons from 895 tons to 735 tons production. This drop was attributed by a decline in production from the two major abattoirs, Port Vila Abattoir and Santo Meat packers Ltd by 80 tons (20%) and 81 tons (16%) respectively. Likewise, total production over the quarter showed a decline of 108 tons (decline 12.8%) from the same period of 2005.

In terms of average price of beef in the world market over the fourth quarter, show an increase from US\$257.4 per ton in the third quarter to US\$265.0 per ton.

**Figure 11. World Commodity Price**



Source: World Bank Commodity Price

**3.6: Tourism**

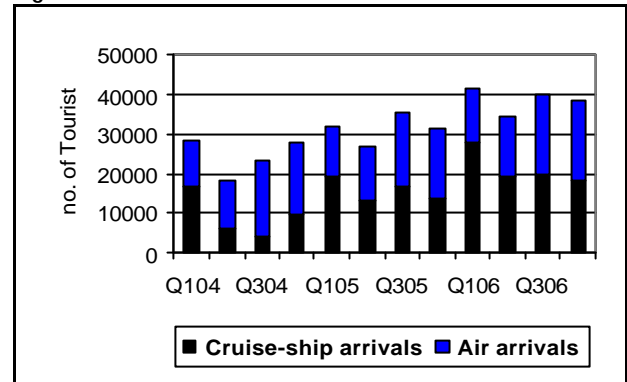
Over the 4th quarter of 2006, air arrivals declined slightly by 1.3 percent from 19,760 to 19,486 visitors. Cruise-ship arrivals also dropped by 6 percent from 19,907 to 18,625 from the previous quarter. Although air arrivals and cruise-ship arrival figures showed decline over the fourth quarter, both grew by 11 percent and 35 percent from the same period of last year, respectively.

The influx of tourists in the last two quarters was a record high since 2004 after Air New Zealand introduce flights to Port Vila from Auckland after a code-sharing deal with Air Vanuatu on October, followed by Solomon Airlines introducing its Boeing 737 flights between Honiara and Santo on November and additional flights made by Pacific Blue between Port Vila and Brisbane continues to boost tourist number during the last two months of the year. The uncertainty in the current political situation in Fiji after the December coup also contributed to the inflow of tourists

especially from Australia and New Zealand markets – which are the major tourism markets.

Holiday visitors accounted for 75 percent of air visitors arrivals slightly dropped from 15,523 visitors to 14,998 visitors; higher by 5 percent over the same period of last year. Likewise, hotel room occupancy rate increased from 53.10% in the previous quarter to 57.6%.

**Fig 12. Non-resident Visitors Arrivals**



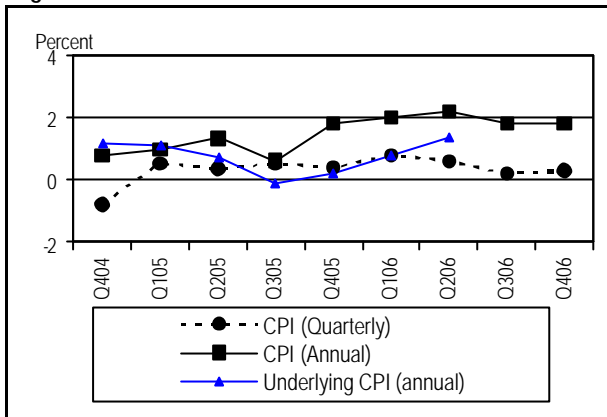
Source: National Statistic Office

**3.7: Inflation**

The Consumer Price Index showed an increase of 1.8 percent over quarter 4 on annual basis or 0.3 percent quarter-on-quarter basis. Port Vila showed an increase of 3.5 percent over the fourth quarter.

This increase in CPI over the quarter on annual basis was contributed by the increases in the following expenditure groups: Food (2.8%), Housing Utilities (2.0%), Transport & Communication (2.0%), Drinks & Tobacco (1.4%), whilst slight increases were shown fro Household supplies (0.8%) and Recreation, Education & Health (0.2%). Decline was shown for Clothing expenditure groups over the reviewed quarter by 0.5 percent. This helps to explain the discounts and specials given for clothing during the Christmas and New Year Festive season.

Fig. 13 Inflation rate

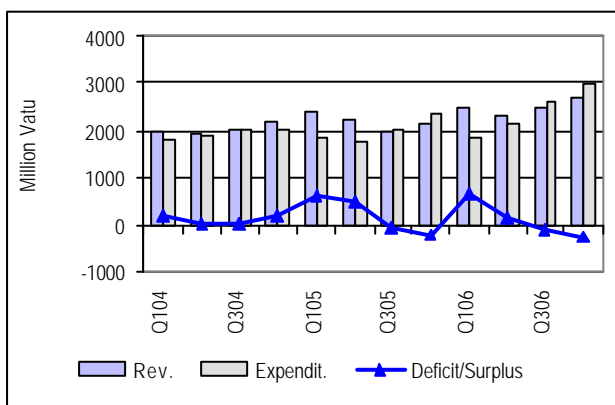


Source: National Statistics Office

4.0 FISCAL OPERATIONS

The Vanuatu Government incurred another budget deficit despite operating a positive operating account with the Reserve Bank of Vanuatu. Net claims on Government (NCG) with the commercial banks had improved and the Reserve Bank of Vanuatu continues to improve. This improvement is attributed to high deposits maintained by the Government in its accounts.

Figure 14: Government Expenditures and Revenue

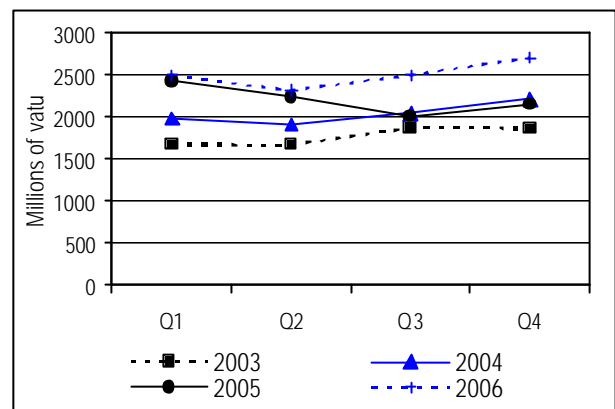


The central government overall fiscal operations depicted a deficit of VT272.5 million compared to a smaller deficit of VT207.2 million recorded during the same quarter of 2005. The decline in the fiscal position for this quarter stemmed mainly from the increase in expenditures, resulting from the implementation of the Government remuneration tribunal (GRT) decision to increase public servants salaries and wages and annual payments of gratuity to politicians.

4.1 Revenue

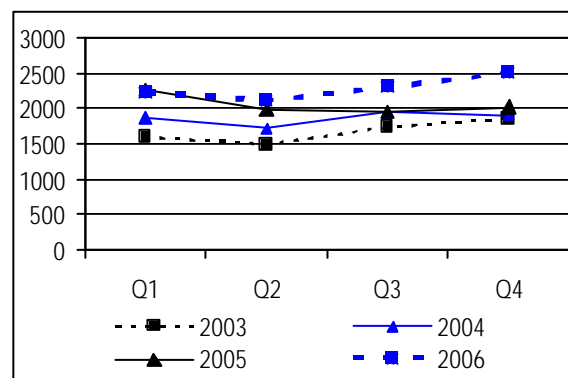
Total revenue and grants collected for the reviewed quarter increased by 26.3 percent from the corresponding quarter of 2005 and 8.1 percent from the previous quarter. Total recurrent revenue collected for the year accounts for 112.0 percent of the budget. The good performance of revenue collection had resulted from improving economic conditions and compliance by Government departments and the private sector.

Figure 15: Revenue and Grants



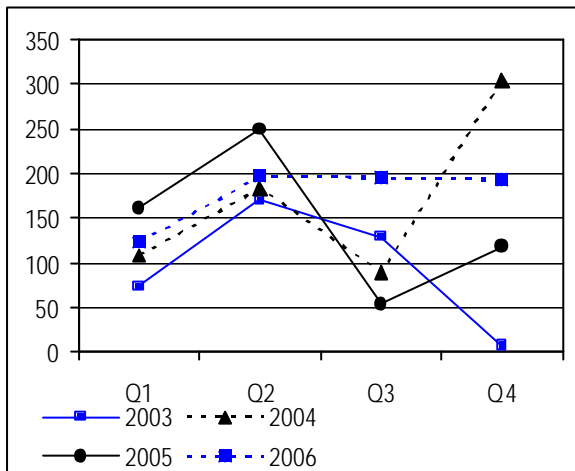
Revenue collection from taxes continues to dominant with 88.8 percent of total recurrent revenue. Tax revenue collected for this quarter increased by 24.1 percent from the level attained for the same quarter of 2005. Noted improvements can be observed in VAT collection by 8.9 percent and import duties by 24.1 percent over the corresponding quarter of 2005. This same trend is expected to continue into the first quarter of 2007 with the increase in import duties on certain imported items.

Figure 16: Domestic Revenue



Non tax revenue increased by 67.2 percent from the level attained during the corresponding quarter of 2005. Improvement has been observed in property income by 14.7 percent and administrative fees by 20.3 percent from the corresponding quarter of 2005. Total non tax revenue collected for the year exceeded by 18.5 percent the level collected for the same period of 2005.

Figure 17: Grants



Grants received for the review quarter totaled VT193.0 million. Grant aid received for the year totaled VT851.3 million, which is VT269.50 million higher than the level received for the same period in 2005. The bulk of grant aid are for development projects with 10.7 percent for budget support.

**4.2 Expenditures**

Total outlay for the review quarter increased by 26.8 percent and 14.1 percent compared to the corresponding quarter of 2005 and the previous quarter, respectively. Noted increases from previous year were due principally to 25.3 percent in goods and services, 49.5 percent in development expenditures and VT335.8 million in non government transfer to Government bodies.

Total recurrent expenditures to date totaled 103.5 percent of the budget, which is above the allocation for the year.

By economic classification, salary and wages which accounted for 60.5 percent of total recurrent expenditures increased by 38.9 percent from the corresponding quarter of 2005. This increase is attributed to the implementation of the government remuneration tribunal decision and annual payments of gratuity to politicians. The increase in salary

and wages bill will continue into the first quarter of 2007 when the same conditions are applied to the Vanuatu Police Force and Judiciary.

**4.3 Financing**

The Government incurred another fiscal surplus of VT427.2 million for 2006. Continuous tight fiscal control by the Department of Finance had ensured that the Government had not undertaken any new borrowings or even resorted to the overdraft facility with the Reserve Bank of Vanuatu.

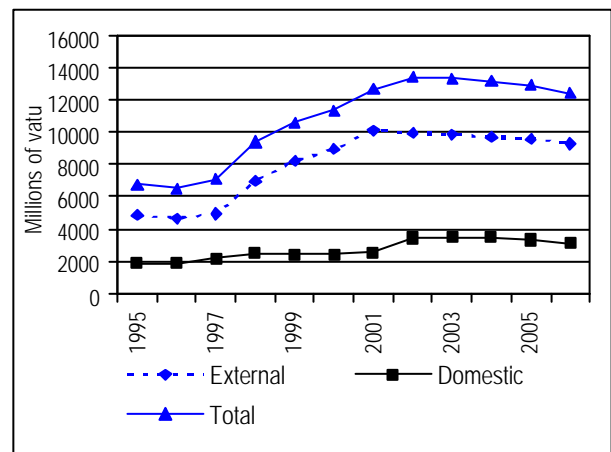
Financing of shortfalls in Government cash position were undertaken from own sources as using up funds within its own deposits both from the commercial banks and the Reserve Bank of Vanuatu. In the past, two of the instruments commonly utilized by the central government to finance its deficits are domestic borrowing and resorting to the overdraft facility with the Reserve Bank of Vanuatu.

**4.4 Outstanding Government Debt**

Total outstanding external debt of the country estimated at VT12.4 billion is approximately 28 percent of nominal GDP at the end of 2006. From this total, an estimated 75 percent consisted of external debt.

Domestic debts in terms of bond holding had remained at VT3,103.0 million. From the total bond holding, corporate bodies have a share of 49.3 percent, the RBV 27.8 percent, commercial banks 22.8 percent, and others 0.1 percent.

Figure 18: Public Debt



Total external debt of the country stood at approximately VT9,298.0 million and representing 75.0 percent of total

public debt. Total estimated outstanding public debt represents 28.0 percent of nominal GDP. The Government has not indicated to take up any more debts given the high amount of domestic debt that will mature in 2008.

**5.0 MONETARY DEVELOPMENTS**

Broad money expanded by 2.5 percent during the fourth quarter of 2006; after money supply growth had decelerated during the previous quarter. This quarterly increase in monetary growth positioned total broad money at VT45554.9 million at the end of the quarter. The growth in broad money was attributable mainly to the expansion in total net foreign assets. Domestic credit growth on the other hand noted a slight slow down over the quarter. Broad money also noted a strong growth of 7.0 percent against the corresponding quarter of 2006.

Commercial Banks liquidity<sup>1</sup> though declined from the previous quarter was yet excessive in the banking system. Though the Reserve Bank of Vanuatu was extremely proactive in its Open market operation; as signified by the exceptionally large increase in outstanding RBV notes, excess reserves persistently remained above expectations. This trend was a result of significant inflows of foreign exchange which have been recorded throughout 2006. In concordance with the surge of liquidity commercial banks term deposit interest rates have indicated declines of some basis points within their respective maximum ranges throughout the four quarters of 2006. Nevertheless, short term interest rates on the RBV notes have remained at higher levels.

**5.1 Determinants of Money Supply**

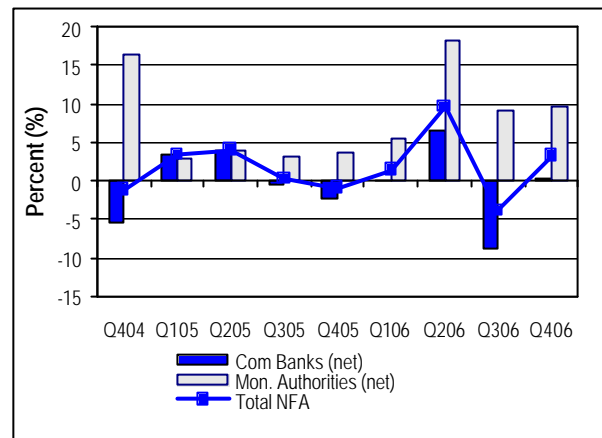
**5.11 Net Foreign Assets**

Total net foreign assets (NFA) expanded by 3.3 percent during the reviewed quarter after a decline was recorded over the previous quarter. The expansion during the quarter was accountable to growths in the NFA position of both the monetary authorities and Commercial banks. An annual growth rate of 10.5 percent was recorded.

The Monetary authorities NFA has been persistently expanding for the fourth consecutive quarter of 2006; as the Reserve Bank has been witnessing a massive inflow of foreign exchange reserves during the year. At the end of the

quarter, the Reserves Banks' NFA accelerated by 9.7 percent from the previous quarter. A strong growth of 49 percent was recorded against the corresponding quarter of 2005. With additional inflows during the quarter, official reserves are adequate to cover 8.21 months of the country's import bills; this is significantly above the comfortable threshold of 4 months of import cover. These inflows were yet sourced from the Government of Vanuatu through official transfers from donor partners, commercial banks and investment income received from the Reserve Bank's investment abroad.

**Figure 19: Net Foreign Assets**



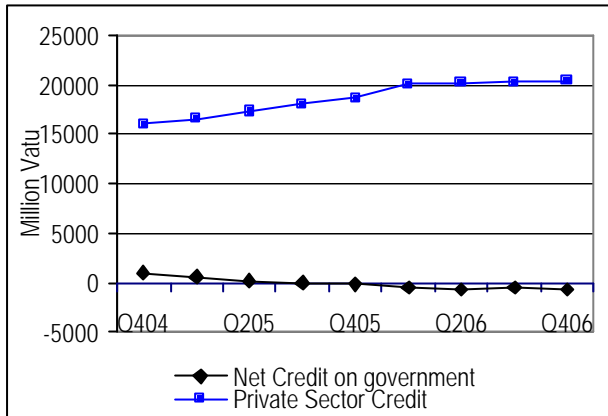
Commercial Banks holdings of NFA depicted a slight increase of 0.4 percent at the end of the quarter. This growth was mainly attributable to the increase in their balances held with non residents' banks and non-banks by 0.9 percent and 14.0 percent, respectively. Part of this increase was also attributed to an increase in Commercial Banks liabilities to residents in foreign currency, notably long term deposits. Despite this quarterly growth, an annual decline of 2.3 percent recorded.

**5.12 Domestic Credit**

Total Domestic credit contracted by merely 0.3 percent during the fourth quarter. Despite this decline the level was still higher by 7.0 percent against the corresponding quarter of 2005. The decline in domestic credit was due to offsetting movements in its components of which a slight growth in private sector credit was offset by declines noted for net credit to the Government, credit to non-financial public enterprises and municipalities.

<sup>1</sup> Commercial banks liquidity consists of commercial banks excess reserves and holdings of RBV notes.

Figure 20: Domestic Credit



Following, a deterioration during the previous quarter, the Government's net lending position vis-à-vis the banking sector improved during the reviewed quarter, seeing that it recorded a decline of almost 34 percent in its net lending in relation to the banking system. This trend was so, as the government keeps accumulating its deposits with both the Reserve bank and the Commercial banks during the quarter. In addition, the government has recorded a budget surplus of VT427.2 million during 2006. In concurrence with the recorded surplus the government's net lending vis-à-vis the banking system declined substantially by 329.05 percent against the corresponding quarter of 2005.

Private sector credit continued to maintain a slow growth of just 0.6 percent during the quarter. This slow growth has been recorded for the fourth consecutive quarter in a row. The slow growth in the rate of lending was more related to the Banks ability to lend; as their lending capability were hindered by the slow process in obtaining required documents and the delay in executing legal actions from certain agencies. Even if opportunities are in the pipeline; country risks are always at hand for the banks to consider. Despite this slow growth a stronger growth of 9.6 percent was recorded against the same quarter of 2005, this signified that the economy is hitherto growing at a positive rate since last year

In accordance with the slow growth in lending as abovementioned, only four sectors received increases in loans during this reviewed quarter; the agriculture sector which noted an increase of 39 percent, professional & other services, 2.5 percent, mining and quarrying, 9 percent and the distribution sector which noted a huge increase of 67 percent. This increase mainly stemmed from a large increase in loans to retail businesses. In terms of personal loans, housing and land loans as well as other personal

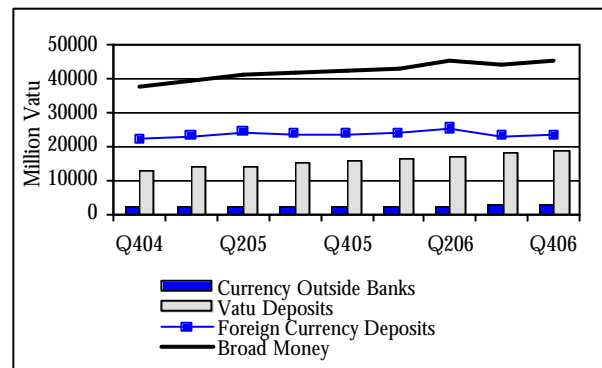
credit category received increases in loans of 6.2 percent and 0.2 percent, respectively. This trend continued to portrayed that more local Ni-Vanuatu are qualified for housing loans, seeing that bigger subdivisions are developed.

Of all the total loans granted by commercial banks during the quarter, almost 43 percent are granted for personal consumption, while 57 percent are extended for commercial purposes. Despite the aforesaid distinction, personal loans hitherto consumes the first and second lions share of total loans, of which housing and land loans acquired 26.4 percent and other personal loans categories 16.4 percent. The third largest portion of 11 percent was grabbed by the tourism sector. This reflected the high number of visitor's arrivals throughout 2006. The fourth largest share was obtained by the distribution and construction sectors of 10.55 percent, respectively

5.2 Components of Money Supply

Money supply growth during the quarter was attributed to both of its components; of which narrow money and quasi-money noted increases of 1.6 percent and 3.0 percent, respectively.

Figure 21: Money Supply



Narrow money growth during the quarter was largely due to a strong growth of almost 7.00 percent in currency outside banks, while demand deposits noted a slight increase of 0.3 percent. The slight growth in demand deposits was contributed by offsetting movements in its elements of which an increase of 7.1 percent in its local currency denomination more than outweighs the contraction of 4.8 percent in demand deposits denominated in foreign currency. The quarterly decline in the level of demand deposits in foreign currency would be attributed partly to a) residents exploiting their deposits in foreign currency to cater for overseas transactions particularly trade related, as imports and exports are reported to have increased substantially during the



quarter and b) residents are either switching their demand deposits in foreign currency to long-term foreign currency deposits to earn better returns. This is reflected in the expansion in time and savings deposits in foreign currency. The uptrend in the level of demand deposits in local currency reflected the high domestic consumption as reflected by high imports during the quarter. In addition the expansion in currency outside the banking system is seasonal, reflecting high domestic demand for currency intended for the Christmas and New Year's festivities towards the end of the quarter. Narrow money also grew strongly by 12.3 percent from the corresponding quarter of 2005, signifying that money is substantial in the system to support domestic consumption.

Quasi-money furthermore expanded during the quarter as both of its components noted growths. Time and savings deposits denominated in the local currency grew by 2.2 percent, while that in foreign currency, 3.6 percent. This indicated that while money is flowing into the economy, as reflected by the growth in narrow money, residents are at the same time investing in long-term deposits for better returns.

**5.3 Deposits with Commercial Banks**

The expansion in total money supply during the quarter was justified by the uptrend in total resident's deposits (exclusive of Government deposits). Hence, residents total deposits deposited with commercial banks grew by 2.2 percent to reach VT42.4 billion at the end of the reviewed quarter. With respect to the ownership of deposits, Individual depositors maintained the lions share of total deposits with 44 percent, private businesses retained the second largest share of 43 percent, deposits of non-financial public enterprises and others category acquired 7.8 percent and 5.4 percent of the portion, respectively. The least share of 0.1 percent was grasped by the municipalities.

**5.4 Interest Rates**

The current surge of liquidity into the banking system prompted commercial banks to adjust their interest rates on term-deposit accordingly. Consequently, the upper limits of the interest rate ranges have recorded downward movements since quarter one of 2006 until the reviewed quarter. During the quarter, the upper rates for the one-month maturity and maturities of 2-6 months were reduced by 1.3 basis points and 0.5 basis points, respectively, while that of maturities above six-months recorded a 0.75 basis points drop. Interest rates on savings deposits were

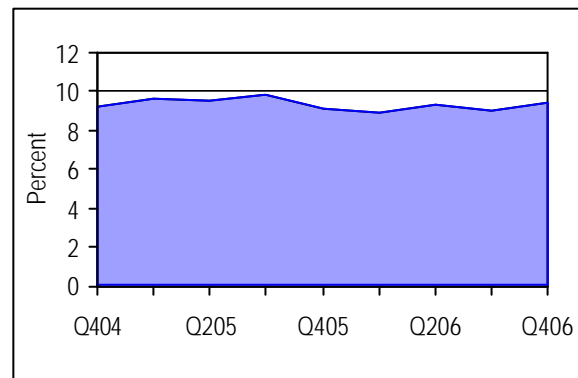
maintained all through the year. The aforesaid movement in the upper end ranges for term deposits generated the downward movement in the weighted average rate of interest on term-deposits to 4.60 percent during the quarter from 4.71 percent recorded during the previous quarter. The weighted average rate of interest for total bank deposits depicted the same trend by recording a drop of 0.03 basis points to 1.89 percent during the quarter.

Interest rates ranges on loans were maintained throughout the year. However interest rates adjustments within respective banks caused the movement in the weighted average interest rate on total loans. Hence, the weighted average interest rates on total bank loans during the quarter increased by 0.44 basis points to 11.30 percent. The inter-bank rates were maintained at 5.50 percent. See table 9.

**5.5 Interest Rates Spread**

The outcome of the downward movement in the weighted average of interest on total bank deposits, with an upward movement in the weighted average rate of interest on total bank loans instigated interest rates spread to widen from 8.94 percent during the previous quarter to 9.41 percent during the quarter.

**Figure 22: Interest Rate Spread**



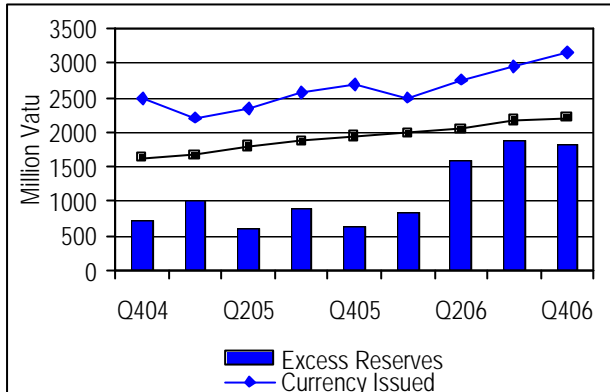
**5.6 Reserve Money**

Reserve money<sup>2</sup> recorded yet another growth of 7.2 percent from the previous quarter likewise, rose substantially by 33 percent from the corresponding quarter of 2005. Currency issued and SRD recorded growths of 7.00 percent and 2.00 percent, respectively, therefore contributed to the overall

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

increase in reserve money. Excess reserves on the hand noted a decline of 2.9 percent during the quarter.

Figure 23: Components of Reserve Money



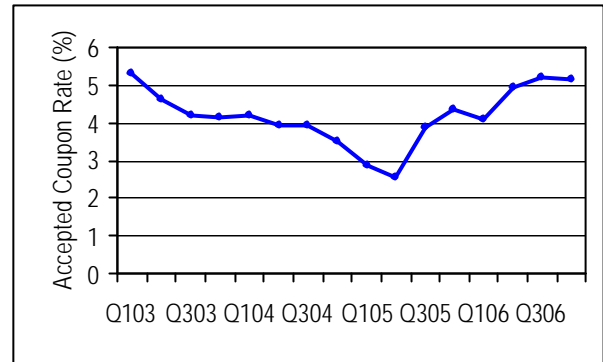
The decline in the level of excess reserves during the quarter was attributable to; a) offsetting movements in SRD and currency in circulation and b) an increase of 40 percent in the level of outstanding RBV notes signifying that the RBV is aggressive in conducting OMO during the quarter. Despite this quarterly decline, the level of excess reserves was yet exceptionally excessive in the system as compared to the previous year's level. These build up in excess reserves continued to reflect considerable inflows of foreign exchange through the balance of payments experienced during the year.

5.7 DOMESTIC MARKET DEVELOPMENT

Open Market Operation

The continuing liquidity overhang in the domestic banking system during the 4<sup>th</sup> quarter has induced the Bank to further increase the volume of its open market operations and reintroduce the 182-days maturity term. Consequently, total allotment made increased to VT2,100 million during the quarter compared to VT1,972 million in the previous quarter as follow: VT130 million to 14-days; VT360 million to 28-days; VT400 million to 63-days; VT505 million to 91-days; VT500 million to 119-days; and VT180 million to 182-days. The total RBV notes outstanding stood at VT1,659 million at the end of the quarter compared to VT1,284 million at the end of the previous quarter.

Figure 24: 91-days RBV Notes Yield



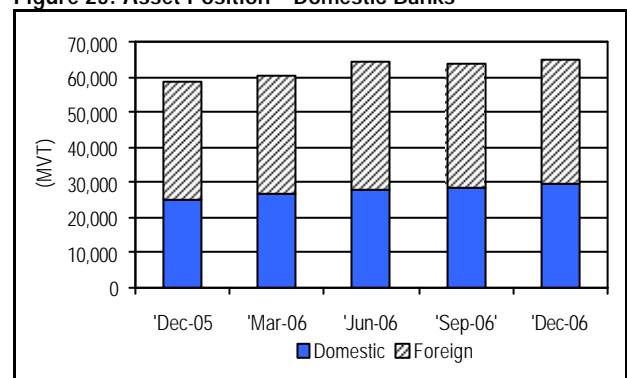
The yields on RBV notes also continue to remain high during the quarter despite the high banking system liquidity. The high rates partly reflect the slow down in lending activities of the commercial banks, thereby higher rates partly assist in subsidizing the cost of holding money. The average weighted Yield on all RBV notes continue to remain high with the yield on 91-days maturity steady at 5.16% compared to 5.18% at the end of previous quarter.

6.0 SITUATION ANALYSIS OF BANKING SECTOR

6.1 Domestic Banks

Balance Sheet

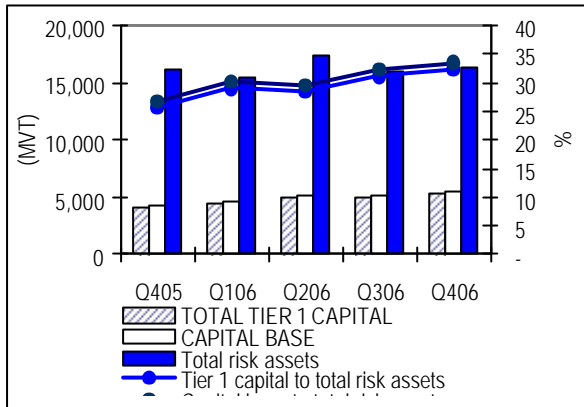
Figure 25: Asset Position – Domestic Banks



The industry recorded further growth in its balance sheet over the quarter ending December 2006. Total assets grew by 2.4 percent to Vt65.1 billion (Vt63.6 billion: Sept-06). The increase mainly reflects growth in domestic assets by 4.3 percent to Vt29.7 billion (Vt28.4 billion: Sept-06). Foreign assets also increased slightly up 0.8 percent to Vt35.4 billion and represent 54.4 percent of the industry's total assets.

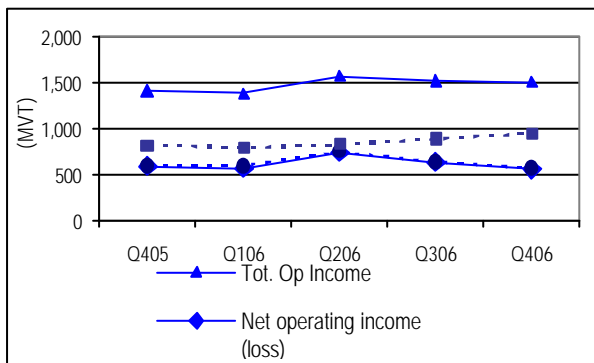
Total liabilities (less capital) increased by 2.1 percent to Vt58.1 billion (Vt56.9 billion: Sept-06). The increase is attributable to a 2.3 percent increase in domestic liabilities to Vt44.6 billion (Vt43.7 billion: Sept-06).

Figure 26: Capital Adequacy & Tier 1 Ratio



The industry is well capitalized with capital adequacy ratio recorded at 33.5 percent, and tier one capital at 33.3 percent. Total capital base increased by 5.7 percent to Vt5.5 billion (Vt5.2 billion: Sept-06). The increase is attributable to growth in disclosed reserves and retained earnings by 7.1 percent to Vt4.4 billion (Vt4.1 billion: Sept-06). Total risk assets increased slightly up 1.9 percent to Vt16.3 billion (Vt16.0 billion: Sept-06)

Figure 27: Earnings – Domestic Banks

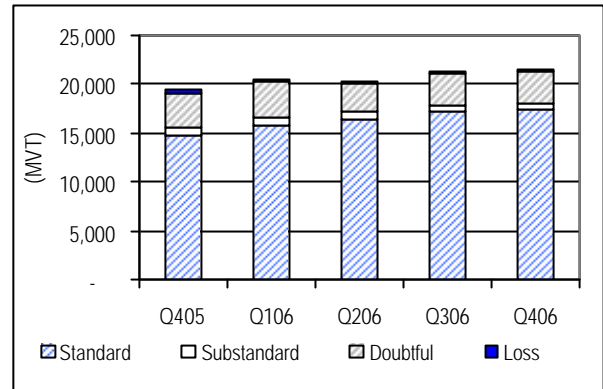


Net operating profit of the industry dropped by 13.5 percent to Vt550.8 million (Vt625.3 million: Sept-06). The decrease was mainly attributable to a decline in net interest income by 6.4 percent to Vt566.6 million (Vt605.3 million: Sept-06) followed by an increase in total operating expenses by 6.2 percent to Vt940 million (Vt885.3 million: Sept-06) over the quarter.

<sup>3</sup> Capital base to total risk assets ratio

The industry's Return on Asset (ROA) and Return on Equity (ROE) also declined over the quarter. ROA declined from 0.9 percent in the last quarter to 0.8 percent this quarter whilst ROE declined from 9.5 percent to 8.3 percent.

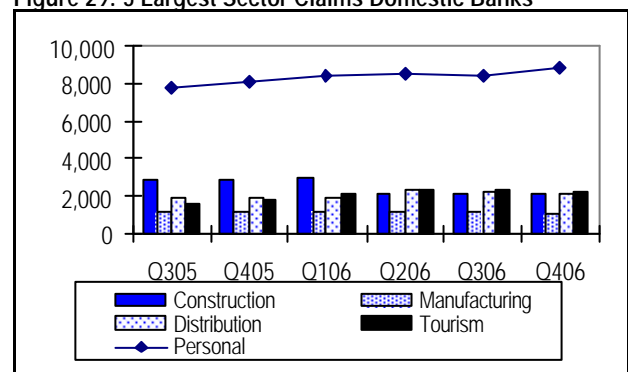
Figure 28: Asset Quality – Domestic Banks



The industry's total lending increased slightly by 1.0 percent to Vt21.6 billion over the quarter (Vt21.3 billion: Sept-06). Of this total Standard loans represent 80.4 percent (Vt17.3 billion), Substandard loans represent 2.9 percent (Vt622.5 million), Doubtful loans represent 15.8 percent (Vt3.4 billion), and loss loans represent 0.9 percent (Vt210 million).

During the quarter the industry's impaired assets also increased by 3.2 percent to Vt3.6 billion (Vt3.4 billion: Sept-06). Security held by the banks also increased by 4.4 percent to Vt13.0 billion (Vt12.5 billion: Sept-06). Provisioning level also increased slightly over the quarter with specific provisions increased by 0.1 percent and general provisions by 10.5 percent to Vt912.8 million and Vt32 million respectively.

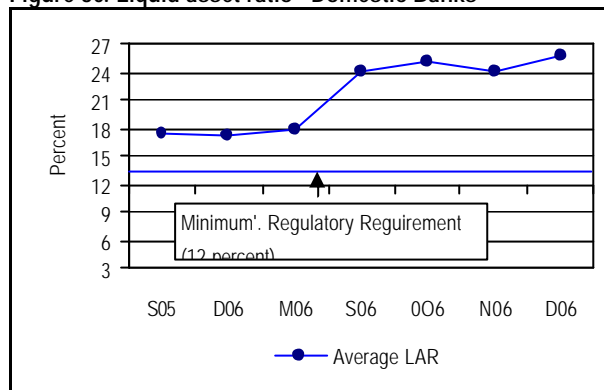
Figure 29: 5 Largest Sector Claims Domestic Banks



<sup>4</sup> Non-performing loans – This comprised of doubtful and loss loans.

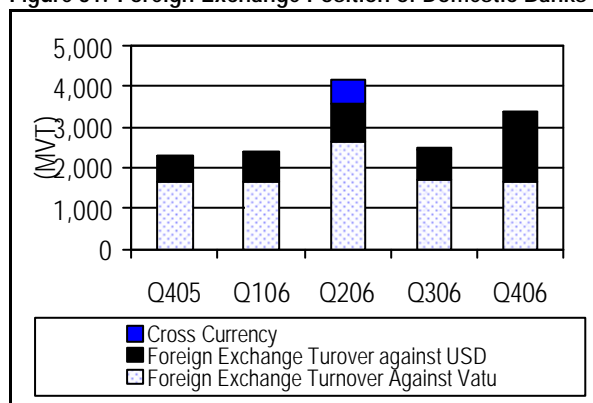
Major sectoral lending of the industry remained to Personal (Vt8.8 billion), tourism (Vt2.3 billion), construction (Vt2.2 billion), distribution (Vt2.2 billion), and manufacturing sector (Vt1.1 billion). Personal lending continued to remain the major lending sector of the industry accounting for 42.8 percent of total lending followed by Tourism sector by 11 percent. Over the quarter, Personal lending increased by 3.9 percent whilst the other major sectors fell slightly.

Figure 30: Liquid asset ratio – Domestic Banks



The industry is well liquid. As of end December 2006, the industry's liquidity as expressed as its Liquid Asset Ratio (LAR) stood at 25.8 percent. This is well above the regulatory requirement.

Figure 31: Foreign Exchange Position of Domestic Banks



The industry's total foreign exchange turnover position increased significantly over the quarter up 36.7 percent to Vt3.4 billion (Vt2.5 billion: Sept-06). The increase is mainly attributable to growth in foreign exchange turnover against the US currency by 145.2 percent to Vt1.7 billion (Vt709.9 million: Sept-06). Foreign exchange turnover against the Vatu currency decreased slightly down 5.4 percent to Vt1.7 billion (Vt1.7 billion: Sept-06).

## 6.2 International Banks

### 6.21 Overview

For the quarter ended 31 December 2006, Reserve Bank remains proactive in ensuring that international banks comply with the conditions of their licenses. Over the quarter, the Bank conducted several prudential consultations basically to assess risks associated with banks, and to determine banks' compliance with the International Banking Act (IBA) and Financial Transaction reporting Act (FTRA).

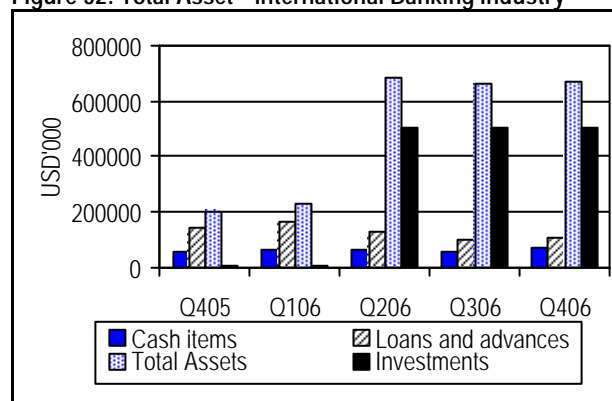
The Reserve Bank of Vanuatu continues to receive enquiries from interested clients hoping to set up international banks in Vanuatu.

### 6.22 Balance Sheet

December 2006 quarter showed a slight increase in the industry's balance sheet footings of 1.65 percent to USD672.6 million (USD661.6 million: Sept-06). The increase was mainly attributable to increase in *Cash Items* by 14.95 percent to USD66.9 million (USD58.2 million: Sept-06)

The major components of the industry's assets currently are investments consisting of 74.62 percent to USD502 million. (Refer figure 1).

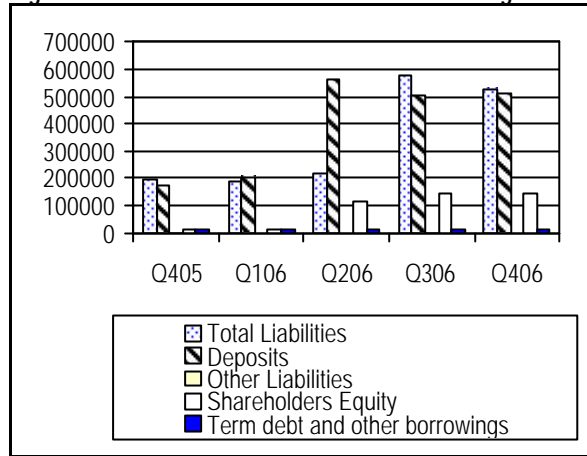
Figure 32: Total Asset – International Banking Industry



On the liability side, the industry's total liabilities (excluding shareholders equity) also increased by 2.13 percent to USD529 million (USD518 million: Sept-06). The increase is mainly attributable to increase in deposits by 1.6 percent to USD512.4 million (USD504.3 million: Sept-06).

The major components of liabilities are deposits which accounted for 76.18 percent of total liabilities and shareholders equity. (Refer to figure 2).

Figure 34: Total Liabilities – International Banking Industry

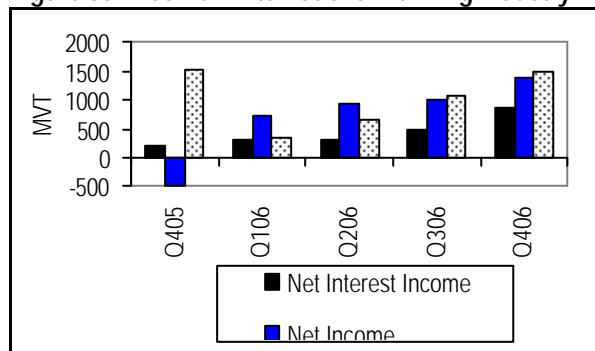


6.23. Earnings

The industry recorded a net profit of USD1.37 million for the reviewed quarter. This is an increase of 35.47 percent from September 2006 quarter (USD1.02 million). The increase is attributable to increase in operating income by 47.29 percent to USD2.1 million (USD1.46 million: Sept-06). The increase in operating income is due to 75.5 percent increase to USD0.871 million in net interest income earned during the period. Refer to figure 3.

The industry's ROA<sup>5</sup> and ROE for the September quarter are; 0.002<sup>6</sup> percent (0.0015 percent: Sept-06) and 0.009<sup>7</sup> percent (0.007 percent: Sept-06) respectively over the period.

Figure 35: Income – International Banking Industry



<sup>5</sup> ROA & ROE were affected by adjustment on profits reported by one institute only.

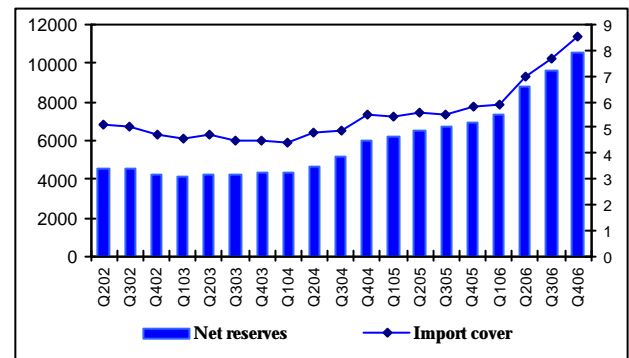
<sup>6</sup> Net income is divided by average total assets of

<sup>7</sup> Net income is divided by average total equity Sept 06 & Dec 06 quarters

7.0 BALANCE OF PAYMENTS

Development in international business though out the months of October to December was reflected in the developments of Vanuatu Balance of Payments for December quarter of 2006. The improving economic conditions and political stability had contributed to the continuous expansion of official reserves, closed at around 11195 MVT (100 million USD) by end December. This is sustainable enough to cover an equivalent of 8.5 months of projected imports. The Reserve Bank on one of the key indicators of monetary stability for the country is the maintenance of the minimum target level of 4 months of import cover, has been monitoring such indicators very carefully though its policy objectives and implementations

Figure 36: Net Reserves and months of import cover



7.1 Merchandise trade

The provisional trade deficit expanded significantly by 32 percent in the review quarter. Exports record an increase of 46%, which could not offset the 37% increase in the value of imports. Earnings from beef and timber showed increases and in particular, however, other products increased by 120% and stemmed as the main contributing items to the large increase in exports. There was no export of Coconut oil in September due to the closure of the main coconut oil mill early in the year. The quarter review had shown some exports earnings for the commodity reflecting births a mini-mills.

Most import items increased during the quarter in particular food and live animals (61%), mineral fuels (85%) and beverages and tobacco (97%). While, MCA projects in the process of acquiring capital goods from abroad, demand is expected to rise. The overall trend for imports is an upsurge slope and is expected to continue with this trend in the future.

8.0 Exchange Rates.

The developments of global capital markets have impacted a lot on the movement of the US dollar against other major currencies. On December 12<sup>th</sup>, the Federal Reserve kept short term interest rates unchanged at 5.25%. Although recent economic indicators have been mixed, inflation is considered to be a bigger worry than weak growth. Forecasters reckon the Fed's next move is to cut federal funds rate and financial markets sees a 30% chance of lower interest rates by April. With the US Federal Reserve finding it difficult to contain inflation expectations and support the slowing US Economy, positive developments abroad, notably Europe have reduced the attraction of the US dollar from yield perspectives.

The large US budget and current account deficit remain the key reasons behind expectations for a long term dollar weakness. This has impact on the exchange rate currencies among our trading partners and the vatu, vis-à-vis the currencies of its major trading partners. .

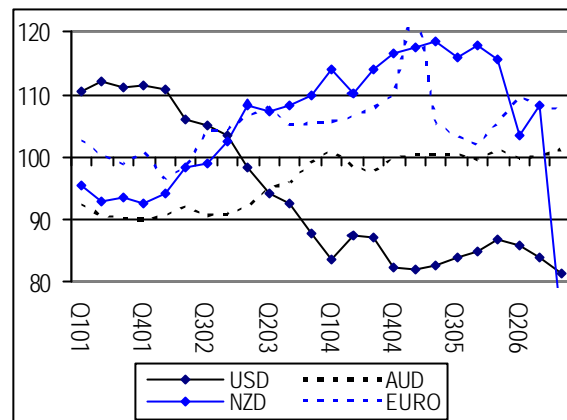
The table below is the result of exchange rate movements over the quarter and over the year from December 2005. Developments over the quarter saw the Vatu depreciated against the sterling (1.01%), Aussie dollar (1.6%) and NZD by 3.2%. In the same period the Vatu appreciated against the US dollar by 3.8%, Yen (4.8%) and Euro by 0.3%.

Development over the year showed that the Vatu appreciated against the USD, JPY and New Zealand dollar and Euro, while it depreciated against the British Sterling, Euro and Australian dollar.

Table 3: Exchange rate of vatu against major trading partners' currencies

Period	USD	GBP	AUD	JPY	NZD	EUR
Closing rate on 30.12.06	106.48	209.52	84.12	0.8952	75.09	140
Closing rate on 30.09.06	110.51	207.36	82.76	0.9385	72.65	140.4
Closing rate on 30.12.05	112.33	193.68	82.29	0.9534	76.62	133.07
Quarterly % Change	-3.8	1.0	1.6	-4.8	3.2	-0.3
Yearly % Change	-5.5	7.6	2.2	-6.5	-2.0	5.0

Figure 37: exchange rate movement of vatu against major currencies. Index 2000=100



### CHRONOLOGY OF MAJOR EVENTS

NO.	BRIEF DESCRIPTION OF MAJOR EVENTS	EFFECTIVE DATE
1.	<p>Thirty-four buyer groups from Australia, New Zealand, New Caledonia, the UK, USA, Japan and for the first time ever Europe and Thailand, together with over sixty supplier companies, heard predictions of a 5-per cent increase in air arrivals in the coming year and twenty percent on cruise-ships, Qantas announcing it was seeking a 33 per cent increase in seat capacity from Australia, Solomon Airlines confirming twice-weekly direct Brisbane-Santo services from later this year, and Air New Zealand celebrating the addition of its own equipment to Vila on October 29 as well as continuing code-share from Auckland with Air Vanuatu. Vanuatu Tourism Minister, James Bule and Vanuatu Tourism Office's General Manager, Linda Kalpoi predicted five percent increases in 2007 over this year's 62,364 arrivals by air, and a twenty per cent increase in 2007 over the 63,554 who arrived by sea this year. "Visitors are worth over AU\$100m to our economy, or about 40% of our GDP," Mrs. Kalpoi said. "With Australia alone accounting for 64 per cent of tourists." The TOK TOK event was held at the snorklers Cove, Iriki Island Resort and Spa from the 26<sup>th</sup> to 27<sup>th</sup> of October, 2006. The major sponsors supporting this TOK TOK event included ANZ Bank of Vanuatu and Unelco (Union Electrique du Vanuatu Ltd). (Source: Vanuatu Tourism Tribal Drum Newsletter September/October 2006, SPTO Newsletter)</p>	29 <sup>th</sup> October, 2006
2.	<p>The Telecom Vanuatu Limited (TVL) has presented a cheque for Vt103,397,926 to the government as dividends for the period from April 2005 to March 2006. The handing over took place between TVL Managing Director Mr. Michel Dupuis and the Minister of Finance and Economic Development Mr. Willie Jimmy at the Ministry of Finance conference room. TVL Deputy Financial Controller Anniva Tarilongi said the amount – the highest so far, represented 33.3 percent of the total government share in the company. To strengthen the company's relationship with the government, the Managing Director said they are committed to studying all the technician solutions in order to decrease all the outstanding bills of the government. Mr. Dupuis also highlighted during the handing over that TVL in its continuous commitment to delivering telecommunication in the country has over the month included renovation, upgrading and installations of new satellite dishes for new mobile and internet coverage in various parts of the country. (Source: Vanuatu Daily Post, 5<sup>th</sup> October, 2006)</p>	5 <sup>TH</sup> October, 2006
3.	<p>The Government with the ongoing assistance of the World Bank and AusAID is in the final stages of setting up a Utilities Regulation Authority to monitor and enforce regulatory rules for water electricity, and telecommunications. In a comment by the Minister of Finance, Willie Jimmy expressed a personal reservation over the role of the</p>	13 <sup>th</sup> October, 2006

URA could be used to deal with private sector service provider such as Government statutory bodies such as TVL.  
(Source: Vanuatu Daily Post 13<sup>th</sup> October, 2006)

4. Over 5,000 people all over Sanma and Luganville turned up Saturday, 11<sup>th</sup> November 2006, to witness the launching of Pekoa International Airport as well as the ceremony of the inaugural landing by the Solomon Airlines. Both Vanuatu and Solomon Islands government aviation authorities, members of the tourism industry and airline business were present to welcome the Solomon Airlines 737 aircraft. Upon the opening of the new International airport, Prime Minister Ham Lini said, this marks a milestone in the country's aviation service sector, the Luganville municipality, Sanma province and the people of the northern provinces with the introduction of this new aircraft service that hopes to open this gateway to northern Vanuatu to attract more air services in bringing more tourists to observe the pleasures and tourist attraction sites in the northern provinces. The cost of the project totaled up to Vt199, 000,000 where the AFD allocated 54% and the Vanuatu government contributed the other part of 46%, which amounted about Vt91, 500,000.  
(Source: Vanuatu Daily Post, 12<sup>th</sup> November 2006) 12<sup>th</sup> November, 2006
5. The economy of Vanuatu increased 6.8 percent in real terms in 2005, underpinned in part by rising output in manufacturing, construction and services producing industries and a pickup in tourism following the launching of low-cost flights from Australia by the 'no-frills' Pacific Blue Airlines. This is according to a 2005 edition of the annual national accounts of Vanuatu report recently released by the National Statistics Office. The report stated that the growth was commendable, as it was achieved amidst rising oil prices and strong international competition for commodity exports. The economy has grown while inflation remained low, according to the report. In 2005, the overall price inflation as measured by the gross domestic product deflator was 2.1% slightly lower than the previous year. Among the three major economic sectors the services sector achieved the highest growth rate of 8.8 percent in real terms. This growth was broad based, reflecting improved performance in most of sub-sectors, including finance and insurance; real estate and business services; wholesale and retail trade; and transport and communication. As in 2004, tourism provided the major impetus to growth in the services sector in 2005. The total number of international visitors arrivals amounted to 62,123 in 2005, compared to the previous year's total of 61,454 (In 2005, tourism contributed about 50% of foreign exchange earnings).  
(Source: Vanuatu Daily Post, 28<sup>th</sup> November 2006) 28<sup>th</sup> November, 2006
6. With the recent increase of import duties on certain items including rice, chicken wing, and alcohol after the amendment of the Import Duties (Consolidation) Act, prices of these items are expected to increase once these new rates are implemented. The second item amends Schedule One of the Act by increasing import duty rates on imported spirits and alcohol to ensure protection in trade of the 30<sup>th</sup> November, 2006



country's local breweries as well as increase duty rates on other products. This increase in import duties will be made effective first quarter of 2007.

(Source: Vanuatu Daily Post, 30<sup>th</sup> November 2006)

7. Vanuatu will be represented at a first ever two-day forum of the Recruitment of Seasonal Employees Programmes (RSE) to be held in Wellington New Zealand from December 13<sup>th</sup> to 15<sup>th</sup>, 2006. The two Vanuatu representatives included Commissioner of Labour Lionel Kaluat and CEO of the Ministry of Trade George Borugu. Delegates attending the Forum will be representing seven Pacific Island States, Kiribati, Nauru, Samoa, Tonga and Tuvalu. The Forum will focus mainly on the objectives and outline of the RSE Forum programme and the Industry Strategy and make a RSE Policy overview including a Draft Framework for a Memorandum of Understanding. The World Bank which has spearheaded the initiative will also give a session on the Bank's perspective in which a panel discussion will be held between the employees and the employers. The main highlight of the Forum will allow Government representatives of Pacific Island States, invited to have closed sessions to finalize an MOU. Employers representing the private sector will be invited to have closed sessions with officials from Department of Labour of New Zealand to develop operational policies and related issues. 12<sup>th</sup> December, 2006
- (Source: Vanuatu Daily Post, 12<sup>th</sup> December 2006)

**2006 BUSINESS SURVEY SUMMARY**

**Introduction**

The annual Business Expectation was conducted by the Department of Research and Statistics at the Reserve Bank at the end of September and the beginning of October 2006. The purpose of the survey is part of ongoing effort by the Reserve Bank to collect information to enable informed assessment economic development issues and forecast on a number on indicators. The Reserve also uses such information in the development of monetary policy framework. Around 18 companies in Luganville and 18 companies in Vila participated in the survey. Questions were targeted towards economic indicator n the next quarter, the next six months and the 12 months.

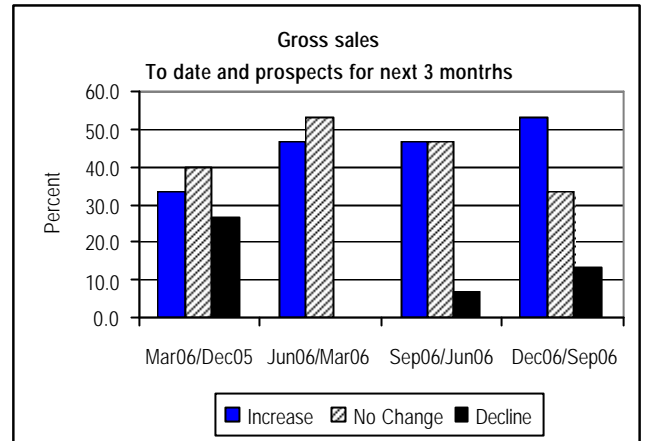
**Summary**

The overall assessment and of the survey and visits indicated that business conditions were generally better than the previous survey in 2005. There was also a projected better prospects for 2007 compared to 2006.

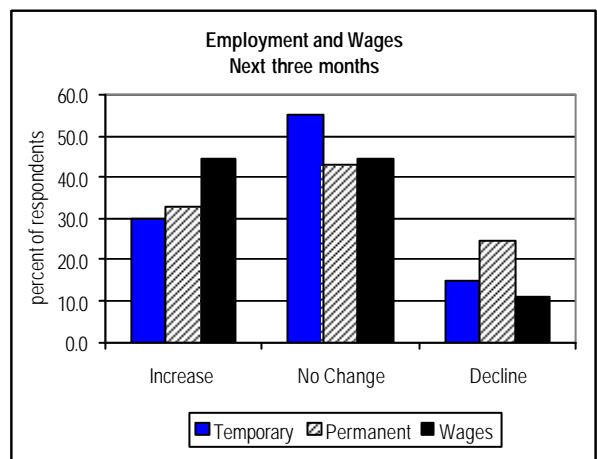
**Gross Sales**

Quarterly Gross Sales figures indicated overall general increasing trend from the early 2006 towards the end of 2006. While more business respondents recorded a stagnant growth in the in between the March quarter 2006 and the previous December quarter of 2005, the recorded sales in the June quarter and the July indicated that September quarters of 2006 a higher percentage with increase sales, although there still remained a similar percentage of respondents, who still indicated there was no change in the gross sales. For the next three months up to December 2006, there was a far greater percentage of respondents who predicted an increase in gross sales compared to those who reported no change, or decline in gross sales.

This predicted increase in gross sales, is reflected in the general perception of increased in business active upon the arrival of Solomon airlines beginning from November 11 2006. This may well reflect the seasonal patterns towards the holiday seasons.



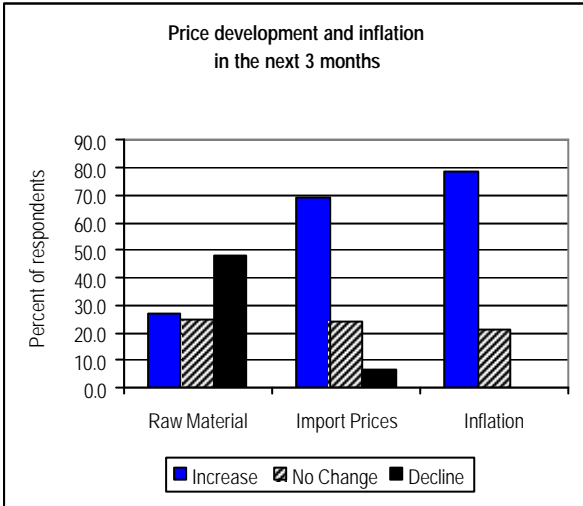
Approximately 74 percent of respondents foresee no change in the level of employment. Meanwhile 86 percent of respondents indicated that they did not expect wages to increase in the next three months from October to December 2006. Luganville as a urban area has always had a high level of unemployed people. While there was a smaller size business sector compared to Vila, the closure of COPV and Santo Veneer has contributed immensely to the increase in unemployment over 2005 and 2006. Whilst in operation, the two companies employed a total 170 workers in total. The only significant prospects for employment were from new investments such as Vanuatu Coconut oil Limited.



**Developments in Prices and Inflation**

With regards to the development in prices and inflation outlook in the next three months, 64 percent of respondents expected no change prices for the next the months raw

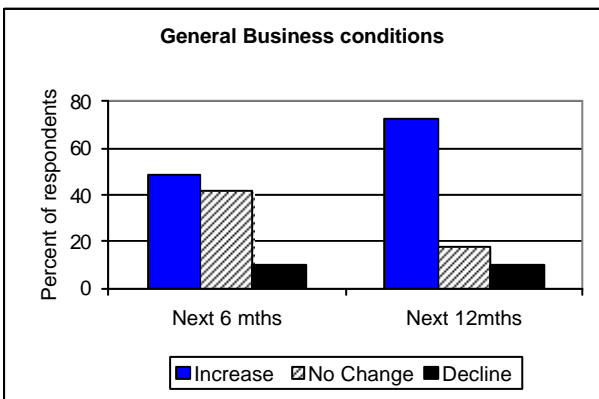
material prices to increase, while only 36% of respondents indicated that they expected an increase in prices of raw material. With regards to import prices, 57 percent of respondents expected import prices to increase, while 36 percent expected no change and only 7 percent expected a decline. All respondents however, stated they expected inflation to increase.



Respondents were also asked to provide their outlook on a number of indicators, over the next six months and twelve months. Their views were summarized as follows.

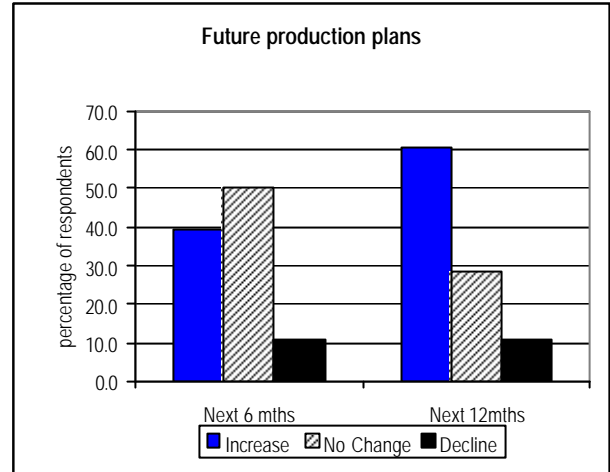
**General Business conditions**

The outlook in terms of general business conditions, indicated that 60 percent of respondents foresaw a positive change in general business conditions over the next six months. A much higher percentage of 73 percent indicated general business conditions to be good over the next 12 months.



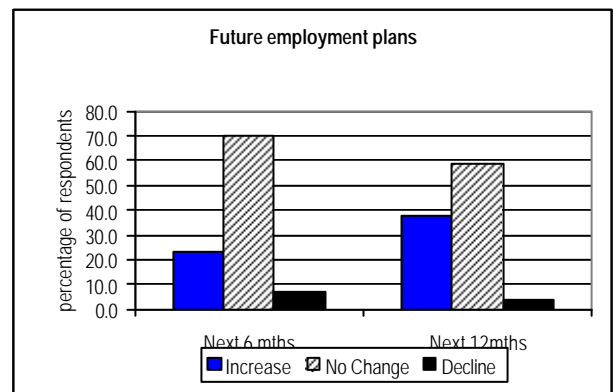
**Future production plans**

In terms of future production plans, 36 percent of respondents predicted increases, while 57 percent predicted no change in plans. Over the next 12 month period, 50 percent of respondents expected no change in production plans while similar 50 percent also predicted an increase in production plans.



**Future employment plans**

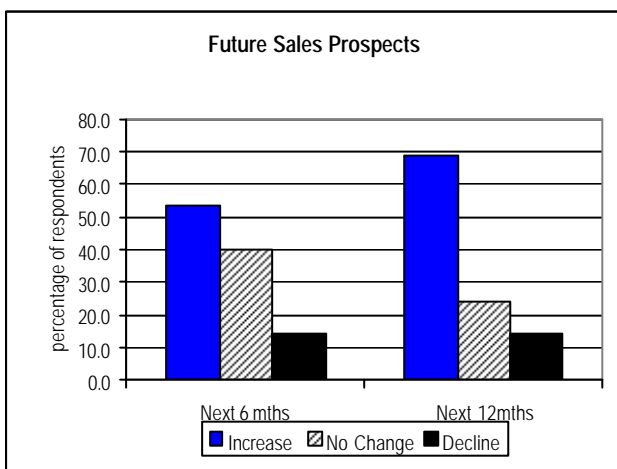
With regards to future employment plans, 81 percent of respondents predicted no change in the size of employment in the next six months, while 19 percent did not expected any change. Over the next 12 month period, a lower percentage comprising 33 percent of respondents expected an increase in employment, while 66 percent expected no change.



**Future Sales prospects**

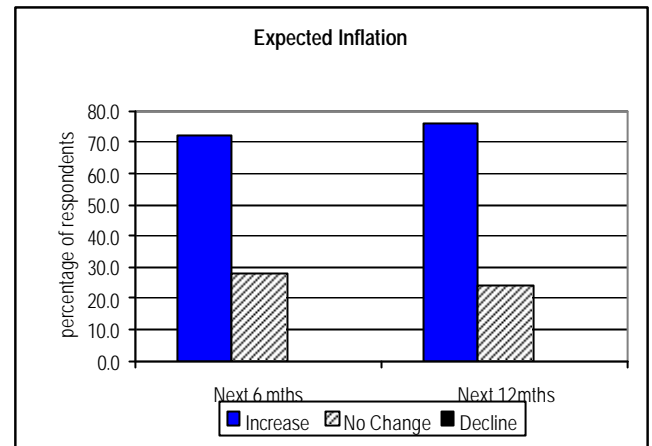
Over the next 6 months, there was even expectation from respondents, with 50 percent of respondents expecting an increase in sales, and a further 50 percent expected no change.

Over the next 12 months, 60 percent of respondents expected an increase in sales prospects, while 40 percent expected no change in prospects. Similarly, approximately 58 percent of all respondents expected no real movements in the level of stock, over the next six months and the next 12 months respectively.



**Expected Inflation**

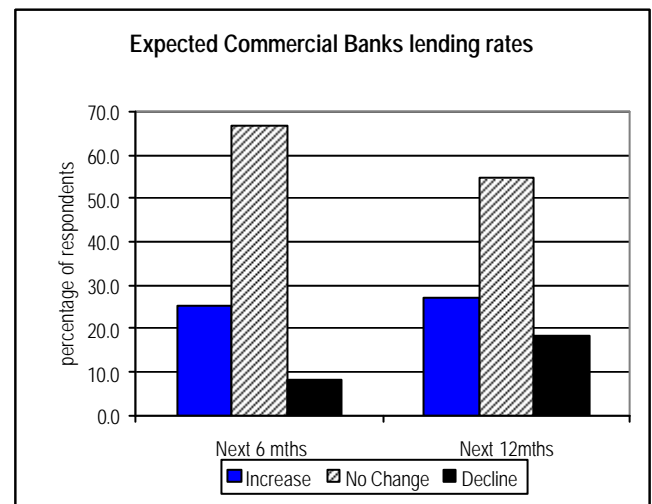
A majority of Respondents expected inflation to increase over the next 6 to 12 months. Of total respondents, 83.4 percent expected inflation to increase, while 17 percent expected no change.



**Expected borrowing, interest rate and exchange rate predictions**

The survey also asked a few questions regarding banking and finance issues, with a particular focus on assessment from borrowing needs and their expectations of lending and borrowing rates.

The general trend observed was that between 85 to 92 percent did not expect to borrow in the next 6 to 12 months.



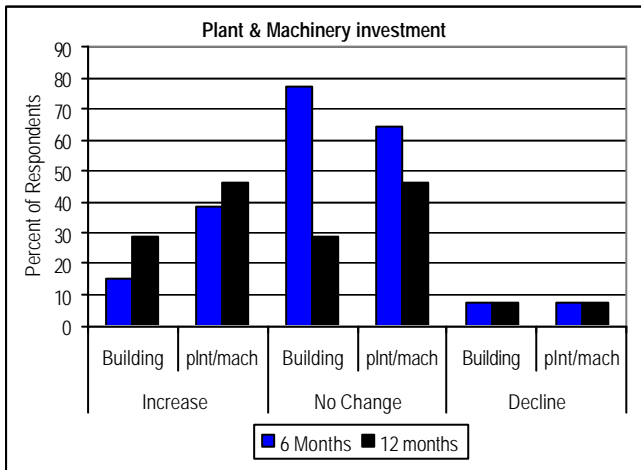
In the next six months however, 25 percent of respondents expected an increase in lending rates and a larger proportion comprising 67 percent did not foresee any change. Only 9 percent did expect a decline in lending rates. Over the next 12 months though, 27 percent of respondents expected an increase in lending rates, while 55 percent expected no change and 18 percent expected a decline.

Approximately 55 percent of respondents did not expect any changes in deposit rate over the 6 to 12 months, however, 27 percent of respondents expected an increase in deposit rates over the next 12 compared to only 18 percent who expected an increase over the next 6 months.

**Investment**

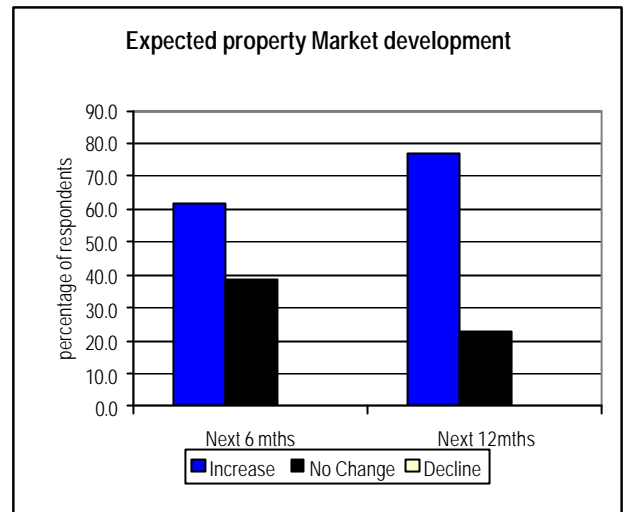
While the economy has seen a lot of foreign investment over the past year, the survey also asked for respondents views of their expected investment in buildings, plant and machinery over the next 6 to 12 months.

In regards to the next 6 months, approximately 70 percent of survey respondents expected no change in investment, while only approximately 27 percent expected an increase in investment. Less than 8 percent expected declines in investment over the next 6 to 12 months.



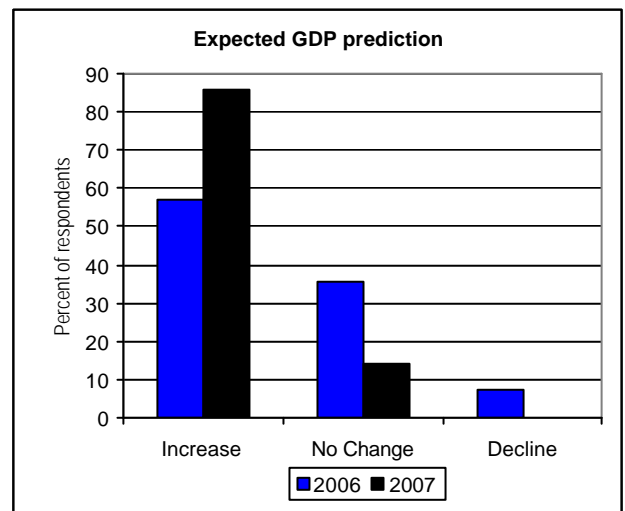
Over the next 12 month period approximately 52 percent expected an increase in investment, while only 37 percent expected no change.

A question was also asked regarding respondents' expectation on the property market development. Over the next 6 months 62 percent of respondents expected an increase in the property market, while 38 percent of respondents expected no change. Over the next 12 months, 77 percent of respondents expected an increase in the property market, while 23 percent expected no change.



**Expected GDP Growth**

Respondents were also asked to indicate their prediction for economic growth for 2006 and 2007. Around 57 percent of respondents expected the Vanuatu Gross Domestic Product (GDP) to grow positively in 2006, while 36 percent predicted no growth, and 7 percent declining growth.



For 2007, an even higher percentage of 86 percent predicted GDP to grow, while only 14 percent predicted no change.

TABLE 1: ASSETS AND LIABILITIES OF RESERVE BANK OF VANUATU

(Millions of Vatu)

End of Period	2003	2004	2005	2006	2005				2006			
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Foreign Assets	4,953.5	6614.6	7595.6	11194.9	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1	10205.0	11194.9
Foreign Exchange	4,364.6	6018.2	6988.5	10572.2	6225.4	6482.8	6738.2	6988.5	7383.3	8800.9	9586.7	10572.2
RTP with IMF	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5
SDR Holdings	154.4	161.8	172.6	188.2	164.3	166.8	169.6	172.6	176.1	179.7	183.8	188.2
Claims on Government	1,471.0	1418	1184.5	1224.7	1260.9	1235.1	1233.5	1184.5	1182.6	1196.5	1194.2	1224.7
Claims on NFPE	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.0	0
Claims on Commercial Banks	100.0	0.0	0	0.00	0.00	0	0	0	0	0	0.0	0
Other Assets	339.9	433.8	483	536.5	358.2	311.1	319.9	483	427.2	420.3	408.3	536.5
<b>TOTAL ASSETS</b>	<b>6,864.4</b>	<b>8,466.4</b>	<b>9,263.1</b>	<b>12,956.1</b>	<b>8,443.3</b>	<b>8,630.3</b>	<b>8,895.7</b>	<b>9,263.1</b>	<b>9,603.6</b>	<b>11,031.9</b>	<b>11,807.5</b>	<b>12,956.1</b>
Reserve Money	4,828.6	5,295.1	5,937.4	7,921.8	5,294.2	5,086.1	5,659.3	5,937.4	5,694.2	6,788.8	7393.0	7921.8
Currency outside Banks	2,108.4	2490.1	2690.7	3156	2208.7	2342.1	2577.6	2690.7	2504.2	2759.6	2949.9	3156
Commercial Banks' Vault Cash	450.8	477.1	687.6	745.4	409	344.7	319.8	687.6	374	387.8	415.1	745.4
Commercial Banks Deposits with RBV	2,269.4	2327.9	2559.1	4020.4	2676.5	2399.3	2761.9	2559.1	2816	3641.4	4028.0	4020.4
Foreign Liabilities	215.9	201.7	245	231.1	223.7	215.2	247.5	245	248.2	265.5	217.0	231.1
Government Deposits, of which	832.9	1091.4	1727.7	2175.7	1340.5	1647.4	1735.1	1727.7	2191	2232.1	2121.9	2175.7
Contribution to RTP with IMF	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5
Deposits of NFPE	0.8	0.0	0	0.0	0.0	0	0	0	0	0	0.0	0
RBV Notes	99.1	1068.6	585.4	1785.3	820.5	1019.1	546.2	585.4	704.4	982.7	1268.5	1785.3
Other Liabilities	887.1	809.6	767.6	842.2	764.4	662.5	707.6	767.6	765.8	762.8	807.1	842.2
<b>TOTAL LIABILITIES</b>	<b>6,864.4</b>	<b>8,466.4</b>	<b>9,263.1</b>	<b>12,956.1</b>	<b>8,443.3</b>	<b>8,630.3</b>	<b>8,895.7</b>	<b>9,263.1</b>	<b>9,603.6</b>	<b>11,031.9</b>	<b>11,807.5</b>	<b>12,956.1</b>

TABLE 2: ASSETS AND LIABILITIES OF COMMERCIAL BANKS

(Millions of Vatu)

End of Period	2003	2004	2005	2006	2005				2006			
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Reserves	2,720.2	2805.0	3246.7	4765.8	3085.5	2744.0	3081.7	3246.7	3190.0	4029.2	4443.1	4765.8
Vault Cash	450.8	477.1	687.6	745.4	409.0	344.7	319.8	687.6	374.0	387.8	415.1	745.4
Deposits with RBV	2,269.4	2327.9	2559.1	4020.4	2676.5	2399.3	2761.9	2559.1	2816.0	3641.4	4028.0	4020.4
RBV Notes	99.1	1068.6	585.4	1785.3	820.5	1019.1	546.2	585.4	704.4	982.7	1268.5	1785.3
Foreign Assets 1/	27,209.0	28060.9	29279.1	31004.8	28896.8	30355.7	29733.2	29279.1	29404.2	32130.9	30640.4	31004.8
Claims on Government	773.0	813	838	708	813	838	838	838	838.0	708	708.0	708
Claims on Municipalities	5.4	6.2	13.4	13.1	16.4	11.1	10.4	13.4	12.3	13.2	13.3	13.1
Claims on NFPE	16.2	29.4	26.5	81.4	24.9	23.3	22.1	26.5	25.2	36.5	88.3	81.4
Claims on private sector	14,558.4	15953	18545.4	20350.6	16435.2	17217.1	17978.4	18545.4	20012.0	20073.5	20210.8	20350.6
Inter-bank claims	0.0	-	0	0	0.0	0.0	0.0	0	0.0	0	0.0	0
Other Assets	1,168.8	1485.3	1543.4	1528.3	1502.9	1425.2	1379.5	1543.4	1676.1	1384.1	1284.3	1528.3
<b>TOTAL ASSETS</b>	<b>46,550.1</b>	<b>50221.4</b>	<b>54077.9</b>	<b>60237.3</b>	<b>51595.2</b>	<b>53633.5</b>	<b>53589.5</b>	<b>54077.9</b>	<b>55862.2</b>	<b>59358.1</b>	<b>58656.7</b>	<b>60237.3</b>
Demand Deposits	10,067.1	10,243.2	11,349.3	12,611.1	11503.3	12616.8	11463.9	11349.3	12085.3	12796	12568.2	12611.1
Local currency	3,763.2	4067.2	4733.9	5813.4	4500.9	4298.3	4479.4	4733.9	5119.8	5089.6	5425.1	5813.4
Foreign currency	6,303.9	6176	6615.4	6797.7	7002.4	8318.5	6984.5	6615.4	6965.5	7706.4	7143.1	6797.7
Savings Deposits	2,698.3	2,989.1	2,954.3	3,039.8	2962.8	3045.0	3005.2	2954.3	2868.1	2944.4	2846.0	3039.8
Local currency	2,282.9	2378.3	2497.1	2867.4	2344	2501.3	2529.7	2497.1	2441.2	2526.9	2648.6	2867.4
Foreign currency	415.4	610.8	457.2	172.4	618.8	543.7	475.5	457.2	426.9	417.5	197.4	172.4
Time Deposits	19,854.7	22,425.5	25,568.1	26,748.0	22972.1	23166.1	25058.2	25568.1	25881.4	27214.1	26070.8	26748.0
Local currency	5,527.1	6883	8815.4	10181.9	7228.3	7658.1	8572	8815.4	9100.1	9870.2	10118.1	10181.9
Foreign currency	14,327.6	15542.5	16752.7	16566.1	15743.8	15508	16486.2	16752.7	16781.3	17343.9	15952.7	16566.1
Foreign Liabilities	7,267.5	6898.6	7141.5	9372.9	6988.6	7572.7	7072	7141.5	7241.0	8488.9	9090.7	9372.9
Government Deposits 2/	282.5	185.1	457.3	454.2	182.4	259.7	379.8	457.3	340.0	343	300.9	454.2
Credit from RBV	100.0	-	0	0	-	-	0	0	0.0	0	0.0	0
Other Liabilities	6,280.0	7479.9	6607.4	8011.3	6986	6973.2	6610.4	6607.4	7446.4	7571.7	7780.1	8011.3
<b>TOTAL LIABILITIES</b>	<b>46,550.1</b>	<b>50221.4</b>	<b>54077.9</b>	<b>60237.3</b>	<b>51595.2</b>	<b>53633.5</b>	<b>53589.5</b>	<b>54077.9</b>	<b>55862.2</b>	<b>59358.1</b>	<b>58656.7</b>	<b>60237.3</b>

1/Includes small amounts of claims on foreign monetary authorities in the form of foreign currency notes and coins.

2/ Government deposits in Vatu and foreign currency.

r: Revised

**TABLE 3 : MONETARY SURVEY: A CONSOLIDATED STATEMENTS OF ACCOUNTS OF THE MONETARY INSTITUTIONS**

(Millions of Vatu)

End of Period	2003	2004	2005	2006	2005				2006			
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>NET FOREIGN ASSETS</b>	<b>24,679.1</b>	<b>27,575.1</b>	<b>29,488.2</b>	<b>32,592.7</b>	<b>28,508.7</b>	<b>29,651.9</b>	<b>29,756.0</b>	<b>29,488.2</b>	<b>29,908.8</b>	<b>32,791.6</b>	<b>31537.7</b>	<b>32592.7</b>
'Monetary Authorities	4,737.6	6,412.8	7,350.6	10,960.8	6,600.5	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6	9988.0	10960.8
Reserve Bank of Vanuatu(a-b)	4,737.6	6,412.8	7,350.6	10,960.8	6,600.5	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6	9988.0	10960.8
'(a) Foreign Assets	4,953.5	6614.5	7595.6	11191.9	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1	10205.0	11191.9
'(b) Foreign Liabilities	215.9	201.7	245	231.1	223.7	215.2	247.5	245	248.2	265.5	217.0	231.1
'Treasury Foreign Assets	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0.0	0
'Commercial Banks (Net) 1/ (a-b)	19,941.5	21,162.3	22,137.6	21,631.9	21,908.2	22,783.0	22,661.2	22,137.6	22,163.2	23,642.0	21549.7	21631.9
'(a) Foreign Assets	27,209.0	28060.9	29279.1	31004.8	28896.8	30355.7	29733.2	29279.1	29404.2	32130.9	30640.4	31004.8
'(b) Foreign Liabilities	7,267.5	6898.6	7141.5	9372.9	6988.6	7572.7	7072	7141.5	7241	8488.9	9090.7	9372.9
<b>DOMESTIC CREDIT</b>	<b>15,888.1</b>	<b>17,093.5</b>	<b>18,546.5</b>	<b>19,853.8</b>	<b>17,171.8</b>	<b>17,547.1</b>	<b>18,092.8</b>	<b>18,546.5</b>	<b>19,661.2</b>	<b>19,574.4</b>	<b>19913.7</b>	<b>19853.8</b>
'Claims on Government (Net)	1,128.6	954.5	-162.5	-697.2	551	167.3	-43.4	-162.5	-510.4	-670.6	-520.6	-697.2
'Claims on NFPE 2/	16.2	29.4	26.5	81.4	24.9	23.3	22.1	26.5	25.2	36.5	88.3	81.4
'Claims on Private Sector 3/	14,737.9	16103.4	18669.1	20456.5	16579.5	17345.4	18103.7	18669.1	20134.1	20195.3	20332.7	20456.5
'Claims on OFI 4/	0.0											
'Claims on Municipalities	5.4	6.2	13.4	13.1	16.4	11.1	10.4	13.4	12.3	13.2	13.3	13.1
<b>TOTAL LIQUIDITY</b>	<b>34,729.3</b>	<b>38,147.6</b>	<b>42,562.4</b>	<b>45,554.9</b>	<b>39,646.9</b>	<b>41,170.0</b>	<b>42,104.9</b>	<b>42,562.4</b>	<b>43,339.0</b>	<b>45,714.1</b>	<b>44434.9</b>	<b>45554.9</b>
'Money	12,176.3	12,733.3	14,040.0	15,767.1	13,712.0	14,958.9	14,041.5	14,040.0	14589.5	15555.6	15518.1	15767.1
'Currency outside Banks	2,108.4	2490.1	2690.7	3156	2208.7	2342.1	2577.6	2690.7	2504.2	2759.6	2949.9	3156
'Demand deposits	10,067.9	10,243.2	11,349.3	12,611.1	11,503.3	12616.8	11463.9	11349.3	12085.3	12796	12568.2	12611.1
'Local currency	3,764.0	4067.2	4733.9	5813.4	4500.9	4298.3	4479.4	4733.9	5119.8	5089.6	5425.1	5813.4
'Foreign currency	6,303.9	6176.0	6615.4	6797.7	7002.4	8318.5	6984.5	6615.4	6965.5	7706.4	7143.1	6797.7
'Quasi-money	22,553.0	25,414.3	28,522.4	29,787.8	25,934.9	26,211.1	28,063.4	28,522.4	28749.5	30158.5	28916.8	29787.8
'Time & Savings deposits in Vatu	7,810.0	9261.0	11312.5	13049.3	9572.3	10159.4	11101.7	11312.5	11541.3	12397.1	12766.7	13049.3
'Time & Savings deposits in FC	14,743.0	16153.3	17209.9	16738.5	16362.6	16051.7	16961.7	17209.9	17208.2	17761.4	16150.1	16738.5
<b>OTHER ITEMS (Net)</b>	<b>5,837.9</b>	<b>6,521.0</b>	<b>5,906.8</b>	<b>6,891.6</b>	<b>6,033.6</b>	<b>6,029.0</b>	<b>5,743.9</b>	<b>5,472.3</b>	<b>6,231.0</b>	<b>6,651.9</b>	<b>7,016.5</b>	<b>6,891.6</b>

1/ Monetary Authorities' foreign currency holdings with commercial banks are not included as part of their foreign assets here.

2/ Including claims on Vanuatu Commodities Marketing Board (VCMB).

3/ Including claims on RBV staff.

4/ Other financial institutions comprise of Vanuatu National Provident Fund etc.



TABLE 4: DOMESTIC MONEY SUPPLY AND COMPONENTS

(Millions of Vatu)

End Period		2003	2004	2005	2006	2005				2006			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Notes	(1)	2,133.8	2543.9	2928.3	3415.0	2194.2	2256.6	2456.60	2928.3	2664.5	2931.2	2895.9	3415.00
Coins	(2)	425.4	0.0	450.0	486.4	423.5	430.0	440.90	450.0	213.7	216.2	469.0	486.40
Total	(3) (1+2)	2,559.2	2937.2	3378.3	3901.4	2617.7	2686.6	2897.5	3378.3	2878.2	3147.4	3364.9	3901.4
Cash in hand with Banks	(4)	450.8	447.1	687.6	745.4	409.0	344.7	319.80	687.6	374.0	387.8	415.1	745.40
Currency with Public in Vatu	(5) (3-4)	2,108.4	2490.1	2690.7	3156.0	2208.7	2342.1	2577.60	2690.7	2504.2	2759.6	2949.8	3156.0
Demand deposits of resident in Vatu (D dV)1/	(6)	3,764.0	4067.2	4733.9	5813.4	4500.9	4298.3	4479.40	4733.9	5119.8	5089.6	5425.1	5813.40
M1 (Narrow Measure)	(7) (5+6)	5,872.4	6557.3	7424.6	8969.4	6709.6	6640.4	7057.0	7424.6	7624.0	7849.2	8374.9	8969.4
Demand deposits of residents in FC (DdF)2/	(8)	6,303.9	6176.0	6615.4	6797.7	7002.4	8318.5	6984.50	6615.4	6965.5	7706.4	7143.1	6797.70
M2	(9) (7+8)	12,176.3	12733.3	14040.0	15767.1	13712.0	14958.9	14041.5	14040.0	14589.5	15555.6	15518.0	15767.1
Savings & time deposits of residents in Vatu (T dV)	(10)	7,810.0	9261.0	11312.5	13049.3	9572.3	10159.4	11101.70	11312.5	11541.3	12397.1	12766.7	13049.30
MV (Vatu liquidity)	(11) (7+10)	13,682.4	15818.3	18737.1	22018.7	16281.9	16799.8	18158.7	18737.1	19165.3	20246.3	21141.6	22018.7
M3	(12) (9+10)	19,986.3	21994.3	25352.5	28816.4	23284.3	25118.3	25143.2	25352.5	26130.8	27952.7	28284.7	28816.4
Savings & time deposits of residents in FC (TdF)	(13)	14,743.0	16153.3	17209.9	16738.5	16362.6	16051.7	16961.70	17209.9	17208.2	17761.4	16150.2	16738.50
Mf (Foreign currency liquidity)	(14) (8+13)	21,046.9	22329.3	23825.3	23536.2	23365.0	24370.2	23946.2	23825.3	24173.7	25467.8	23293.3	23536.2
M4 (Broad Measures)	(15) (12+13)	34,729.3	38147.6	42562.4	45554.9	39646.9	41170.0	42104.9	42562.4	43339.0	45714.1	44434.9	45554.9

1/ Excludes deposits of Government but includes Vatu deposits on non-reporting (i.e. exempt) banks and other institutions held with reporting banks.

2/ Excludes Government deposits and deposits of exempt institutions.

TABLE 5: DISTRIBUTION OF VATU AND FOREIGN CURRENCY DEPOSITS OF RESIDENTS BY CATEGORIES

(Millions of Vatu)

End Period  (1)	VATU DEPOSITS 1/				'FOREIGN CURRENCY DEPOSITS 1/				PERCENTAGE DISTRIBUTION			Government Deposits 2/
	Demand	Savings	Time	Total	Demand	Savings	Time	Total	Vatu Deposits	Foreign Currency Deposits	Total	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
<b>2003</b>	3,763.2	2,282.9	5,527.1	11,573.2	6,303.9	415.4	14,327.6	21,046.9	35.5	64.5	100.0	282.5
<b>2004</b>	4,067.2	2,378.3	6,883.0	13,328.5	6,176.0	610.8	15,542.5	22,329.3	37.4	62.6	100.0	185.1
<b>2005</b>	4,733.9	2,497.1	8,815.4	16,046.4	6,615.4	457.2	16,752.7	23,825.3	40.2	59.8	100.0	457.3
<b>2006</b>	5,813.4	2,867.4	10,181.9	18,862.7	6,797.7	172.4	16,566.1	23,536.2	44.5	55.5	100.0	454.2
<b>2005</b>												
Qtr 1	4,500.9	2,344.0	7,228.4	14,073.3	7,002.4	618.8	15,743.8	23,365.0	37.6	62.4	100.0	182.4
Qtr 2	4,298.3	2,501.3	7,658.1	14,457.7	8,318.5	543.7	15,508.0	24,370.2	37.2	62.8	100.0	259.7
Qtr 3	4,479.4	2,529.7	8,572.0	15,581.1	6,984.5	475.5	16,486.2	23,946.2	39.4	60.6	100.0	379.8
Qtr 4	4,733.9	2,497.1	8,815.4	16,046.4	6,615.4	457.2	16,752.7	23,825.3	40.2	59.8	100.0	457.3
<b>2006</b>												
Qtr 1	5,119.8	2,441.2	9,100.0	16,661.0	6,965.5	426.9	16,781.4	24,173.8	40.8	59.2	100.0	340.0
Qtr 2	5,089.6	2,526.9	9,870.2	17,486.7	7,706.4	417.5	17,343.9	25,467.8	40.7	59.3	100.0	343.0
Qtr 3	5,425.1	2,648.6	10,118.1	18,191.8	7,143.1	197.4	15,952.7	23,293.2	43.9	56.1	100.0	300.9
Qtr 4	5,813.4	2,867.4	10,181.9	18,862.7	6,797.7	172.4	16,566.1	23,536.2	44.5	55.5	100.0	454.2

1/ Excludes deposits of the Vanuatu Government.

2/ Government deposits in Vatu and Foreign currencies.

TABLE 6: TIME DEPOSITS IN VATU OF RESIDENTS WITH COMMERCIAL BANKS 2/

(Millions of Vatu)

\ MATURITY \ PERIOD END OF PERIOD \	Up to and Inclusive of 7 days	Over 7 days and up to 1 Month	1 to 2 Months	2 to 3 Months	3 to 6 Months	6 to 12 Months	Over one Year	Total 2/
<b>2002</b>	189.9	1,062.3	459.7	601.5	458.9	447.2	568.0	3,787.5
<b>2003</b>	350.5	1,377.5	537.5	644.8	1,091.2	962.1	691.3	5,654.9
<b>2004</b>	525.2	1,306.1	780.2	554.2	961.0	1,755.6	1,056.7	6,939.0
<b>2005</b>	191.1	2,488.1	1,106.8	774.4	1,267.8	2,409.1	774.1	9,011.4
<b>2006</b>	452.9	2,660.6	903.4	665.1	1,706.5	3,911.3	75.8	10,375.6
<b>2005</b>								
Qtr 1	623.2	1,176.2	920.3	670.5	1,437.7	1,818.7	644.0	7,290.6
Qtr 2	813.1	2,054.7	635.1	705.8	923.5	1,497.8	1,099.9	7,729.9
Qtr 3	650.4	1,630.8	1,496.7	1,171.8	1,201.7	2,026.6	574.7	8,752.7
Qtr 4	191.1	2,488.1	1,106.8	774.4	1,267.8	2,409.1	774.1	9,011.4
<b>2006</b>								
Qtr 1	344.5	1,097.5	936.1	742.4	1,531.2	2,832.2	718.2	8,202.1
Qtr 2	443.3	2,213.9	1,032.0	1,162.6	1,486.5	2,884.2	586.9	9,809.4
Qtr 3	382.8	2,331.3	1,583.3	662.8	1,676.8	3,743.3	225.7	10,606.0
Qtr 4	452.9	2,660.6	903.4	665.1	1,706.5	3,911.3	75.8	10,375.6

1/ As from (Qtr 1 1999),Data covers only 3 of the 4 commercial I

From (Qtr 3 2002) Data covers 2 out of the 3 banks ( 2 banks Merged ). From Qtr42003 data covers all commercial banks

2/ Includes deposits of the Vanuatu Government

TABLE 7: COMMERCIAL BANKS SECTORAL DISTRIBUTION OF LOANS & ADVANCES IN VATU AND FOREIGN CURRENCY

(Millions of Vatu)

SECTOR	2003	2004	2005	2006	2005				2006			
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Agriculture	240.7	244.6	304.2	400.2	261.5	243.4	275.1	304.2	555.9	269	287.6	400.2
Fisheries	30.9	26.6	26.9	23.2	27.5	19.8	20.3	26.9	34.5	30.5	24.2	23.2
Mining & Quarrying	-	11.2	0	46.4	5.7	3.4	0.0	0.0	0.0	0	42.5	46.4
Manufacturing	852.4	487.6	1117.4	1,069.3	882.9	942.8	1097.9	1117.4	1153.3	1115.4	1127.1	1069.3
Tourism	1,313.7	1,314.6	1706.8	2,271.7	1,285.1	1,298.1	1523	1706.8	2114.2	2387.3	2320.4	2271.7
Entertainment & Catering	163.3	205.4	58.5	48.3	207.2	201.3	151.4	58.5	116.2	123.2	124.4	48.3
Transport	588.9	667.0	625.5	842.1	682.4	677.1	591.2	625.5	893.4	894.7	1918.3	842.1
Public Utilities	9.9	7.5	6.6	5.7	7.3	7.0	6.8	6.6	6.4	6.2	6.0	5.7
Construction	2,731.3	2,710.0	2917.6	2,180.1	2,751.2	2,946.4	2882.1	2917.6	2987.3	2215.9	2195.3	2180.1
a) Government	5.9	0.9	8.8	5.3	0.5	2.3	1.9	8.8	5.1	9.8	0.3	5.3
b) Public Corporation	8.5	43.7	52.8	34.9	36.5	46.7	46.1	52.8	49.2	41.4	40.5	34.9
Financial Institutions	48.6	138.7	121.6	154.3	138.4	136.6	136.9	121.6	122.0	151.5	155.4	154.3
Professional & Other Services	917.1	915.7	916.4	953.8	918.8	918.6	911.1	916.4	897.7	876.4	930.4	953.8
Housing & Land Purchases	2,260.5	3,592.7	4386.5	5,453.8	3,875.0	4,073.2	4168.9	4386.5	4522.7	4955.7	5130.7	5453.8
Distribution	1,780.6	1,600.6	1862.9	2,179.4	1,713.6	1,725.0	1844.2	1862.9	1893.1	2350.5	1305.0	2179.4
Personal: Others	3,423.9	3,147.3	3736.5	3,377.4	3,385.4	3,404.5	3677.1	3736.5	3880.4	3605.8	3368.8	3377.4
Miscellaneous	203.8	933.2	828.4	1,602.8	385.2	691.2	720.3	828.4	907.8	1232.2	1497.6	1602.8
<b>TOTAL</b>	<b>14,580.0</b>	<b>16,047.3</b>	<b>18,677.4</b>	<b>20,648.7</b>	<b>16,564.2</b>	<b>17,337.4</b>	<b>18,054.3</b>	<b>18,677.4</b>	<b>20,139.2</b>	<b>20,265.5</b>	<b>20,474.5</b>	<b>20,648.7</b>
Of which: Vatu	13,216.1	14,503.1	16886.2	18,063.0	15,034.1	15,663.2	16228.2	16886.2	17651.5	17469.5	17798.2	18063
Private shares & Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Government Bonds	773.0	813.0	838.0	708.0	773.0	838.0	838.0	838.0	838.0	708	708	708
Claims on Non-reporting banks /1	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>15,353.0</b>	<b>16,860.3</b>	<b>19,515.4</b>	<b>21,356.7</b>	<b>17,337.2</b>	<b>18,175.4</b>	<b>18,892.3</b>	<b>19,515.4</b>	<b>20,977.2</b>	<b>20,973.5</b>	<b>21,182.5</b>	<b>21,356.7</b>

1/ Non-reporting banks includes Trust companies, Insurances etc.

TABLE 8: DISTRIBUTION OF VATU ADVANCES BY INTEREST RATES AS AT THE END OF DECEMBER 2006

(Millions of Vatu)

\ SECTOR \ RATE OF \ INTEREST % \		Agriculture & Fisheries	Mininig & Manufacturing	Other Productive Sectors	Distribution, Trade & Other Sectors	Housing & Land Purchase for Owner Occupation (Personal)	Other Personal	Total
1)		2)	3)	4)	5)	6)	7)	8)
Below	8.00	137.0	511.1	1,296.9	773.5	284.9	262.9	3,266.3
At	8.00	-	-	-	-	-	-	-
	8.50	-	230.9	-	265.9	11.7	2.6	511.1
	9.00	-	-	43.9	94.3	709.1	206.1	1,053.4
	9.50	-	-	121.0	21.0	570.5	67.4	779.9
	10.00	11.4	5.9	242.8	141.6	1,835.0	239.2	2,475.9
	10.50	17.0	92.6	35.1	43.4	297.7	30.0	515.8
	11.00	0.8	-	408.7	1,238.3	343.6	60.3	2,051.7
	11.50	73.4	131.8	129.3	227.8	139.7	61.3	763.3
	12.00	5.5	2.2	54.5	22.6	27.0	156.3	268.1
	12.50	13.3	14.1	191.1	100.9	466.8	568.7	1,354.9
	13.00	-	20.6	331.3	51.1	112.3	298.6	813.9
	13.50	-	0.6	35.3	85.9	31.2	76.4	229.4
	14.00	-	31.5	53.0	43.5	72.1	51.9	252.0
	14.50	26.1	9.6	824.2	94.6	215.2	181.2	1,350.9
	15.00	-	40.8	1.9	1,030.8	3.9	20.5	1,097.9
	15.50	2.0	6.1	66.3	12.0	14.6	10.2	111.2
	16.00	-	-	2.1	3.1	1.5	15.0	21.7
	16.50	1.6	2.1	19.5	4.7	23.1	91.4	142.4
	17.00	-	-	-	-	3.8	-	3.8
	17.50	2.6	2.0	12.4	-	-	18.4	35.4
At	18.00	-	-	13.2	0.5	15.8	51.0	80.5
Above	18.00	25.4	13.9	52.6	33.6	7.9	750.2	883.6
<b>TOTAL</b>		<b>316.1</b>	<b>1,115.8</b>	<b>3,935.1</b>	<b>4,289.1</b>	<b>5,187.4</b>	<b>3,219.6</b>	<b>18,063.1</b>

TABLE 9: SELECTED INTEREST RATES FOR LOCAL COMMERCIAL BANKS 1/

End Period	DEPOSIT RATES							ADVANCES RATES 2/				
	VATU						Foreign Currencies (Australian Dollar)	Vatu only				LOCAL INTER-BANK RATES
	Savings	1 month	2-6 Months	Above 6 months	Weighted average rate of interest for Fixed deposits	Weighted average rate of interest for total bank deposits	1 month (Locally quoted)	Commercial	Personal	Housing	Weighted average rate of interest for bank loans	Call or Overnight
2003	0.50-2.00	1.50-6.00	1.50-6.00	1.75-6.00	5.02	2.18	3.55-4.425	6.50-16.00	9.75-25.00	5.90-18.50	11.73	5.50
2004	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.55	5.42	2.40	3.55-4.55	8.50-16.00	12.00-25.00	5.90-14.75	11.59	5.50
2005	0.50-2.00	2.00-6.50	2.00-7.00	2.25-7.00	4.85	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
2006	0.50-2.00	1.75-4.20	1.75-4.50	2.75-4.75	4.60	1.89	3.50-5.45	8.25-16.00	12.00-25.00	8.25-14.75	11.30	5.50
<b>2005</b>												
Qtr 1	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.00	5.05	2.24 r	3.55-4.55	8.00-16.00	12.00-25.00	5.90-14.75	11.74	5.50
Qtr 2	0.50-2.00	2.00-5.00	2.00-5.75	2.25-7.00	4.58	2.14	3.55-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.65	5.50
Qtr 3	0.50-2.00	2.00-5.00	2.00-5.75	2.25-7.00	4.47	2.12	3.55-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.96	5.50
Qtr 4	0.50-2.00	2.00-6.50	2.00-7.00	2.75-7.00	4.85	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
<b>2006</b>												
Qtr 1	0.50-2.00	2.00-6.50	2.00-7.00	2.75-6.5	5.25	2.28	3.50-4.55	8.25-16.00	12.00-25.50	8.25-14.75	11.20	5.50
Qtr 2	0.50-2.00	2.00-6.00	2.00-6.50	2.75-6.50	5.20	2.38	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.65	5.50
Qtr 3	0.50-2.00	1.75-5.50	1.75-5.00	2.75-5.50	4.71	1.92	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	10.86	5.50
Qtr 4	0.50-2.00	1.75-4.20	1.75-4.50	2.75-4.75	4.60	1.89	3.50-5.45	8.25-16.00	12.00-25.00	8.25-14.75	11.34	5.50

Source: Local Commercial banks returns:

1/ From (Qtr 3, 2002) Data covers 2 out of 3 banks (2 banks merged). From Qtr 4 2003 data covers all commercial banks

2/ Interest rates relating to vatu advances ranging from the minimum 8.25 percent also reflect rates offered to their staff.

r: Revised

TABLE 10: DENOMINATIONS OF CURRENCY ON ISSUE

(Millions of Vatu)

End Period	Total Notes & Coins	N	O	T	E	S	Total	Coins
		VT100	VT200	VT500	VT1,000	VT5,000		
<b>2003</b>	2,559.2	23.8	54.7	119.3	1,005.6	898.1	2,133.8	425.4
<b>2004</b>	2,967.2	23.7	63.6	131.6	1,140.5	1,184.5	2,543.9	423.3
<b>2005</b>	3,378.3	23.7	68.0	141.5	1,342.6	1,352.5	2,928.3	450.0
<b>2006</b>	3,901.4	23.7	68.8	155.6	1,605.3	1,561.7	3,415.1	486.3
<b>2005</b>								
Qtr1	2,617.6	23.7	58.3	119.8	1,007.8	984.5	2,194.1	423.5
Qtr2	2,686.8	23.7	59.0	121.5	1,029.5	1,023.0	2,256.7	430.1
Qtr3	2,897.5	23.7	65.6	131.5	1,134.8	1,101.0	2,456.6	440.9
Qtr4	3,378.3	23.7	68.0	141.5	1,342.6	1,352.5	2,928.3	450.0
<b>2006</b>								
Qtr1	2,878.2	23.7	61.7	128.6	1,102.8	1,113.8	2,430.6	447.6
Qtr2	3,147.3	23.7	65.4	137.1	1,224.6	1,239.9	2,690.7	456.6
Qtr3	3,364.9	23.7	66.3	138.8	1,299.2	1,367.9	2,895.9	469.0
Qtr4	3,901.4	23.7	68.8	155.6	1,605.3	1,561.7	3,415.1	486.3

TABLE 11: NET OFFICIAL RESERVES

(Millions of Vatu)

End of Period	1. Net Official Reserves						2. Net Foreign Assets of Commercial Banks		
	Foreign Exchange of RBV	Special Drawing Rights	Reserve Position in IMF	Total Holdings	Foreign Liabilities	Net Position	Foreign Assets	Foreign Liabilities	Net Position
	(1)	(2)	(3)	(4) (1+2+3)	(5)	(6) (4-5)	(7)	(8)	(9) (7-8)
<b>2003</b>	4,364.6	154.4	434.5	4,953.5	215.9	4,737.6	27,209.0	7,267.5	19,941.5
<b>2004</b>	6018.2	161.8	434.5	6,614.5	201.7	6,412.8	28,060.9	6,898.6	21,162.3
<b>2005</b>	6988.5	172.6	434.5	7,595.6	245.0	7,350.6	29,279.1	7,141.5	22,137.6
<b>2006</b>	10572.2	188.2	434.5	11,194.9	231.1	10,963.8	31,004.8	9,372.9	21,631.9
<b>2005</b>									
Qtr1	6225.4	164.3	434.5	6,824.2	223.7	6,600.5	28,896.8	6,988.6	21,908.2
Qtr2	6482.8	166.8	434.5	7,084.1	215.2	6,868.9	30,355.7	7,572.7	22,783.0
Qtr3	6738.2	169.6	434.5	7,342.3	247.5	7,094.8	29,733.2	7,072.0	22,661.2
Qtr4	6988.5	172.6	434.5	7,595.6	245.0	7,350.6	29,279.1	7,141.5	22,137.6
<b>2006</b>									
Qtr1	7383.3	176.1	434.5	7,993.9	248.2	7,745.7	29,404.2	7,241.0	22,163.2
Qtr2	8800.9	179.7	434.5	9,415.1	265.5	9,149.6	32,130.9	8,488.9	23,642.0
Qtr3	9586.7	183.8	434.5	10,205.0	217.0	9,988.0	30,640.4	9,090.7	21,549.7
Qtr4	10572.2	188.2	434.5	11,194.9	231.1	10,963.8	31,004.8	9,372.9	21,631.9



TABLE 12: RESERVE BANK NOTES ISSUED IN PRIMARY MARKET

Date of Issue	Period of Original Maturity	Date of Maturity	Amount Issued (Million VT)			Weighted Average Yield of Accepted Tenders	Notes Outstanding (Million Vatu) 1/
			Float	Received	Accepted		
11-Oct-06	14 days	25-Oct-06	90	0	0		
	28 days	8-Nov-06	90	50	50	4.9	
	63 days	13-Dec-06	90	50	50	4.95	
	91 days	10-Jan-07	90	90	90	5.18	
	119 days	7-Feb-07	90	115	115	5.22	
	<b>Total</b>			<b>450</b>	<b>305</b>	<b>305</b>	
25-Oct-06	14 days	8-Nov-06	45	0	0		
	28 days	22-Nov-06	90	50	50	5.02	
	63 days	27-Dec-06	90	50	50	5.11	
	91 days	24-Jan-07	90	80	80	5.18	
	119 days	21-Feb-07	90	0	0		
	182 days	25-Apr-07	45	0	0		
<b>Total</b>			<b>450</b>	<b>180</b>	<b>180</b>		<b>1,361.8</b>
8-Nov-06	14 days	22-Nov-06	50				
	28 days	6-Dec-06	100				
	63 days	10-Jan-07	100	250	150	5.11	
	91 days	7-Feb-07	100	200	100	5.18	
	119 days	7-Mar-07	100	250	150	5.22	
	182 days	9-May-07	50	95	50	5.1	
<b>Total</b>			<b>500</b>	<b>795</b>	<b>450</b>		<b>1,971.8</b>
22-Nov-06	14 days	6-Dec-06	50	100	50	5.25	
	28 days	20-Dec-06	100	200	100	5.25	
	63 days	24-Jan-07	100	250	100	5.11	
	91 days	21-Feb-07	100	250	100	5.16	
	119 days	21-Mar-07	100	200	100	5.12	
	182 days	23-May-07	50	150	50	5.09	
<b>Total</b>			<b>500</b>	<b>1,150</b>	<b>500</b>		
6-Dec-06	14 days	20-Dec-06	40	40	40	5.25	
	28 days	3-Jan-07	80	130	80	5.24	
	63 days	7-Feb-07	80	130	50	5.11	
	91 days	7-Mar-07	80	160	80	5.16	
	119 days	4-Apr-07	80	160	80	5.12	
	182 days	6-Jun-07	40	80	40	5.09	
<b>Total</b>			<b>400</b>	<b>700</b>	<b>370</b>		
20-Dec-06	14 days	3-Jan-07	40	40	40	5.22	
	28 days	17-Jan-07	80	80	80	5.22	
	63 days	21-Feb-07	80	80	0	0	
	91 days	21-Mar-07	80	135	55	5.16	
	119 days	18-Apr-07	80	160	80	5.12	
	182 days	20-Jun-07	40	80	40	5.1	
<b>Total</b>			<b>400</b>	<b>575</b>	<b>295</b>		<b>1,785.3</b>

1/ Amount of RBV notes outstanding at the end of the month.

TABLE 13: COMMERCIAL BANKS' LIQUIDITY

End of Period	Liquid Assets			Statutory Reserve Deposits (SRD)	RBV Notes	Total
	Vault Cash	Deposits with RBV (Excess Reserves)	Total			
	(1)	(2)	(1+2) (3)	(4)	(5)	(3+4+5) (6)
<b>2002</b>	357.3	817.3	1,174.6	1,388.1	323.9	2,886.6
<b>2003</b>	450.8	772.4	1,223.2	1,497.0	99.1	2,819.3
<b>2004</b>	477.1	703.8	1,180.9	1,624.1	1,068.6	3,873.6
<b>2005</b>	687.6	624.1	1,311.7	1,935.0	585.4	3,832.1
<b>2006</b>	745.4	4,020.4	4,765.8	2,210.9	1,809.0	8,785.7
<b>2005</b>						
Qtr1	409.0	1,007.7	1,416.7	1,668.8	820.5	3,906.0
Qtr2	344.7	609.7	954.4	1,789.6	1,019.5	3,763.5
Qtr3	319.8	891.6	1,211.4	1,870.3	546.2	3,627.9
Qtr4	687.6	624.1	1,311.7	1,935.0	585.4	3,832.1
<b>2006</b>						
Qtr1	374.0	831.1	1,205.1	1,984.9	704.4	3,894.4
Qtr2	387.8	1,598.6	1,986.4	2,042.8	982.7	5,011.9
Qtr3	415.1	1,863.3	2,278.4	2,164.7	1,268.5	5,711.6
Qtr4	745.4	1,809.5	2,554.9	2,210.9	1,809.0	6,574.8

TABLE 14: DOMESTIC BANKING INDUSTRY

The Core set of Financial soundness Indicators (%)

	2001	2002	2003	2005				2006			
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>Deposit - taking instruments</b>											
<b>1 Capital adequacy</b>											
Regulatory capital to risk - weighted assets 1/	32.2	32.8	39.8	31.8	29.7	26.7	26.7	30.1	29.6	32.3	33.5
Regulatory Tier 1 Capital to risk-weighted assets 1/	30.9	31.6	38.7	30.6	28.5	25.6	25.6	29.0	28.4	31.1	32.3
<b>2 Asset quality</b>											
Nonperforming loans net of provisions to capital r/	8.3	11.7	19.5	35.1	47.4	53.0	71.2	66.5	42.9	50.2	49.4
Nonperforming loans to total gross loans	3.8	3.9	8.4	13.1	15.1	15.1	19.5	19.4	15.2	16.4	16.7
<b>3 Earnings and profitability</b>											
Return on assets (ROA)	0.7	1.1	0.8	0.9	2.0	1.0	1.1	1.0	1.2	1.0	0.9
Return on equity (ROE)	4.4	6.0	6.5	7.7	8.6	9.5	10.1	9.5	11.4	9.5	8.3
Interest margin to gross income	73.0	70.8	61.9	65.9	64.4	64.1	67.5	66.6	71.4	70.6	69.4
Noninterest expenses to gross income	37.1	34.1	36.2	30.0	30.7	31.3	30.4	27.9	24.3	27.5	30.7
<b>4 Liquidity</b>											
Liquid assets to total assets	27.9	21.9	18.1	22.1	18.8	17.5	17.2	17.8	20.5	24.2	25.8

PROFIT

Thousand of Valu

	2001	2002	2003	2005				2006			
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>1 Income</b>											
Interest Income	454,502	687,505	673,526	769,060	824,346	877,408	951,810	917,459	1,118,806	1,072,416	1,044,965
Non-Interest Income	234,324	283,392	414,979	398,701	456,018	491,485	457,583	459,846	448,899	446,395	460,957
<b>Total Operating Income</b>	<b>688,826</b>	<b>970,897</b>	<b>1,088,505</b>	<b>1,167,761</b>	<b>1,280,364</b>	<b>1,368,893</b>	<b>1,409,393</b>	<b>1,377,305</b>	<b>1,567,705</b>	<b>1,518,811</b>	<b>1,505,922</b>
<b>2 Expenses</b>											
Interest Expense	187,168	298,548	275,759	326,235	354,671	376,798	388,738	403,799	440,002	467,104	478,397
Operating Expenses (Excluding bad debts & provisions charges)	252,230	331,550	393,738	350,852	392,724	429,049	427,854	384,014	380,505	418,252	461,624
<b>Total Operating Expenses</b>	<b>439,398</b>	<b>630,098</b>	<b>669,497</b>	<b>677,087</b>	<b>747,395</b>	<b>805,847</b>	<b>816,592</b>	<b>787,813</b>	<b>820,507</b>	<b>885,356</b>	<b>940,021</b>
<b>Net Interest Income</b>	<b>267,334</b>	<b>388,957</b>	<b>397,767</b>	<b>442,825</b>	<b>469,675</b>	<b>500,610</b>	<b>563,072</b>	<b>513,660</b>	<b>678,804</b>	<b>605,312</b>	<b>566,568</b>
<b>3 Profit and Loss Statement</b>											
<b>Operating Profit before tax, write-offs &amp; provisions</b>	<b>249,428</b>	<b>340,799</b>	<b>419,008</b>	<b>490,674</b>	<b>532,969</b>	<b>563,046</b>	<b>592,801</b>	<b>589,492</b>	<b>747,198</b>	<b>633,455</b>	<b>565,901</b>
Provisions	12,524	26,268	33,197	26,181	18,821	-25,552	7,142	30,522	17,884	20,762	22,635
Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-
Bad debts written - off	3,654	6,211	4,410	3,241	-303	-2,108	-1,336	-9,762	-2,539	-12,588	-7,488
Bad debts recovered	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Profit</b>	<b>233,250</b>	<b>308,320</b>	<b>381,401</b>	<b>461,252</b>	<b>514,451</b>	<b>590,706</b>	<b>586,995</b>	<b>568,732</b>	<b>731,853</b>	<b>625,281</b>	<b>550,754</b>

TABLE 15: DOMESTIC BANKS

CONSOLIDATED CAPITAL - 1/

	Thousands of Vatu											
	2001	2002	2003	2005				2006				
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	
<b>TIER 1</b>												
Paid-up capital	805,664	905,664	862,000	861,000	862,000	862,000	863,000	864,000	863,000	862,000	860,000	
Disclosed reserves & retained earnings 2/	1,655,427	1,440,062	2,969,702	3,676,883	3,502,858	3,132,277	3,243,145	3,618,357	4,073,333	4,118,470	4,410,480	
Less goodwill etc	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL TIER 1 CAPITAL</b>	<b>2,461,091</b>	<b>2,345,726</b>	<b>3,831,702</b>	<b>4,537,883</b>	<b>4,364,858</b>	<b>3,994,277</b>	<b>4,106,145</b>	<b>4,482,357</b>	<b>4,936,333</b>	<b>4,980,470</b>	<b>5,270,480</b>	
<b>TIER 2</b>												
Asset revaluation reserves												
(1) Premises	22,778	-	-	-	-	-	-	-	-	-	-	
General provisions for doubtful debts												
- Gross	182,272	-	-	-	-	-	-	-	-	-	-	
- Eligible	116,588	91,972	110,451	168,069	175,392	178,633	184,517	176,700	199,386	183,095	188,074	
Term subordinated debt etc												
- Gross	-	-	-	-	-	-	-	-	-	-	-	
- Eligible	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL TIER 2 CAPITAL</b>	<b>139,366</b>	<b>91,972</b>	<b>110,451</b>	<b>168,069</b>	<b>175,392</b>	<b>178,633</b>	<b>184,517</b>	<b>176,700</b>	<b>199,386</b>	<b>183,095</b>	<b>188,074</b>	
<b>TOTAL TIER 1 &amp; TIER 2</b>	<b>2,600,457</b>	<b>2,437,698</b>	<b>3,942,153</b>	<b>4,705,952</b>	<b>4,540,250</b>	<b>4,172,910</b>	<b>4,290,662</b>	<b>4,659,057</b>	<b>5,135,719</b>	<b>5,163,565</b>	<b>5,458,554</b>	
Less holdings of other banks capital instruments	-	-	-	-	-	-	-	-	-	-	-	
<b>CAPITAL BASE</b>	<b>2,600,457</b>	<b>2,437,698</b>	<b>3,942,153</b>	<b>4,705,952</b>	<b>4,540,250</b>	<b>4,172,910</b>	<b>4,290,662</b>	<b>4,659,057</b>	<b>5,135,719</b>	<b>5,163,565</b>	<b>5,458,554</b>	
Total risk weighted assets	9,304,039	7,430,663	9,901,757	14,824,091	15,308,273	15,611,938	16,071,125	15,481,598	17,381,250	16,009,719	16,306,710	

ASSETS QUALITY

	Thousands of Vatu											
	2001	2002	2003	2005				2006				
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	
<b>1 Asset Quality</b>												
Standard - 2/ Qtr 1- 2006	11,124,213	11,492,229	11,166,575	14,124,786	14,339,119	14,569,845	14,685,463	15,774,046	16,396,620	17,314,287	17,335,643	
Substandard	620,553	9,510,981	2,619,707	803,006	1,069,999	1,322,668	981,078	784,273	816,936	530,990	622,548	
Doubtful (D)	255,137	260,135	1,039,438	2,037,998	2,512,613	2,497,242	3,467,345	3,658,326	2,901,010	3,273,993	3,397,540	
Loss (L)	173,873	246,965	230,530	209,396	229,377	329,124	319,946	316,066	176,242	222,875	210,006	
<b>Total lending assets</b>	<b>12,173,776</b>	<b>12,951,310</b>	<b>15,056,250</b>	<b>17,175,186</b>	<b>18,151,108</b>	<b>18,718,879</b>	<b>19,453,832</b>	<b>20,532,711</b>	<b>20,290,808</b>	<b>21,342,145</b>	<b>21,565,737</b>	
<b>Total risk weighted assets 1/</b>	<b>15,671,039</b>	<b>13,881,663</b>	<b>15,147,757</b>	<b>21,310,091</b>	<b>22,058,273</b>	<b>15,618,707</b>	<b>22,795,125</b>	<b>23,715,598</b>	<b>27,244,250</b>	<b>23,935,719</b>	<b>24,437,710</b>	
Restructured items	-	99,726	185,918	49,480	97,008	68,123	75,592	73,923	75,405	91,244	99,019	
Non-accrual items (D + L) 3/	429,010	507,100	1,269,968	2,247,394	2,741,990	2,826,366	3,787,291	3,974,392	3,077,252	3,496,868	3,607,546	
<b>2 Provisioning</b>												
Provisions (specific)	151,580	220,985	502,079	595,575	589,424	613,624	733,470	878,508	872,436	905,376	912,781	
Provisions (general)	220,471	175,650	37,549	37,069	26,102	23,633	15,517	40,700	33,386	29,095	32,142	
Security	2,773,495	5,426,626	10,759,087	11,045,254	11,346,010	11,666,623	12,350,070	12,611,147	11,476,603	12,500,073	13,048,090	

TABLE 16: INTERNATIONAL BANKS - BALANCE SHEET

TOTAL ASSETS

	Thousands of Valu							
	2005				2006			
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>1 CASH ITEMS</b>	<b>91,803</b>	<b>79,018</b>	<b>66,921</b>	<b>58,516</b>	<b>65,192</b>	<b>59,442</b>	<b>58,158</b>	<b>66,852</b>
1.1 Cash	2,816	1,549	454	737	874	982	1,032	802
1.2 Balances and CDs issued by banks	40,388	32,788	29,857	30,312	38,888	31,898	31,481	39,606
1.3 Gold and silver bullion	-	-	-	-	-	-	-	-
1.4 Cash items in process of collection	48,599	44,681	36,610	27,467	25,430	26,562	25,645	26,444
<b>2 MARKETABLE SECURITIES (up to 1 yr. Original Maturity)</b>	<b>454</b>	<b>462</b>	<b>517</b>	<b>518</b>	<b>-</b>	<b>11</b>	<b>12</b>	<b>12</b>
2.1 Zone A: Other public sector	-	-	-	-	-	-	-	-
2.2 Zone A: Bank Securities	-	-	-	-	-	-	-	-
2.3 Other securities	454	462	517	518	-	11	12	12
<b>3 LOANS AND ADVANCES</b>	<b>125,252</b>	<b>174,129</b>	<b>136,174</b>	<b>139,085</b>	<b>160,714</b>	<b>124,411</b>	<b>98,816</b>	<b>103,701</b>
3.1 Public sector	-	-	-	-	-	0	0	0
3.2 Banks	92,295	146,431	79,608	117,927	140,415	104,981	77,903	79,331
3.3 Other loans and advances	32,957	27,698	56,566	21,158	20,299	19,430	20,913	24,370
<b>4 INVESTMENTS (over 1 year original maturity for debt instrument)</b>	<b>4,159</b>	<b>4,063</b>	<b>4,051</b>	<b>4,063</b>	<b>4,118</b>	<b>504,426</b>	<b>504,535</b>	<b>501,840</b>
4.1 Zone A Public Sector & Bank Securities	-	-	-	-	-	-	-	-
4.2 Affiliated Institutions	1,698	1,567	1,581	4,019	1,547	501,732	501,729	501,796
4.3 Other securities	2,417	2,452	2,426	0	2,527	2,650	2,762	0
4.4 Other equities	44	44	44	44	44	44	44	44
<b>5 OTHER ASSETS</b>	<b>94</b>	<b>184</b>	<b>158</b>	<b>149</b>	<b>63</b>	<b>113</b>	<b>124</b>	<b>155</b>
5.1 Equipment and other fixed assets (net of accumulated depreciation)	48	1	61	62	25	26	26	26
5.2 Accrued interest receivable	14	114	21	68	25	35	40	57
5.3 Other assets	32	69	76	19	13	52	58	72
<b>6 TOTAL ASSETS</b>	<b>221,762</b>	<b>257,856</b>	<b>207,821</b>	<b>202,331</b>	<b>230,087</b>	<b>688,403</b>	<b>661,645</b>	<b>672,560</b>

TOTAL LIABILITIES

	Thousands of Valu							
	2005				2006			
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>1 DEPOSITS</b>	<b>186,752</b>	<b>224,595</b>	<b>145,511</b>	<b>174,999</b>	<b>205,557</b>	<b>563,042</b>	<b>504,326</b>	<b>512,382</b>
1.1 Banks	-	-	-	-	11,098	10,219	10,085	10,102
1.2 Corporations	70,204	123,758	57,713	98,298	109,281	473,683	417,941	420,790
1.3 Trusts	-	-	-	-	-	-	-	-
1.4 Individuals	116,548	100,837	87,798	76,701	84,993	78,966	76,300	81,490
1.5 Negotiable certificates of deposits	-	-	-	-	-	-	-	-
1.6 Other	-	-	-	-	185	174	0	0
<b>2 TERM DEPT AND OTHER BORROWINGS</b>	<b>20,233</b>	<b>18,782</b>	<b>48,685</b>	<b>13,460</b>	<b>10,869</b>	<b>10,789</b>	<b>12,330</b>	<b>15,563</b>
2.1 Unsecured subordinated debt (over 5 years original term maturity)	-	-	-	-	-	-	-	-
2.2 Other notes and bonds	-	-	-	-	-	-	-	-
2.3 Other borrowings (including loans, overdrafts, commercial papers)	20,233	18,782	48,685	13,460	10,869	10,786	12,330	15,563
<b>3 ACCRUED LIABILITIES</b>	<b>14</b>	<b>116</b>	<b>23</b>	<b>69</b>	<b>27</b>	<b>40</b>	<b>43</b>	<b>64</b>
3.1 Accrued interest payable	12	114	21	68	25	35	39	56
3.2 Dividend payable	-	-	-	-	-	-	-	-
3.3 Other accrued expenses	2	2	2	1	2	5	4	8
<b>4 OTHER LIABILITIES</b>	<b>544</b>	<b>452</b>	<b>579</b>	<b>598</b>	<b>333</b>	<b>256</b>	<b>587</b>	<b>298</b>
<b>5 LOSS RESERVES</b>	<b>724</b>	<b>703</b>	<b>706</b>	<b>697</b>	<b>700</b>	<b>714</b>	<b>715</b>	<b>724</b>
5.1 General loan loss reserves	460	460	460	0	460	460	460	460
5.2 Other loss reserves	264	243	246	697	240	254	255	264
<b>6 TOTAL LIABILITIES</b>	<b>208,267</b>	<b>244,648</b>	<b>195,504</b>	<b>189,823</b>	<b>217,486</b>	<b>574,838</b>	<b>518,001</b>	<b>529,031</b>
<b>7 SHAREHOLDERS EQUITY</b>	<b>13,495</b>	<b>13,208</b>	<b>12,317</b>	<b>12,508</b>	<b>12,601</b>	<b>113,565</b>	<b>143,644</b>	<b>143,529</b>
7.1 Issued and fully paid up common stock (at par or nominal value)	9,056	9,001	9,007	8,984	8,993	11,625	11,630	11,155
7.2 Additional paid up capital in excess of par or nominal value	214	214	214	1,095	29	100,378	130,338	130,338
7.3 Unappropriated retained earnings	3,757	3,827	3,837	3,045	2,855	619	661	661
7.4 Current year's net income/(loss)	468	166	-741	-616	724	943	1,015	1,375
7.5 Perpetual on-cumulative issued and fully paid up preference share	-	-	-	-	-	-	-	-
<b>8 TOTAL SHAREHOLDERS EQUITY</b>	<b>13,495</b>	<b>13,208</b>	<b>12,317</b>	<b>12,508</b>	<b>230,087</b>	<b>688,403</b>	<b>661,645</b>	<b>672,560</b>
<b>9 TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>221,762</b>	<b>257,856</b>	<b>207,821</b>	<b>202,331</b>	<b>230,087</b>	<b>688,403</b>	<b>661,645</b>	<b>672,560</b>

TABLE 17: VANUATU FISCAL OPERATIONS

(Millions of Vatu)

ITEMS	2003	2004	2005	2006	2005				2006			
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>REVENUE AND GRANTS</b>	<b>7061.7</b>	<b>8129.7</b>	<b>8795.8</b>	<b>10008.6</b>	<b>2420.7</b>	<b>2227.2</b>	<b>2008.2</b>	<b>2139.7</b>	<b>2492.2</b>	<b>2313.7</b>	<b>2499.9</b>	<b>2702.8</b>
Domestic Revenue	6680.3	7444.9	8213.5	9157.3	2259.6	1977.7	1954.7	2021.5	2229.9	2113.0	2304.6	2509.8
Tax Revenue	6024.6	6621.6	7342.8	8125.7	2110.8	1739.7	1668.1	1824.2	2040.0	1920.4	1985.5	2179.8
Non Tax Revenue	655.7	823.3	870.7	1031.6	148.8	238.0	286.6	197.3	189.9	192.6	319.1	330.0
Sales of fixed capital assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants from abroad	381.4	684.8	582.3	851.3	161.1	249.5	53.5	118.2	262.3	200.7	195.3	193.0
<b>EXPENDITURE AND NET LENDING</b>	<b>7682.4</b>	<b>7685.8</b>	<b>7964.2</b>	<b>9581.4</b>	<b>1831.0</b>	<b>1740.1</b>	<b>2046.2</b>	<b>2346.9</b>	<b>1834.9</b>	<b>2175.6</b>	<b>2595.6</b>	<b>2975.3</b>
Recurrent Expenditure	7239.7	7272.5	7502.6	8555.5	1668.6	1656.2	1905.2	2272.6	1684.5	1968.9	2224.4	2677.7
Lending minus repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurrent transfer to Gov. bodies	0.0	0.0	0.0	335.8	0.0	0.0	0.0	0.0	70.0	60.8	150.0	55.0
Development Expenditure	442.7	413.3	461.6	690.1	162.4	83.9	141.0	74.3	80.4	145.9	221.2	242.6
<b>DEFICIT/SURPLUS</b>	<b>-620.7</b>	<b>443.9</b>	<b>831.6</b>	<b>427.2</b>	<b>589.7</b>	<b>487.1</b>	<b>-38.0</b>	<b>-207.2</b>	<b>657.3</b>	<b>138.1</b>	<b>-95.7</b>	<b>-272.5</b>

Source : Department of Finance

TABLE 18: GOVERNMENT REVENUE CLASSIFIED BY MAJOR SOURCES

(Millions of Vatu)

ITEMS	2003	2004	2005	2006	2005				2006			
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>TOTAL REVENUE AND GRANTS</b>	<b>7061.7</b>	<b>8129.7</b>	<b>8795.8</b>	<b>10008.6</b>	<b>2420.7</b>	<b>2227.2</b>	<b>2008.2</b>	<b>2139.7</b>	<b>2492.2</b>	<b>2313.7</b>	<b>2499.9</b>	<b>2702.8</b>
<b>Total Recurrent Revenue</b>	<b>6680.3</b>	<b>7444.9</b>	<b>8213.5</b>	<b>9157.3</b>	<b>2259.6</b>	<b>1977.7</b>	<b>1954.7</b>	<b>2021.5</b>	<b>2229.9</b>	<b>2113.0</b>	<b>2304.6</b>	<b>2509.8</b>
Tax Revenue	6024.6	6621.6	7342.8	8125.7	2110.8	1739.7	1668.1	1824.2	2040.0	1920.4	1985.5	2179.8
Taxes on Use of Goods	3666.3	3995.4	4776.4	5232.3	1514.4	1071.6	1087.9	1102.5	1416.1	1203.9	1325.3	1287.0
Value Added Tax	2356.8	2475.3	2813.4	3101.3	639.9	685.7	723.2	764.6	703.7	750.9	814.1	832.6
Business Licenses	124.6	150.0	290.6	181.7	258.9	13.2	16.7	1.8	148.8	9.2	20.2	3.5
Turnover Tax	97.9	122.8	146.3	197.1	103.0	6.4	26.7	10.2	151.3	5.9	32.4	7.5
Other	1087.0	1247.3	1526.1	1752.2	512.6	366.3	321.3	325.9	412.3	437.9	458.6	443.4
Tax on International Trade	2283.5	2519.6	2412.0	2681.6	551.3	626.6	544.1	690.0	574.3	633.0	616.5	857.8
Import duties	2283.4	2519.6	2412.0	2675.8	551.3	626.6	544.1	690	571.0	632.4	616.1	856.3
Export duties	0.1	0.0	0.0	5.8	0.0	0.0	0.0	0.0	3.3	0.6	0.4	1.5
Other taxes	74.8	106.6	154.4	211.8	45.1	41.5	36.1	31.7	49.6	83.5	43.7	35.0
<b>Non Tax Revenue</b>	<b>655.7</b>	<b>823.3</b>	<b>870.7</b>	<b>1031.6</b>	<b>148.8</b>	<b>238.0</b>	<b>286.6</b>	<b>197.3</b>	<b>189.9</b>	<b>192.6</b>	<b>319.1</b>	<b>330.0</b>
Property income: of which	239.4	323.4	316.9	363.4	17.6	106.3	159.5	33.5	9.0	28.1	160.7	165.6
Dividends	101.3	133.2	229.0	199.2	15.0	99.5	90.1	24.4	2.0	17.0	24.0	156.2
Other	138.1	190.2	87.9	164.2	2.6	6.8	69.4	9.1	7.0	11.1	136.7	9.4
Administrative fees & Charges	379.4	467.7	527.4	634.8	126.4	123.5	119.9	157.6	173.0	152.8	150.3	158.7
Other	36.9	32.2	26.4	33.4	4.8	8.2	7.2	6.2	7.9	11.7	8.1	5.7
	0.0	0.0	0.0									
Grants from abroad	381.4	684.8	582.3	851.3	161.1	249.5	53.5	118.2	262.3	200.7	195.3	193.0

Source : Department of Finance

TABLE 19: GOVERNMENT EXPENDITURE CLASSIFIED BY MAJOR CATEGORY

Millions of Vatu)

ITEMS	2003	2004	2005	2006	2005				2006			
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>TOTAL EXPENDITURE</b>	<b>7682.4</b>	<b>7685.8</b>	<b>7964.2</b>	<b>9581.4</b>	<b>1831.0</b>	<b>1740.1</b>	<b>2046.2</b>	<b>2346.9</b>	<b>1834.9</b>	<b>2175.6</b>	<b>2595.6</b>	<b>2975.3</b>
Total Recurrent Expenditure	7239.7	7272.5	7502.6	8555.5	1668.6	1656.2	1905.2	2272.6	1684.5	1968.9	2224.4	2677.7
Goods and services: of which	5683.3	5580.9	5942.9	7021.5	1265.4	1358.5	1516.9	1802.1	1289.2	1621.9	1852.7	2257.7
Salaries & Wages	4072.2	4053.8	4222.1	5168.5	902.1	984.5	1134.8	1200.7	939.2	1185.1	1375.9	1668.3
Interest payments	308.2	397.7	349.0	337.9	121.9	48.2	77.0	101.9	113.8	46.2	101.9	76.0
Domestic	195.4	304.2	272.2	243.2	96.6	34.6	69.6	71.4	88.7	32.4	59.5	62.6
External	112.8	93.5	76.8	94.7	25.3	13.6	7.4	30.5	25.1	13.8	42.4	13.4
Subsidies and transfers: of which	1118.1	1163.1	883.3	939.9	227.3	182.1	246.7	227.2	234.4	259.4	204.5	241.6
Provinces & Municipalities	206.8	197.1	200.5	190.1	44.8	47.4	56.4	51.9	46.3	36.1	61.7	46.0
Acquisition of fixed capital assets	85.9	159.3	327.4	256.2	54.0	67.4	64.6	141.4	47.1	41.4	65.3	102.4
Lending minus repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurrent transfers to Gov.bodies	0.0	0.0	0.0	335.8	0.0	0.0	0.0	0.0	70.0	60.8	150.0	55.0
Total Development Expenditure	442.7	413.3	461.6	690.1	162.4	83.9	141.0	74.3	80.4	145.9	221.2	242.6

Source : Department of Finance

TABLE 20: VANUATU GOVERNMENT BONDS OUTSTANDING

(Thousands of Vatu)

Period Ended	BOND HOLDERS					
	Reserve Bank of Vanuatu	Commercial (1). Banks	Public Corporation	Others	Total Outstanding	
1997	397,500	479,800	1,242,000	37,200	2,156,500	
1998	1,027,500	1,081,400	320,000	31,600	2,460,500	
1999	1,027,500	990,400	380,000	8,300	2,406,200	
2000	845,500	1,087,400	490,000	8,300	2,431,200	
2001	805,500	863,400	886,100	6,200	2,561,200	
2002	902,200	816,000	1,386,100	3,100	3,107,400	
2003	902,500	773,000	1,581,100	2,500	3,259,100	
2004	862,500	813,000	1,581,100	2,500	3,259,100	
2005	862,500	838,000	1,400,000	2,500	3,103,000	
2001	Qtr1	805,500	1,163,400	455,000	7,300	2,431,200
	Qtr2	805,500	913,400	455,000	7,300	2,181,200
	Qtr3	805,500	863,400	506,100	6,200	2,181,200
	Qtr4	805,500	863,400	886,100	6,200	2,561,200
2002	Qtr1	802,500	776,800	1,086,100	3,800	2,669,200
	Qtr2	802,500	1,064,800	1,086,100	3,800	2,957,200
	Qtr3	902,200	865,800	1,120,000	3,100	2,891,100
	Qtr4	902,200	816,000	1,386,100	3,100	3,107,400
2003	Qtr1	902,200	868,000	1,386,100	3,100	3,159,400
	Qtr2	702,200	1,003,000	1,451,100	3,100	3,159,400
	Qtr3	902,500	773,000	1,481,100	2,500	3,159,100
	Qtr4	902,500	773,000	1,581,100	2,500	3,259,100
2004	Qtr1	862,500	813,000	1,581,100	2,500	3,259,100
	Qtr2	862,500	813,000	1,581,100	2,500	3,259,100
	Qtr3	862,500	813,000	1,581,100	2,500	3,259,100
	Qtr4	862,500	813,000	1,581,100	2,500	3,259,100
2005	Qtr1	862,500	813,000	1,541,100	2,500	3,219,100
	Qtr2	862,500	838,000	1,516,100	2,500	3,219,100
	Qtr3	862,500	838,000	1,516,100	2,500	3,219,100
	Qtr4	862,500	838,000	1,400,000	2,500	3,103,000
2006	Qtr1	862,500	838,000	1,400,000	2,500	3,103,000
	Qtr2	862,500	708,000	1,530,000	2,500	3,103,000
	Qtr3	862,500	708,000	1,530,000	2,450	3,102,950
	Qtr4	862,500	708,000	1,530,000	2,450	3,102,950



TABLE 21: EXCHANGE RATES: VATU PER UNIT OF FOREIGN CURRENCIES

EXCHANGE RATES: VATU PER UNIT OF FOREIGN CURRENCIES						
Period (Yr/Mth)	End of Period Rates				Averages	
	Australian Dollar	US Dollar	ECU / Euro	Japanese Yen	Australian Dollar	US Dollar
<b>2004</b>						
January	83.36	109.57	135.95	1.0343	84.35	109.65
February	83.71	108.55	134.95	0.9904	84.14	108.30
March	83.79	111.19	135.30	1.0520	83.29	110.98
April	82.26	114.01	136.43	1.0364	83.58	112.24
May	81.74	114.36	140.06	1.0361	81.36	115.30
June	80.36	116.34	140.58	1.0749	80.64	115.98
July	80.96	115.75	139.48	1.0360	81.57	113.81
August	80.63	115.28	138.98	1.0489	81.15	114.31
September	81.15	113.21	139.62	1.0211	80.50	114.60
October	82.40	110.41	140.74	1.0387	81.78	111.58
November	83.65	106.79	141.74	1.0380	83.33	108.37
December	83.06	106.53	145.34	1.0328	82.58	107.62
<b>2005</b>						
January	83.39	107.72	140.40	1.0409	82.88	108.19
February	83.80	106.50	141.07	1.0122	83.77	107.28
March	83.31	108.09	139.69	1.0057	83.67	106.42
April	83.52	107.30	138.38	1.0111	83.27	107.68
May	83.04	109.18	136.19	1.0111	83.05	108.50
June	83.68	109.74	132.52	0.9940	83.72	109.25
July	83.68	110.48	132.71	0.9813	83.34	110.89
August	82.83	110.61	135.19	0.9945	83.46	109.67
September	83.67	110.14	132.58	0.9740	83.66	109.36
October	83.17	109.88	133.41	0.9518	83.25	110.34
November	82.45	111.69	131.64	0.9337	82.45	111.69
December	82.29	112.33	133.07	0.9534	82.73	111.35
<b>2006</b>						
January	83.06	110.97	134.18	0.9435	83.02	110.73
February	82.91	112.48	133.26	0.9678	82.89	111.71
March	81.85	114.49	139.32	0.9758	82.46	113.39
April	83.79	110.72	138.77	0.9699	82.93	112.73
May	83.72	109.82	141.41	0.9794	84.09	109.96
June	82.99	112.42	142.33	0.9769	82.85	111.87
July	84.23	110.38	140.15	0.9534	83.51	111.30
August	83.65	109.65	140.72	0.9365	83.94	109.00
September	82.76	110.51	140.40	0.9385	83.23	110.08
October	83.88	108.97	138.75	0.9281	83.06	110.28
November	84.14	107.40	141.23	0.9228	83.60	108.66
December	84.12	106.48	140.00	0.8952	84.01	106.94

Note: With effect from September 1981, the vatu was linked to the special drawing rights (SDR) at a rate of SDR 1 = 106.20. This rate was revised to SDR 1 = V1100.50 with effect from March 12, 1984, to SDR 1 = V1110.0 from April 1, 1985 to SDR 1 = V1122.0 from February

TABLE 22: SUMMARY OF BALANCE OF PAYMENTS

	2004	2005	2006	Q405	Q106	Q206	Q306r	Q40p
CURRENT ACCOUNT	(2,702)	(3,964)	(3,639)	(1,639)	(486) #	(1,204)	(472)	(3,245)
Trade Balance	-8291	(10,095)	(10,336)	(2,966)	(2,200) #	(2,431)	(2,460)	(3,245)
Export (fob)	4,264	4,226	5,217	1,168	847	1118	1320	1932
Imports (fob)	12,555	14,321	15,553	4,134	3,047	3,549	3,780	5,177
Memorandum items:								
Gross Official reserves	6,615	7,596	11,195	7596	7994	9415	10205	11195
Net Reserves (Vatu)	6,018	6,988	10,572	6988	7363	8801	9587	10572
Net Reserves (USD)	53.7	63.8	95.8	62.8	65.7 ##	78.3	86.8	98.3
Exchange rate (VT/USD) end period average	112.00	109	110	111.3	112	112.42	110.45	107.6
Projected monthly import cover.	5.5	5.8	7.0	5.8	5.9	7.0	7.7	8.5

r Means Revised  
p Means Provisional  
\* statistics of a few companies

TABLE 23: PRINCIPAL EXPORTS

	2004		2005		2006		2006		
	2004	2005	2006	Q405	Q106	Q206	Q306	Q406	
Domestic exports, f.o.b.	2,934	2,948	3,674	727 #	412 #	757	979	1,526	
Copra	446	142	347	16	22	87	142	96	
Cocoa	160	181	278	69	13	99	91	75	
Beef	286	302	332	75	54	85	85	108	
Timber	247	203	306	86	48	74	24	160	
Kava	438	477	698	69	122	196	220	160	
Coconut oil	1,026	732	193	137	72	106	0	15	
Other	787	911	1,520	275	81	110	417	912	
Re-exports	-	-	-	-	-	-	-	-	
	874	1,217	1,478	382	370	361	341	406	
Total	4,264	4,165	5,152	1,109 #	782 #	1,118	1,320	1,932	

Source: Vanuatu Statistics Office  
Re-exports are projected figures

TABLE 24: COMPOSITION OF IMPORTS

	2004	2005	2006	2006				
				Q405	Q106	Q206	Q306	Q406
Imports, c.i.f	14303	16412	19354	4752	3793	4398	4839	6324
For domestic composition	14065	16150	19226	4693	3788	4396	4767	6275
Food and live animals	2756	2863	3233	943	668	740	697	1128
Beverages and tobacco	551	437	499	116	78	79	115	227
Crude mtrls, excl.fuels	241	241	210	71	47	41	41	81
Mineral fuels	1871	1839	2098	482	287	401	494	916
Animal, veg., and oil fats	69	73	69	20	15	19	19	16
Chemicals	1558	2581	1693	749	276	313	436	668
Basic manufacturers	2056	3018	4566	877	1055	1121	1212	1178
Mach. and transpt.equip.	3057	2773	4435	703	924	1121	1212	1178
Miscellaneous	1471	1931	2117	587	385	491	453	788
Goods not specified	435	394	306	145	53	70	88	95
Imports for re-exports	238	262	128	59	5	2	72	49

Source: Vanuatu Statistics Office

TABLE 25: DOMESTIC EXPORTS BY COUNTRY OF DESTINATION

(Millions of vatu)

Period (Yr/Qtr)	EEC Countries	Japan	Australia	South Korea	New Zealand	New Caledonia	Bangladesh	Other MSG	Others	Total
2001	187	272	525	38	88	124	185		869	2,267
2002	229	227	621	4	72	192	104		677	2,126
2003	259	168	356	6	20	158	50		692	1,709
2004	1,214	184	327	3	46	124	0	225	807	2,705
2005	1,013	151	428	0	39	219	0	438	623	2,911
2006	465	132	925	0	157	320	1	575	933	3,652
2004	1214	184	327	3	46	124	0	225	807	2705
Qtr1	171	49	120	3	9	14	0		309	675
Qtr2	487	41	82	0	7	38	0	88	118	773
Qtr3	314	44	59	0	0	26	0	0	167	610
Qtr4	242	50	66	0	30	46	0	137	213	647
2005	1013	151	428	0	39	219	0	438	623	2911
Qtr1	239	13	121	0	9	34	0	65	191	672
Qtr2	289	49	93	0	14	65	0	125	72	707
Qtr3	282	43	87	0	7	50	0	210	140	819
Qtr4	203	46	127	0	9	70	0	38	220	713
2006										
Qtr1	80	0	72	0	6	25	0	133	70	390
Qtr2	153	53	101	0	7	94	0	150	97	759
Qtr3	90	18	100	0	10	76	1	178	469	978
Qtr4	142	61	652	0	134	125	0	114	297	1525
<b>Percentage share of export by Country</b>										
2001	8.2	12.0	23.2	1.7	3.9	5.5	8.2		38.3	100.0
2002	10.8	10.7	29.2	0.2	3.4	9.0	4.9		31.9	100.0
2003	15.2	9.8	20.8	0.4	1.2	9.2	2.9		40.5	100.0
2004	44.9	6.8	12.1	0.1	1.7	4.6	0.0	8.3	29.8	100.0
2005	34.8	5.2	14.7	0.0	1.3	7.5	0.0	15.0	21.4	100.0

Source: Vanuatu Statistics Office

TABLE 26: IMPORTS CLEARED FOR HOME CONSUMPTION BY COUNTRY OF CONSIGNMENT

(Millions of Vatu)

Period (Yr/Qtr)	Australia	New Zealand	Japan	France	Fiji	New Caledonia	Hong Kong	Singapore	Others	Total	
2001	6,570	2,469	617	0	1,047	300	209	701	2,221	14,806	
2002	4,907	2,153	477	654	959	307	171	602	1,352	12,235	
2003	5,142	2,054	574	606	1,061	241	235	861	1,274	12,571	
2004	6,022	1,845	615	557	1,214	186	259	884	1,882	14,067	
2005	6,055	2,248	285	542	1,293	247	353	1,150	3,733	16,151	
2006	7,289	2,746	386	735	1,577 #	239	311	957	3,407	17,646	
2004	6,022	1,845	615	557	1,214	186	259	884	1,882	14,067	
Qtr1	1,236	434	153	154	184	59	41	180	397	2,992	
Qtr2	1,539	478	160	106	317	36	49	241	432	3,510	
Qtr3	1,445	414	188	131	361	46	59	251	424	3,450	
Qtr4	1,802	519	114	166	352	45	110	212	629	4,115	
2005	6,055	2,248	285	542	1,293	247	353	0	1,150	3,733	16,151
Qtr1	1,196	534	50	149	259	33	37	381	426	3,310	
Qtr2	1,750	545	88	130	330	71	95	287	1,038	4,334	
Qtr3	1,247	570	61	134	266	48	61	147	1,279	3,813	
Qtr4	1,862	599	86	129	438	95	160	335	990	4,694	
2006	1,463	672	35	106	282	41	44	133	651	3,427	
Qtr1	1,892	565	106	124	238	83	56	203	761	4,028	
Qtr2	1,511	734	97	282	386	59	102	255	838	4,263	
Qtr3	2,423	775	148	223	671	56	109	366	1,157	5,928	
	<i>Percentage share of import</i>										
2001	44.4	16.7	4.2	0.0	7.1	2.0	1.4	4.7	15.0	100.0	
2002	40.1	17.6	3.9	5.3	7.8	2.5	1.4	4.9	11.0	100.0	
2003	40.9	16.3	4.6	4.8	8.4	1.9	1.9	6.8	10.1	100.0	
2004	42.8	13.1	4.4	4.0	8.6	1.3	1.8	6.3	13.4	100.0	
2005	37.5	13.9	1.8	3.4	8.0 #	1.5	2.2	7.1	23.1	100.0	
2006	41.3	15.6	2.2	4.2	8.9	1.4	1.8	5.4	19.3	100.0	

Source: Vanuatu Statistics Office

TABLE 27: FINANCE CENTRE INSTITUTIONS: LOCAL EXPENDITURE, VALUE-ADDED, EMPLOYMENT AND TOTAL ASSETS

(In Thousands of Vatu)

INSTITUTIONS		RECURRENT EXPENDITURE										TAXES AND LEVIES				CAPITAL EXPENDITURE	VALUE OF TOTAL ASSETS		TOTAL LOCAL EMPLOYMENT(No.)		
		Total Local Expenditure (8+12+13)	Total Wages & Salaries	Ni-Vanuatu Wages & Salaries	Rent	Interest	Total (3+4+5)	Other Recurrent Expenditure	TOTAL (6+7)	Central Government Fees	Import Duties	Local Government Revenue	TOTAL (9+10+11)	EXPAT.	NI-VAN.		TOTAL (15+16)				
(1)		(2)	(3)	(3a)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)			
<b>Banks</b>																					
2001	Qtr4	322,938	113,244	84,933 e	17,747	0	130,991	145,498	276,489	5,290	1,601	3,535	10,426	36,023	30,374,663	20	293	313			
2002	Qtr4	462,242	126,507	97,410 e	23,766 r	0	150,273	208,521 r	358,794	24,907 r	541 r	682 r	26,130	77,318	42,681,238	28	304	332			
2003	Qtr4	445,865	101,344	79,048 e	17,246	0	118,590	275,326	393,916	17,583	579	955	19,117	32,832	39,639,289	29	287	316			
2004	Qtr4	432,570	113,573	88,587 e	20,982	0	134,555	215,312	349,867	30,665	661	358	31,684	51,019	42,265,837	27	265	292			
2005	Qtr4	420,977	125,329	97,757 e	21,842	0	147,171	144,346	291,517	33,728	875	73	34,676	94,784	45,494,935	23	299	322			
2006	Qtr1	368,248	121,154	94,500 e	22,015	0	143,169	169,639	312,808	43,633	867	1,065	45,565	9,875	44,544,343	23	308	331			
	Qtr2	450,469	129,920	97,440 e	21,703	0	151,623	183,167	334,790	41,898	1,830	717	44,445	71,234	46,771,277	22	310	332			
	Qtr3	451,397	123,583	92,687 e	21,224	0	144,807	212,315	357,122	41,961	263	871	43,095	51,180	45,724,082	20	299	319			
	Qtr4	502,583	142,391	106,793 e	22,095	0	164,486	258,862	423,348	43,141	1,945	700	45,786	33,449	47,833,718	21	309	330			
<b>Trust &amp; Insurance Companies</b>																					
2001	Qtr4	120,775	28,971	17,962 e	2,122	3	31,096	2,408	33,504	2,537	0	88	2,625	84,646	707,670	9	53	62			
2002	Qtr4	177,872	44,131	26,479 e	4,823	3	48,957	42,636 r	91,593	3,056 r	0	188 r	3,244	83,035 r	773,499 r	11 r	60 r	71			
2003	Qtr4	71,588	28,599	18,483 e	2,416	94	31,109	34,094	65,203	2,751	12	88	2,851	3,534	775,498	12	66	78			
2004	Qtr4	127,232	47,203	28,322 e	4,860	74	52,137	64,180	116,317	5,105	0	89	5,194	5,721	1,216,974	13	76	89			
2005	Qtr4	295,521	71,274	42,764 e	5,580	3	76,857	213,354	290,211	1,531	41	0	1,572	3,738	1,220,210	13	113	126			
2006	Qtr1	201,821	65,136	39,082 e	5,679	3	70,818	120,765	191,583	5,354	0	749	6,103	4,135	1,264,742	17	114	131			
	Qtr2	281,662	66,282	39,427 e	5,792	3	72,077	200,058	272,135	4,864	0	673	5,537	3,990	1,323,576	13	112	125			
	Qtr3	288,502	82,848	49,709 e	9,069	3	91,920	85,388	177,308	4,535	50	99	4,684	106,510	1,141,003	16	125	141			
	Qtr4	453,752	91,455	54,873 e	8,456	0	99,911	239,787	339,698	6,651	44	99	6,794	107,260	1,314,929	17	130	147			
<b>Accounting Firms</b>																					
2001	Qtr4	123,965	85,675	17,135 e	6,381	1,661	93,717	22,311	116,028	5,342	7	226	5,575	2,362	395,641	27	72	99			
2002	Qtr4	119,066	88,842	15,992 e	6,260	1,928	97,030	13,798	110,828	5,455	7	226	5,688	2,550	385,751	27	73	100			
2003	Qtr4	124,534	86,759	17,352 e	6,198	2,474	95,431	21,028	116,459	5,554	7	226	5,787	2,288	427,946	30	60	90			
2004	Qtr4	133,633	94,259	18,852 e	7,928	2,523	104,710	23,093	127,803	3,509	7	0	3,516	2,314	457,297	25	75	100			
2005	Qtr4	125,333	99,104	19,885 e	7,562	3,977	110,643	12,193	122,836	4,006	7	0	4,013	-1,516	498,616	28	88	116			
2006	Qtr1	126,317	98,711	19,742 e	8,315	4,311	111,337	7,467	118,804	3,487	7	0	3,494	4,019	562,064	28	88	116			
	Qtr2	141,875	99,660	19,932 e	7,160	4,614	111,434	16,326	127,760	4,246	17	0	4,263	9,852	535,153	29	87	116			
	Qtr3	139,053	97,572	19,514 e	7,119	3,960	108,651	22,412	131,063	4,831	17	0	4,848	3,142	522,049	27	93	120			
	Qtr4	136,790	94,507	18,901 e	7,215	3,990	105,712	24,682	130,394	4,320	17	0	4,337	2,059	518,640	32	90	122			
<b>Legal Firms/ offshore instns</b>																					
2001	Qtr4	102,413	24,003	4,801 e	2,310	3,034	29,347	19,086	48,433	51,397	0	0	51,397	2,583	186,355	8	35	43			
2002	Qtr4	63,894	22,058 r	4,412 e	1,310 r	1,022 r	24,390	10,417 r	34,807	26,874 r	0	761 r	27,635	1,452	190,875	10	34	44			
2003	Qtr4	60,030	23,953	5,270 e	1,310	1,033	26,296	10,620	36,916	21,104	0	1,713	22,817	297	110,217	10	36	46			
2004	Qtr4	47,414	29,357	6,459 e	2,390	784	32,531	5,569	38,100	6,388	0	1,069	7,457	1,857	273,220	9	35	44			
2005	Qtr4	54,772	29,841	6,565 e	1,560	263	31,664	11,844	43,508	10,540	0	600	11,140	124	273,261	9	40	49			
2006	Qtr1	156,827	28,936	6,366 e	2,410	1,442	32,788	9,702	42,490	112,448	470	1,300	114,218	119	346,404	9	37	46			
	Qtr2	110,489	27,681	6,090 e	2,410	337	30,428	18,109	48,537	60,091	0	1,300	61,391	561	356,101	9	37	46			
	Qtr3	73,663	27,916	6,141 e	2,410	802	31,128	21,626	52,754	18,807	0	1,369	20,176	733	352,111	9	37	46			
	Qtr4	81,906	30,466	6,703 e	2,310	1,235	34,011	18,109	52,120	27,846	0	1,100	28,946	840	313,262	9	37	46			
<b>GRAND TOTAL</b>																					
2001	Qtr4	670,091	251,893	124,831	28,560	4,698	285,151	189,303	474,454	64,566	1,608	3,849	70,023	125,614	31,664,329	64	453	517			
2002	Qtr4	823,074	281,538	144,293	36,159	2,953	320,650	275,372	596,022	60,292	548	1,857	62,697	164,355	44,031,363	76	471	547			
2003	Qtr4	702,017	240,655	120,153	27,170	3,601	271,426	341,068	612,494	46,992	598	2,982	50,572	38,951	40,952,950	81	449	530			
2004	Qtr4	740,849	284,392	142,219	36,160	3,381	323,933	308,154	632,087	45,667	668	1,516	47,851	60,911	44,213,328	74	451	525			
2005	Qtr4	896,603	325,548	166,971	36,544	4,243	366,335	381,737	748,072	49,805	923	673	51,401	97,130	47,487,022	73	540	613			
2006	Qtr1	853,213	313,937	159,690	38,419	5,756	358,112	307,573	665,685	164,922	1,344	3,114	169,380	18,148	46,717,553	77	547	624			
	Qtr2	984,495	323,543	162,889	37,065	4,954	365,562	417,660	783,222	111,099	1,847	2,690	115,636	85,637	48,986,107	73	546	619			
	Qtr3	952,615	331,919	168,051	39,822	4,765	376,506	341,741	718,247	70,134	330	2,339	72,803	161,565	47,739,245	72	554	626			
	Qtr4	1,175,031	358,819	187,270	40,076	5,225	404,120	541,440	945,560	81,958	2,006	1,899	85,863	143,608	49,980,549	79	566	645			

Sources: Commercial Banks, Trust Companies, Accounting Firms, Legal Firms and Offshore Institutions

TABLE 28: TRENDS IN BUSINESS TURNOVER/FOREIGN EXCHANGE EARNINGS OF FINANCE CENTRE INSTITUTIONS

(Millions of Vatu)

End of Period	Commercial Banks						Trust/Insur. Companies		Accounting/Legal & offshore institutions		Gov. foreign exchange Receipts from Exempt Institutions	Total Gross Earnings (3+8+10)	Total Net foreign exchange Earnings (7+9+11+12)	
	Earnings on			Payments on			Net foreign exchange Earnings (2-5)	Gross income	Net foreign exchange Earnings	Gross income				Net foreign exchange Earnings
	Resident Assets	Non Resident Assets	Total (1+2)	Resident Liabilities	Non Resident Liabilities	Total (4+5)								
	(1)	(2)	(3)	(4)	(5)	(6)								
<b>2001</b>	1332.2	1352.2	2684.3	716.0	568.3	1284.3	783.9	770.2	212.9	897.4	103.3	308.6	4351.9	1408.7
<b>2002</b>	1403.0	1023.3	2426.3	505.0	285.3	790.3	738.0	1233.1	535.0	786.9	111.9	47.9	4446.3	1665.4
<b>2003</b>	2490.2	1030.9	3521.1	851.6	316.5	1168.1	714.4	877.3	600.6	773.9	127.4	253.4	5172.3	1695.8
<b>2004</b>	3356.3	1413.8	4770.1	1474.0	111.1	1585.1	1302.7	432.5	329.0	766.1	328.3	217.7	5968.7	2177.7
<b>2005</b>	3466.0	1716.5	5182.5	1293.2	358.8	1652.0	1357.7	1030.5	312.1	816.4	321.1	201.8	7029.4	2192.7
<b>2004</b> Qtr1	922.8	180.4	1103.2	323.3	66.8	390.1	113.6	100.5	58.7	240.7	69.9	113.0	1444.4	355.2
Qtr2	748.7	380.6	1129.3	504.1	-10.0	494.1	390.6	98.0	93.0	213.3	87.1	74.2	1440.6	644.9
Qtr3	827.8	404.9	1232.7	323.3	-10.4	312.9	415.3	111.8	82.2	168.3	78.5	26.9	1512.8	602.9
Qtr4	857.0	447.9	1304.9	323.3	64.7	388.0	383.2	122.2	95.1	143.8	92.8	3.6	1570.9	574.7
<b>2005</b> Qtr1	804.6	410.1	1214.7	323.3	122.4	445.7	287.7	219.8	57.2	246.8	71.8	108.7	1681.3	525.4
Qtr2	863.4	450.0	1313.4	323.3	21.3	344.6	428.7	278.1	99.2	248.5	88.0	70.7	1840.0	686.6
Qtr3	860.9	393.2	1254.1	323.3	221.4	544.7	171.8	252.7	70.4	166.6	83.6	14.6	1673.4	340.4
Qtr4	937.1	463.2	1400.3	323.3	-6.3	317.0	469.5	279.9	85.3	154.5	77.7	7.8	1834.7	640.3
<b>2006</b> Qtr1	903.8	478.0	1381.8	323.3	6.1	329.4	471.9	290.0	95.4	252.8	83.8	109.3	1924.6	760.4
Qtr2	1111.8	436.1	1547.9	243.3	-3.3	240.0	439.4	304.0	95.3	215.4	84.1	57.2	2067.3	676.0
Qtr3	977.0	525.3	1502.3	243.3	72.9	316.2	452.4	285.0	32.5	167.7	74.3	15.6	1955.0	574.8
Qtr4	955.1	521.1	1476.2	260.7	120.2	380.8	401.0	328.9	32.5	170.4	66.9	22.4	1975.5	522.7

Sources: Commercial Banks, Trust Companies, Insurance Companies, Accounting Firms and Legal Firms

TABLE 29: SHIPPING REGISTRATION

Period	Fresh Ship Registration During the Year/ Quarter	Ships Deregistered during the Year/ Quarter	Number of Ships on the Registry at end of the period	Amount of Net Shipping Fees Collected by VMSL (Vatu in Millions)
<b>2001</b>	112	69	528	214.8
<b>2002</b>	119	132	515	218.2
<b>2003</b>	107	59	563	177.6
<b>2004</b>	120	93	590	142.0
<b>2005</b>	155	149	596	134.8
<b>2002</b> Qtr1	33	11	550	151.6
Qtr2	29	69	510	34.9
Qtr3	32	9	533	16.2
Qtr4	25	43	515	15.5
<b>2003</b> Qtr1	23	12	526	113.0
Qtr2	35	14	547	39.7
Qtr3	26	13	560	11.9
Qtr4	23	20	563	13.0
<b>2004</b> Qtr1	35	14	584	109.7
Qtr2	31	14	601	19.5
Qtr3	27	41	587	14.3
Qtr4	27	24	590	-1.5
<b>2005</b> Qtr1	75	68	597	104.7
Qtr2	19	15	601	20.9
Qtr3	30	30	601	5.4
Qtr4	31	36	596	3.8
<b>2006</b> Qtr1	24	30	590	106.7
Qtr2	21	25	586	8.2
Qtr3	8	8	586	9.6
Qtr4	19	22	583	NA

Source: Vanuatu Maritime Services Limited

Note: Shipping fees are calculated using the average US\$ exchange rates for the 3 months in each quarter.



TABLE 30: COMPANY REGISTRATION IN VANUATU

Part A: Number of Companies at the Registry at end of each Year/Quarter

Type of Company	End of	2005					2006							
		2001	2002	2003	2004	2005	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Local		1302	1,351	1,303	1,369	1,371	1402	1354	1364	1371	1,412	1,451	1,471	1,387
Exempt		174	186	152	129	116	130	123	122	116	112	109	105	82
Overseas		26	26	24	25	27	26	26	27	27	27	27	28	26
International Companies		4,156	4,504	4,310	4,464	4,625	4,527	4,561	4,666	4,625	4,672	4,604	4,681	4,972
<b>Total:</b>		<b>5,658</b>	<b>6,067</b>	<b>5,789</b>	<b>5,987</b>	<b>6,139</b>	<b>6,085</b>	<b>6,064</b>	<b>6,179</b>	<b>6,139</b>	<b>6,223</b>	<b>6,191</b>	<b>6,285</b>	<b>6,467</b>
<b>Of Which Hold Licenses as:</b>														
a) Exempt Banks		51	34	14	7	7	7	7	7	7	7	7	7	7
b) Exempt Financial Institutions		2	0	2	2	1	2	2	2	1	1	2	1	1
c) Insurance Companies		45	45	45	47	39	47	39	39	39	37	40	39	27
d) Trust Companies		13	10	11	10	10	10	11	11	10	11	11	11	11

PART B: Company Registration during individual Year/ Quarter

Type of Company	End of	2005					2006							
		2001	2002	2003	2004	2005	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
<b>1. Number of Fresh Registrations</b>														
( Total )		674	616	562	573	536	144	117	141	134	98	141	130	513
a) Local Companies		111	74	79	141	177	46	32	41	58	49	74	36	63
b) Overseas Companies		1	1	0	1	2	1	0	1	0	0	0	1	2
c) Exempt Companies		5	9	6	7	3	1	2	0	0	1	2	1	0
of which: (i) Banks		0	2	0	0	0	0	0	0	0	0	0	0	0
d) International Companies		557	532	477	424	354	96	83	99	76	48	65	92	448
<b>2. Number of Struck off</b>														
(or otherwise deregistered)		195	876	847	665	254	14	94	27	119	8	135	21	98
(All categories)														
<b>3. Exempt Companies</b>														
converted to international companies		0	0	0	0	0	0	0	0	0	0	0	0	0

Source: Vanuatu Financial Services Commission

TABLE 31: COCONUT PRODUCTS AND PRICES

Period	2002	2003	2004	2005	2006	2005				2006			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Santo													
Smoked	-	-	-	-	-	-	-	-	-	-	-	-	-
Hot Air/ Sun Dry	25,264.2	25,417.3	34,446.3	21,536.0	17,916.0	5,172.6	6,809.6	6,310.0	3,464.0	3,559.0	3,516.0	6,484.0	4,357.0
Total	25,264.2	25,417.3	34,446.3	21,536.0	17,916.0	5,172.6	6,809.6	6,310.0	3,464.0	3,559.0	3,516.0	6,484.0	4,357.0
TOTAL COPRA PRODUCTION	25,265.6	25,417.2	34,446.3	21,536.0	17,916.0	5,172.6	6,809.6	6,310.0	3,464.0	3,559.0	3,516.0	6,484.0	4,357.0
Smoked	-	-	-	-	-	-	-	-	-	-	-	-	-
Hot Air/ Sun Dry	25,265.6	25,417.3	34,446.3	21,536.0	17,916.0	5,172.6	6,809.6	6,310.0	3,464.0	3,559.0	3,516.0	6,484.0	4,357.0
Percentage of Hot-air to Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL VALUE (Millions of Vatu)	596.0	690.3	896.6	467.3	327.3	122.382	146.9	132.9	65.2	65.4	63.7	118.3	79.9
Average domestic Price (Vt / tonne )	22,830	27,160	26,028	21,700	18,389	23,660	21,566	21,060	20,000	18,969	18,016	18,249	18,321
World Bank's Copra Market Prices.													
Average US\$/Tonne	266.2	300.0	450.0	413.8	401.8	447.8	446.4	380.7	380.1	383.3	383.0	400.3	440.6
End Period US\$/Tonne	273.0	400.0	449.0	413.8	389.3	474.0	431.3	425.0	413.8	383.3	383.2	388.9	401.8
COCONUT OIL EXPORT (Tonnes)	10,346.7	7,721.9	17,111.0	12,967.0	3,696.0	2457	3,700.0	4,016.0	2,794.0	1,588.0	2,086.0	-	220
World Bank's Coconut oil Prices.													
Average US\$/Tonne	421.4	467.3	672.4	617.0	606.8	667.3	654.9	571.7	574.0	578.3	578.7	599.1	671.2
End Period US\$/Tonne	426.0	582.0	650.0	569.7	587.3	710.0	638.8	631.3	569.7	578.3	578.5	585.4	606.9

Sources: VCMB, COPV and Trading & Shipping (Vanuatu) Ltd

TABLE 32: COCOA PRODUCTION FOR EXPORTS AND PRICES

Period	2002	2003	2004	2005	2006	2005				2006			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>COCOA PRODUCTION (Tonnes)</b>													
Export Quality													
1st Grade	403.7	-	-	-	-	-	-	-	-	-	-	-	-
2nd Grade	513.6	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	917.3	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>867.0</b>	<b>1418.0</b>	<b>803.9</b>	<b>926.4</b>	<b>1,313.9</b>	<b>49.1</b>	<b>125.3</b>	<b>535.0</b>	<b>217.0</b>	<b>39.3</b>	<b>653.0</b>	<b>377.6</b>	<b>244.0</b>
Value of Output (Millions of Vatu)	84.0	49.0	83.5	75.7	119.4	3.9	9.1	45.0	17.7	2.9	58.3	35.2	23.0
VT/Tonne	96,885.8	96,837.9	103,912.2	81,736.8	87,483.0	79,430	73,009	83,618	83,191	72,901	89,225	93,104	94,702

Source: VCMB

TABLE 33: COMMERCIAL MEAT PRODUCTION

Period	2003	2004	2005	2006	2005				2006			
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>PORT VILA ABATTOIR</b>												
<b>Cattle Slaughter</b>												
No. of Heads	6,864	7678.0	5921.0	6677.0	2,033.0	1,895.0	2,071.0	1,893.0	1,597.0	1,597.0	1,955.0	1,528
Weight (Tonnes)	1,548	1715.9	1734.9	1377.0	386.9	487.0	456.0	405.0	322.0	341.0	397.0	317
Percentage Change	9.7	10.9	1.1	-20.6	-22.6	25.9	-6.4	-11.2	-20.5	5.9	16.4	-20.2
<b>Pig Slaughter</b>												
No. of Heads	600	864.0	na	841.0	na	185.0	211.0	250.0	196.0	204.0	202.0	239.0
Weight (Tonnes)	31	46.2	na	98.2	na	10.1	12.8	14.9	12.9	61.0	9.5	14.8
Percentage Change	-38.2	47.6	na	na	na	na	26.9	16.4	-13.4	372.9	-84.4	55.8
<b>SANTO ABATTOIR</b>												
<b>Cattle Slaughter</b>												
No. of Heads	7,790	5935.0	6610.0	5969.0	1,153.0	1,605.0	1,961.0	1,891.0	1,024.0	877.0	2,239.0	1,829.0
Weight (Tonnes)	1,579	1267.5	1460.0	1332.0	292.0	333.0	397.0	438.0	217.5	197.5	499.0	418.0
Percentage Change	41.0	-19.7	15.2	-8.8	-22.1	14.0	19.2	10.3	-50.3	-9.2	152.7	-16.2
<b>TOTAL BEEF PRODUCTION</b>												
No. of Heads	14,654	13613.0	14502.0	12646.0	3,186.0	3,500.0	4,032.0	3,784.0	2,621.0	2,474.0	4,194.0	3,357.0
Weight (Tonnes)	3,127	2983.4	3194.9	2709.0	678.9	820.0	853.0	843.0	539.5	538.5	896.0	735.0
Percentage Change	23.5	-4.6	7.1	-15.2	-22.4	20.8	4.0	-1.2	-36.0	-0.2	66.4	-18.0

Source: Vanuatu Quarantine and Inspection Services

TABLE 34: WORLD PRICES OF COMMODITIES RELEVANT TO VANUATU'S EXPORTS

Period	Commodity / Unit Prices					
	Copra	Cocoa	Coconut Oil	Coffee Robusta	Other Milds	Beef (US)
	US\$ / ton	US cents / Kg	US\$ / tonne	US cents / Kg	US cents / Kg	US cents / Kg
<b>Annual Average :</b>						
2002	266.3	177.7	421.0	66.2	135.7	213.1
2003	299.9	175.1	467.3	81.5	141.6	211.4
2004	450.0	155.0	662.1	80.0	175.3	250.4
2005	413.8	153.8	615.9	111.5	253.2	261.1
2006	401.8	159.2	606.9	149.0	252.2	254.7
<b>Quarterly Average :</b>						
2004: Qtr 1	417.7	156.7	647.0	86.3	163.8	225.6
Qtr 2	489.7	142.1	703.3	82.9	167.1	245.0
Qtr 3	444.3	161.2	647.7	76.6	168.3	270.0
Qtr 4	448.3	159.9	650.3	74.3	202.1	261.1
2005: Qtr 1	447.8	164.7	667.3	93.9	266.8	258.9
Qtr2	446.4	154.5	654.9	122.6	278.6	264.8
Qtr3	380.7	149.1	571.7	115.2	233.4	266.8
Qtr4	380.1	147.0	569.7	114.2	234.1	256.3
2006 Qtr 1	383.3	155.5	578.3	136.7	262.3	249.3
Qtr2	383.0	158.4	578.7	132.9	241.0	247.3
Qtr3	400.3	162.3	599.1	158.1	240.0	257.4
Qtr4	440.6	160.6	671.2	168.2	265.5	265.0
<b>Monthly Average :</b>						
2005: January	429.5	155.2	646.0	81.5	236.2	254.1
February	440.0	163.4	646.0	90.9	266.5	258.8
March	474.0	175.5	710.0	109.2	297.7	263.9
April	460.0	158.6	679.0	111.9	285.6	260.7
May	446.3	150.8	647.0	123.6	284.1	267.8
June	431.25	153.95	639	127.6	242.4	266.0
July	425	148.7	606.0	127.6	242.4	270.6
August	371	148.1	550.0	114.6	238.5	264.6
September	346	150.5	559.0	103.3	219.3	265.1
October	384	145.7	586.0	104.8	231.6	256.8
November	384	144.3	580.8	113.4	237.5	257.9
December	373	150.2	540.0	124.3	233.2	254.1
2006 January	373	157	569.0	139.8	273.8	250.5
February	393	155	591.0	138.8	262.6	253.0
March	385	155	575.0	131.4	250.6	244.5
April	372	155	578.0	133.5	254.5	248.2
May	390	160	583.0	132.5	241.1	248.5
June	387	161	575	133	227	245
July	384	168	583.3	142.2	231.5	253.8
August	404	162	606.0	162.2	246.3	259.3
September	413	157	608	170	242	259
October	411	153	626.0	165.7	243.9	259.9
November	434	158	656.0	169.3	269.6	267.9
December	477	171	732	170	283	267

Source: World Bank Commodity Prices

TABLE 35: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to previous quarter)

Expenditure Group	Region	Average					2005				2006			
		2002	2003	2004	2005	2006	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Food		0.2	1.0	0.5	0.0	0.7	-1.8	0.6	0.6	0.7	1.2	1.1	0.1	0.4
	Port Vila	0.1	1.0	0.5	0.6	2.3	0.2	1.1	0.6	0.6	2.2	2.0	0.8	4.1
	Luganville	0.2	0.8	0.5	0.5	na	3.1	0.3	0.3	-1.6	2.5	na	na	na
Drinks & Tobacco		1.8	2.3	0.1	0.8	0.3	1.5	0.5	1.0	0.2	0.5	0.0	0.4	0.4
	Port Vila	1.8	2.4	0.1	0.8	-1.6	-0.4	1.3	1.2	1.2	0.6	0.0	-7.0	0.0
	Luganville	1.9	1.4	0.2	1.1	na	3.7	0.9	-0.2	0.0	0.2	na	na	na
Clothing etc		0.1	0.2	0.2	-0.2	-0.1	0.6	0.0	-0.1	0.1	0.0	-0.1	0.0	-0.4
	Port Vila	0.0	0.3	0.0	0.0	-1.7	-0.3	1.0	-0.2	-0.2	0.0	-0.7	-6.0	0.0
	Luganville	0.5	0.1	-0.8	-0.9	na	0.7	0.9	0.0	0.0	-3.3	na	na	na
Rent, Water, Electricity		-0.2	0.0	-0.4	1.4	0.5	3.3	1.1	0.9	0.4	1.1	0.1	0.0	0.8
	Port Vila	-0.2	0.0	-0.5	0.6	0.9	-0.5	1.1	0.8	0.8	1.8	0.1	1.6	0.0
	Luganville	-0.5	-0.2	0.2	1.3	na	1.9	3.6	1.2	-1.6	13.9	na	na	na
Household Supplies		-0.2	0.1	-0.1	-0.2	0.2	0.8	-1.7	0.2	0.1	0.0	0.0	0.7	0.1
	Port Vila	-0.2	-0.1	-0.1	-0.1	2.6	-1.7	1.0	0.2	0.2	0.0	0.0	10.4	0.0
	Luganville	-0.2	0.7	-0.1	-0.4	na	0	-1.9	0.3	0.0	7.4	na	na	na
Transport & Comm		1.9	0.2	0.3	0.1	0.7	0.3	-0.3	0.3	0.3	0.6	1.7	0.3	0.0
	Port Vila	2.0	0.2	0.3	0.7	1.0	0.2	1.2	0.7	0.7	0.6	1.2	2.3	0.0
	Luganville	1.0	0.4	0.2	-0.5	na	-0.6	0.0	-1.3	0.1	-1.3	na	na	na
Recreation, Educ., Health etc		0.9	0.9	0.9	0.7	1.2	2.7	0.2	0.0	0.0	0.0	4.5	0.0	0.1
	Port Vila	1.0	0.6	0.9	0.3	1.5	0.1	1.1	0.0	0.0	0.0	0.4	5.6	0.0
	Luganville	0.5	2.4	0.3	0.9	na	2.7	0.2	0.5	0.0	-1.2	na	na	na
ALL GROUPS		0.6	0.7	0.2	0.4	0.5	0.5	0.4	0.5	0.4	0.8	0.6	0.2	0.3
	Port Vila	0.6	0.8	0.4	0.5	1.1	-0.2	1.1	0.5	0.5	1.2	0.9	1.7	0.6
	Luganville	0.3	0.7	0.4	0.6	na	2.1	0.8	0.2	-0.8	3.3	na	na	na

Source: Vanuatu Statistics Office

TABLE 36: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to same quarter of previous year)

Expenditure Group	Region	End year					2005				2006			
		2002	2003	2004	2005	2006	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Food		0.6	4.0	1.9	0.0	3.2	-0.1	0.5	-2.2	0.0	3.1	3.6	3.1	2.8
	Port Vila	0.5	4.1	1.9	0.4	4.0	4.1	-0.1	-3.3	0.4	0.5	4.5	3.6	7.3
	Luganville	0.7	3.0	1.9	2.2	na	4.6	5.4	0.3	2.2	4.9	na	na	na
Drinks & Tobacco		7.3	9.1	0.4	3.1	1.6	1.7	1.9	2.9	3.1	2.1	1.7	1.1	1.4
	Port Vila	7.1	9.7	0.4	2.7	-2.1	9.7	-0.3	2.7	2.7	3.3	0.2	-5.3	-6.4
	Luganville	7.9	5.6	0.7	0.3	na	3.4	4.6	4.4	0.3	0.5	na	na	na
Clothing etc		0.4	1.0	-1.0	0.6	-0.2	0.1	0.7	0.5	0.6	0	-0.1	0.0	-0.5
	Port Vila	0.0	1.2	0.0	0.2	-4.0	1.2	0.0	0.2	0.2	0.2	-4.0	-6.0	-6.0
	Luganville	1.9	0.2	-4.7	-0.7	na	-2	2.4	1.6	-0.7	-3.1	na	na	na
Rent, Water, Electricity		-0.9	-0.1	-1.4	5.7	2.4	1.8	2.8	3.5	5.7	3.5	2.5	1.6	2.0
	Port Vila	-0.6	0.2	-1.9	2.8	11.0	0.1	-0.1	2.8	2.8	6.8	14.0	12.1	11.2
	Luganville	-2.1	-0.8	0.6	-1.3	na	2.5	6.0	7.3	-1.3	12.4	na	na	na
Household Supplies		-0.8	0.2	-0.4	-0.7	0.1	0.6	-1.0	-0.8	-0.7	-1.5	0.3	0.8	0.8
	Port Vila	-0.7	-0.4	-0.3	-0.6	7.0	-0.4	-0.1	-0.6	-0.6	-0.6	7.4	10.6	10.4
	Luganville	-1.0	2.6	-0.5	-0.5	na	-0.4	-2.2	-1.6	-0.5	7.3	na	na	na
Transport & Comm.		7.5	0.9	1.1	0.7	2.0	0.9	0.6	0.4	0.7	1.3	2.3	2.3	2.0
	Port Vila	8.2	0.7	1.2	0.8	-2.2	0.7	0.0	0.8	0.8	1.4	-0.9	-4.3	-4.9
	Luganville	3.9	1.5	0.7	0.9	na	0.2	0.2	-1.5	0.9	-0.8	na	na	na
Recreation, Educ., Health etc		3.8	3.4	3.4	2.8	1.3	3.1	3.3	2.8	2.8	0.2	4.5	0.1	0.2
	Port Vila	4.1	2.6	3.6	2.8	3.3	2.6	0.0	2.8	2.8	2.8	-0.8	5.6	5.6
	Luganville	2.1	9.7	1.6	5.2	na	3.3	3.1	3.4	5.2	-0.9	na	na	na
ALL GROUPS		2.3	2.9	0.8	1.8	2.0	1.0	1.3	0.6	1.8	2.0	2.2	1.8	1.8
	Port Vila	2.4	3.0	1.8	0.1	3.3	3.0	-0.1	0.1	0.1	2.2	4.1	3.4	3.5
	Luganville	1.3	2.7	0.8	1.2	na	2.7	3.8	3.0	1.2	4.1	na	na	na

Source: Vanuatu Statistics Office

TABLE 37: SELECTED TOURISM STATISTICS

	2003	2004	2005	2006	2005				2006			
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4
Total Non-resident Visitor Arrivals:	100,830	98,539	125,636	154,101	32,102	26,595	35,524	31,415	41,734	34,589	39,667	38,111
Visitor arrivals	50,400	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486
Day visitors:	50,430	37,870	63,554	85,922	19,454	13,286	17,017	13,797	27,945	19,445	19,907	18,625
Cruiseship	51,995	37,870	63,554	85,922	19,454	13,286	17,017	13,797	27,945	19,445	19,907	18,625
Air/ yachts	-	-	-	-	0	0	0	0	0	0	0	0
Air arrivals by purpose of visit:	50,400	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486
Stop-over	835	1,521	1,326	775	393	343	370	220	80	139	212	344
Holiday	38,924	46,805	47,865	53,030	9,625	9,873	14,104	14,263	10,943	11,566	15,523	14,998
Visiting freinds	3,887	4,593	4,451	5,061	804	1,068	1,314	1,265	877	992	1,543	1,649
Business/ Meetings	6,746	7,685	8,411	9,312	1,797	2,025	2,719	1,870	1,888	2,447	2,482	2,495
Other Purposes	6	6	29	1	29	-	-	-	1	0	0	0
Not Stated	2	-	-	-	-	-	-	-	0	0	0	0
Air arrivals by												
Usual Country of Residence:	50,400	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486
Australia	29,492	35,782	38,073	40,385	7,864	8,438	10,694	11,077	9,126	8,863	10,752	11,644
New Zealand	7,729	8,209	7,651	9,821	943	1,837	2,743	2,128	966	2,518	3,615	2,722
New Caledonia	5,050	6,518	6,815	7,480	1,591	1,209	2,049	1,966	1,646	1,523	2,105	2,206
Other Pacific	2,034	3,150	2,731	2,681	852	405	853	621	529	644	770	738
Europe	3,003	3,361	3,503	4,021	670	700	1,167	966	819	726	1,290	1,186
North America	1,625	1,930	1,625	1,896	357	345	490	433	318	444	654	480
Japan	571	586	583	656	113	136	195	139	134	130	218	174
Other Countries	881	1,073	1,100	1,239	258	239	316	287	251	296	356	336
Not Stated	15	-	1	-	-	-	-	1	0	0	0	0
Facilities at end of period:												
Hotels	29	29	29	29	27	23	29	29	29	29	29	29
Rooms	899	895	902	924	883	901	882	886	951	921	901	924
Room nights offered	328,916	337,625	327,870	332,333	80,718	85,704	80,934	80,514	83,564	87,699	82,212	78,858
Occupancy rate	46.5%	51.9%	52%	52%	46.40%	44.90%	61.30%	57.10%	54.00%	45.40%	53.10%	57.60%
Beds	2,348	2,320	2,317	2,455	2,119	2,444	2,352	2,382	2,458	2,452	2,445	2,466
Bed nights offered	869,812	849,910	851,417	882,371	202,463	216,604	216,893	215,457	215,727	221,102	219,670	225,872
Occupancy rate	35.3%	40.9%	40.7%	37.3%	39.40%	35.20%	48.50%	39.80%	36.80%	32.90%	38.20%	41.10%

Source: Vanuatu Statistics Office

TABLE 38: PRIVATE MOTOR VEHICLE REGISTRATION - PORT VILA AND LUGANVILLE

PERIOD	Motorcars	Pickups	Trucks	Buses	Motor-cycle	TOTAL
2000	164	150	50	99	18	481
2001	132	111	38	37	21	339
2002	106	90	28	26	11	261
2003	103	129	23	32	11	298
2004	175	158	19	25	21	398
2005	233	192	53	100	37	601
2006	243	262	72	85	104	756
2004 Qtr 1	36	33	2	6	3	80
Qtr 2	35	27	2	10	3	77
Qtr 3	50	40	12	7	13	122
Qtr 4	54	58	3	2	2	119
2005 Qtr 1	45	38	12	17	5	117
Qtr 2	80	51	16	31	8	186
Qtr 3	62	65	18	31	14	190
Qtr 4	46	38	7	21	10	108
2006 Qtr 1	62	56	19	18	13	168
Qtr 2	50	74	15	28	27	194
Qtr 3	71	57	20	28	30	206
Qtr 4	60	75	21	14	28	198

Source: Vanuatu Statistics Office

TABLE 39: TELEPHONE SERVICE SUBSCRIBERS

Period	Letters	Priority Letters	Printed Matter	Packets	Parcels	Registered	EMS	Total	Domestic Mail			Total	
									Outbound	Inbound			
2003	840,607	781	130,187	154,188	5,450	11,221	3,410	1,145,844	482,105	338,677	325,062	1,145,844	
2004	883,714	961	124,414	129,235	5,283	10,266	4,329	1,196,202	540,644	344,638	310,920	1,196,202	
2005	817,218	194	134,005	230,312	5,264	9,179	5,267	1,201,439	510,241	389,070	303,228	1,202,539	
2006	893,951	1,295	114,453	272,341	5,980	15,047	6,733	1,309,800	586,210	443,528	295,580	1,325,318	
2004	1st	212,452	203	28,245	40,806	1,301	2,678	982	286,667	123,231	85,413	78,023	286,667
	2nd	227,905	178	33,180	40,112	1,286	2,627	1,070	306,358	151,189	81,300	73,869	306,358
	3rd	219,267	232	28,960	44,300	1,179	2,554	1,101	297,593	131,777	92,518	73,298	297,593
	4th	224,090	348	34,029	4,017	1,517	2,407	1,176	305,584	134,447	85,407	85,730	305,584
2005	1st	198,393	296	31,884	50,419	1,300	2,319	1,171	285,782	116,296	90,974	78,512	285,782
	2nd	205,079	337	34,002	54,952	1,328	2,369	1,298	299,365	130,207	93,092	76,066	299,365
	3rd	204,999	333	34,340	59,404	1,344	2,274	1,355	304,049	129,834	100,084	74,131	304,049
	4th	208,747	328	33,779	65,537	1,292	2,217	1,443	313,343	133,904	104,920	74,519	313,343
2006	1st	221,624	325	27,785	74,274	1,424	3,426	1,737	330,595	137,901	117,202	75,492	330,595
	2nd	237,183	358	28,354	69,664	1,380	3,515	1,542	341,996	161,826	107,141	73,029	341,996
	3rd	234,881	266	30,184	64,908	1,484	4,021	1,578	337,322	154,025	109,959	73,338	337,322
	4th	200,263	346	28,130	63,495	1,692	4,085	1,876	299,887	132,458	109,226	73,721	315,405

Source: National Statistics Office