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REFERENCE

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Q1 March 1987	Press Announcement from Minister of Finance concerning The Cyclone UMA – Economic recovery program
	<ol style="list-style-type: none"> 1. (A) Duty Exemptions on replacement materials & equipment (B) Duty Exemptions on New Projects 2. Insurance settlements / Loss adjustment disputes 3. Future cyclone insurance cover in Vanuatu 4. Banking Loans for reconstruction 5. Business License fees 1988
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	Challenges to the Monetary Policy: The case of Vanuatu presented To the regional seminar on Monetary Policy implementation
Q1 March 2005	Summary of Business Survey March 2005
Q1 March 2005	Monetary Policy Instruments – The case for Vanuatu
Q1 March 2005	What is the Balance of Payments?. Compilation
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STATISTICAL ANNEX

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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

The world economic growth has continued to strengthen in 2006. Growth has been broadly based. In the US, growth was solid in the first half of 2006 but was expected to moderate in the second half of the year. Higher borrowing and fuel costs have undermined consumer spending and also there was a drop in home sales. In Japan, the economy continued to gather momentum and growth has been strong. Elsewhere in Asia, China and other emerging Asian economies have continued to show strength and contributed positively to world economic growth. In the Euro area economic recovery has continued to progress but at slow pace. In Australia, the economy grew by 3.5 percent whereas growth in New Zealand remained weak. As a result of the positive developments in the first six months of 2006, the forecasts for world growth in 2006 has been revised upward to 5.0 percent. An important aspect of the world economy has been the increase in crude oil prices during this period. Although events in the Middle East have contributed to the pressure on oil prices during the quarter, their upward trend over recent months has been mainly a consequence of strong global demand. Therefore, central banks in the US, EU, Japan, UK and Australia have tightened monetary policy to combat inflation pressures. Consequently, short term interest rates have been on a rising trend during the first half of the year.

Domestic economic developments in the first half of 2006 appeared to be on track for another positive growth for the domestic economy during 2006. Estimates by the Ministry of Finance and Economic Management (MFEM) showed that the growth in real GDP will improve to more than 3.0 percent in 2006. Indicators for the first half of the year continue to suggest that economic growth will continue to be driven by the services and industry sectors while a slight turnaround in the agriculture sector has been anticipated. Within the services sector, tourism figures showed that total arrivals in the first half of the year were higher than last year and much of this was attributed to an increase day visitors in the first quarter and air arrivals in the second quarter. The agriculture sector has maintained a gradual growth in the second quarter of 2006. This was especially true for copra production that saw a quarter to quarter increase of 55 percent, and kava. The favorable outcomes were underpinned by a slight increase in the domestic price for copra and favorable prices for kava. Cocoa also saw an increase in the second quarter while beef production declined as the two abattoirs are now operating below their full capacity. Nevertheless, overall production in the Agriculture sector during the first half of the year is still

lower than last year but us anticipated to pick up in the second half of the year.

Domestic headline inflation, as measured by the Consumer Price Index (CPI), has seen a gradual increase in the second quarter of 2006. This is the third quarter of successive increases in the CPI albeit a slow pace. Preliminary CPI figures for the second quarter revealed a year on year increase of 2.3 percent. Port Vila and Luganville showed increases of 1.2 percent and 1.1 percent respectively and the increases were attributed to food, housing & utilities, Transport & Communication and Drinks & Tobacco.

The Government continued to operate a positive recurrent and capital accounts in line with its policy to run a balanced budget. During the second quarter of 2006, the Central Government's fiscal operations depicted an overall surplus of VT83.7 million. Recurrent revenue for the six months of this year accounts for 53.1 percent of the budget. The good performance of revenue collection can be attributed to improving economic conditions and compliance by Government departments. Expenditures on the other hand, fell short of the budget accounting for just 44.1 percent of the budget in the first six months of the year. This is partly explained by a 10 percent cut in warrant releases across departments and ministries in preparation for the implementation of the Government Remuneration Tribunal decision. Besides, the positive outcome of the budget is reflected in an improvement in the Government's net lending position with the banking system by 31.4 percent.

Money supply continued to expand as growth accelerated during the second quarter of 2006 to 5.5 percent from just 1.8 percent during the preceding quarter. Inflows through the balance of payments and expansion in private sector credits continued to underpin the growth in the money supply. Also, reflecting a sizeable inflow through the balance of payments, system liquidity rose considerably during the quarter. Consequently, the Bank continues to conduct open market operation (OMO) to mop up the excess liquidity.

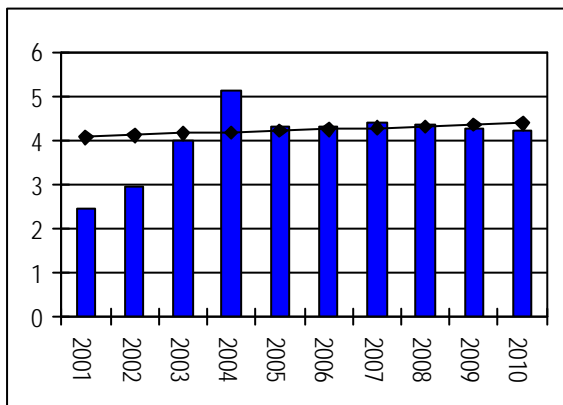
Developments in the balance of payments have seen a further expansion of the official international reserves. Official international reserves have increased to a comfortable level of 7.0 months of import cover during the second quarter, up from 5.9 months of import cover in the preceding quarter. During the review quarter the current account deficit of the balance of payment narrowed considerably as a result of improvements in the services

account. Also, the financial account continues to record an increase in foreign direct investment in terms of fresh investments and reinvested earnings.

2. The International Economy.

Global economic growth continued to strengthen led by the Euro Zone, China and emerging Asia in the second quarter of 2006. This has been accompanied by sustained upward pressure on commodity prices. One important element of this has been the increase in crude oil prices during this period. Although events in the Middle East have recently contributed to the pressure on oil prices, their upward trend over recent months has been mainly a consequence of strong global demand

Figure 1: World Real Economic Growth and Forecasts



Source: IMF World Economic Outlook, April 2006

There is evidence that growth is likely to slow markedly in the second half of 2006 as monetary policy has been tightened in many countries. The US has seen an increase in interest rates to 5% and Europe has also been increasing rates. The US housing market is also showing signs that it will start to gradually decline.

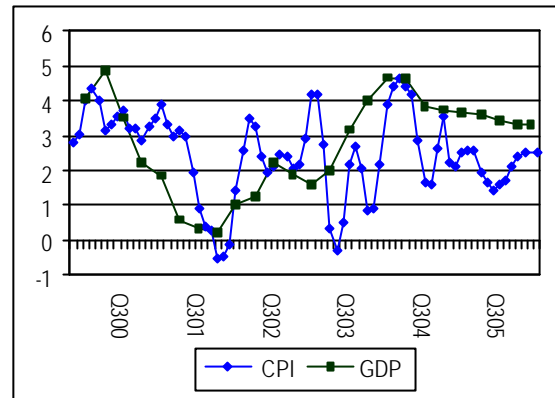
The US Economy

The June quarter saw a slow down of growth in the US economy reflected by higher borrowing and fuel costs which have undermined consumer spending and bolstered inflation (4.2% in May). As expected, the US Federal Reserve raised interest rates by another 25 basis points to 5.25% on June 29. However, the accompanying statement which explicitly mentioned the outlook for growth has cast doubt on the extent of future rate increases.

Home sales in America fell by 1.3% in June as inventories rose to their highest levels since 1997.

While there have been signs of some moderation in the United States recently, this is currently being offset by stronger growth in other parts of the world.

Figure 2: US GDP and CPI



Source: IMF World Economic Outlook, April 2006, The Economist - August issue

Soft employment numbers for the June quarter have certainly sparked volatility in the equity markets. Unfortunately, growing inflation risks support further monetary tightening. Investors still remain uncomfortable about the risks associated with US current account deficit despite the continuous housing boom.

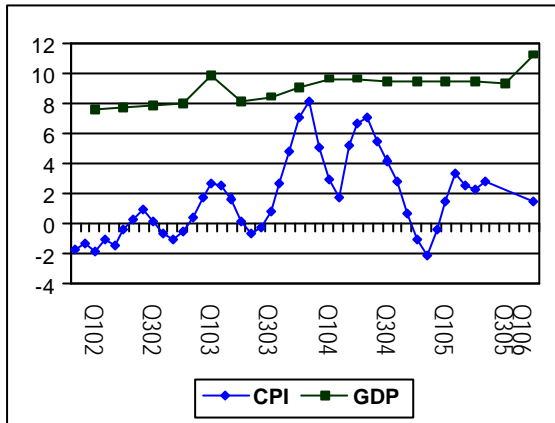
All this paints an unfavourable picture for growth in the second quarter as expected. However, growth is expected to moderate in the second half of the year.

Asia

The outlook for the Asian region remains positive with solid economic growth is expected to continue. However, many analysts report that Asian inflation will begin to pick up in 2006. Inflation has been rising steadily over the first half of 2006 and it is expected to continue this way in the foreseeable future.

In China, recent indications are that the pace of growth has picked up this year from an already high rate. The Chinese economy recorded a 11.3% growth in June quarter and a 1.5% in inflation rate. Of the total, 1.6 percent increase for urban and 1.3 percent increase for rural area; CPI for food and non-food rose 2.1 and 1.2 percent respectively. This increase in inflation is likely to lead to increasing interest rates in many Asian economies.

Figure 3: Chinese GDP and CPI



Source: IMF World Economic Outlook September 2005 and Chinese National Bureau of Statistics.

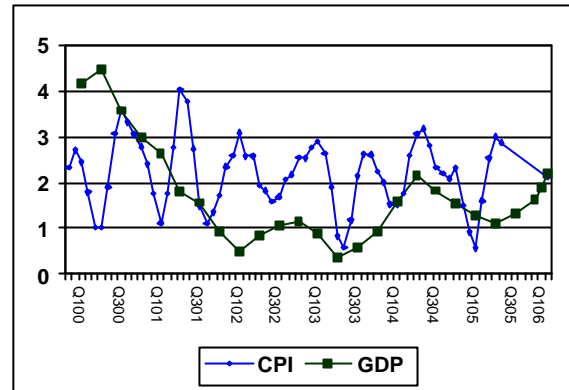
Japan

Japan's economy continues to recover at a steady pace and the survey results of the June quarter also reinforced the upswing in corporate confidence and capital expenditure plans. On balance, supported by expectations that its yield attractions will increase from higher rates and brightening investment conditions, thus the yen is expected to appreciate in the nearest future

Europe

In June quarter, indicators showed that regional expansion was gathering steam for the Euro Zone and the economy as a whole remains quite healthy. Growth performance was slightly better than the March quarter and the economy is growing faster than its long run trend. Capital spending and labour market has improved boosting investor sentiment and consumer spending. In addition, growth in the service sector which accounts for a significant portion of Europe's total output has reinforced optimism about the cyclic upswing. Tighter fiscal policy in Germany and Italy should keep inflation in check for the second half of 2006. Inflation continues to be moderate in the Euro area and unemployment is continues to decrease steadily. The rate of inflation now stands at 2.5%. The GDP growth is forecasted to be at 2.2% in 2006 and 1.8% in 2007. Britain's GDP grew by 0.8% in the June quarter of 2006 compared with 0.7% in the March quarter. The growth was mostly in services such as distribution, restaurants and financial services. Strong retail sales continued into the summer.

Figure 4: Euro-area GDP and CPI



Source: The IMF World economic Outlook, September 2005 & The Economist August issue.

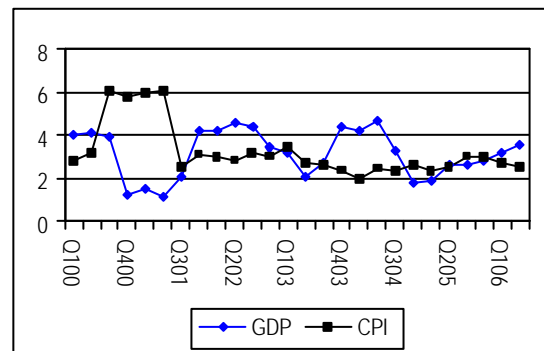
Australia

The Australian economy grew by 3.5% over the year in March quarter. This all comes despite a huge commodity price boom which has left Australia enjoying its best terms of trade in 32 years.

The consumer prices rose by 1.6% in the June quarter exceeding forecasts and lifting the annual inflation rate to 4%. The jump in prices makes it likely that the Reserve Bank of Australia will raise interest rate so as to bring inflation back towards its preferred range of 2-3%. With this, the Australian dollar is expected to increase.

Private sector credit growth posted another strong performance in May, fuelling fears about inflation. However, the Reserve Bank kept the cash rate unchanged at 5.75% for the second consecutive month in June. Reason behind the decision include weakness in business and consumer confidence and a recent fall in commodity prices and retail sales.

Figure 5: Australia CPI and GDP



Source: Reserve Bank of Australia

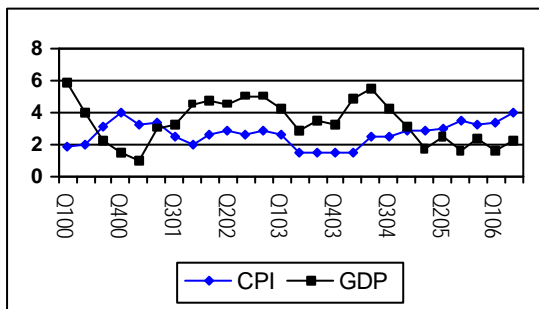
The future does look somewhat optimistic however as the soft sectors regain momentum. The forecasts are of growth of 2.9% for this year with a further acceleration to 3.8% in 2007.

New Zealand

The New Zealand economy has continued in its flat patch. Economic continues to be weak during the June quarter recording 2.2% over the year and 0.6% from March quarter.. Undermined by its growing current account, this pause in economic activity will last too long. Economic growth will probably slow to 1.5 percent this year from 2.3 percent in 2005, before recovering to 2.5 percent in 2007, as in the Reserve Bank forecast.

The unemployment rate fell to 3.6 percent from 3.9 percent in the first quarter, Confidence in the economy has now slightly picking up with inflation up by 1.5% over the quarter and 4.0% over the year.

Figure 6: New Zealand CPI and GDP



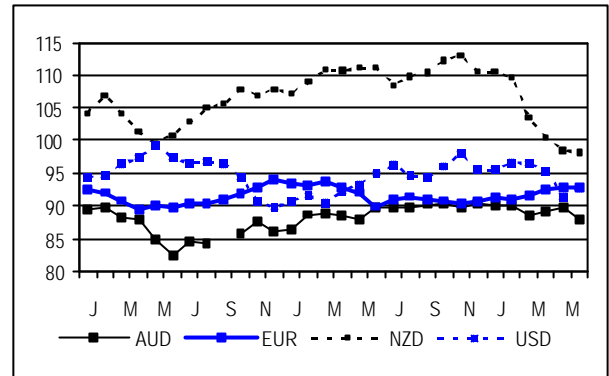
Source: Reserve Bank of New Zealand.

Financial Markets.

The pattern of monthly exchange rate movements of some of the world's larger currencies is shown below in trade weighted terms.

The most striking feature of the exchange rate patterns for the June quarter of 2006 is the continuous large depreciation of the New Zealand Dollar. The NZD started in January at an index value of 110.51 but dropped 6.4% to reach 103.39 in March and then to 97.96 in June from 98.2 in May. This reflects the current economic situation in New Zealand, however as expected, the drop was almost stabilised in June.

Figure 7: Exchange rates



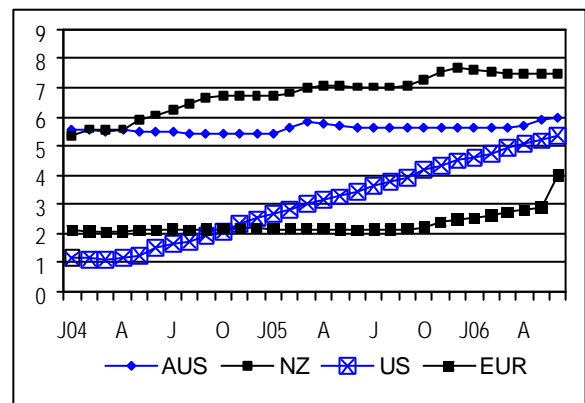
Source: Bank of England

Most of the other currencies remained broadly stable over the period the Australian dollar appreciated in April and May but fall in June. The US dollar fell by 4% from March to April but slightly rose by 2% in June. The Euro continue to appreciate gradually.

Short Term Interest Rates

The graph below shows the pattern for short term interest rates for some of the world economies relevant to Vanuatu, the rate shown in each case is a 3 month money market rate.

Figure 8: Short Term interest rates



Source: Reserve Bank of Australia, Reserve Bank of New Zealand, European Central Bank, Bank of England

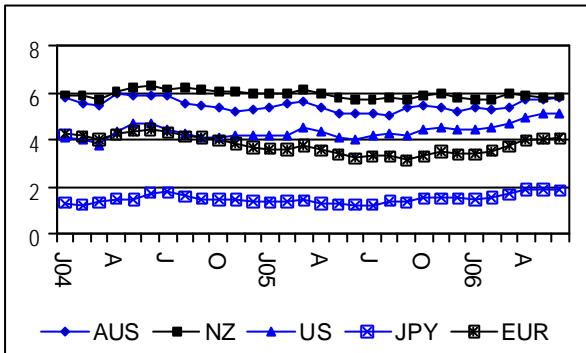
Short term interest rates have seen some interesting changes over the quarter. One notable change was the Euro interest rate which recorded a sharp slope in June. It went from 2.89% to 3.89%.

The US interest rates also increased from 5.18 % to 5.38% as it continues to follow the Fed's increases in the cash rate.

Long term interest rates.

The graph below shows the changes in long term interest rates in some of the world's major economies.

Figure 9: Long-Term Interest Rates



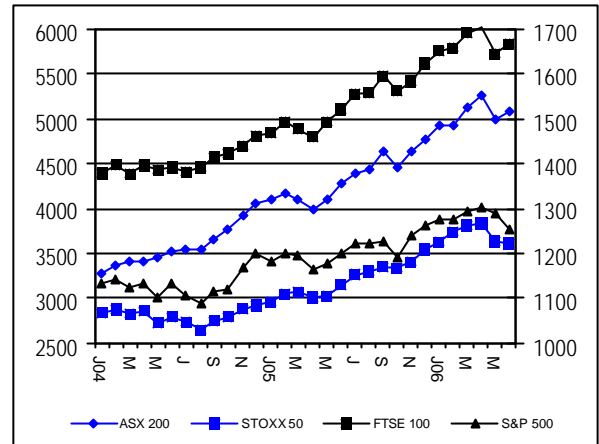
Source: Reserve Bank of Australia, Reserve Bank of New Zealand, Bank of England, European Central Bank.

The long term interest rates saw increases for every country over the June quarter of 2006 except for New Zealand which went down from 6 % in March to 5.84% in June. The largest increase over the quarter was in Australia and the US where rates went up 0.38 percent.

Stock Markets

The following graph shows the movements in share indices from some of the world's largest markets.

Figure 10: Stock Markets



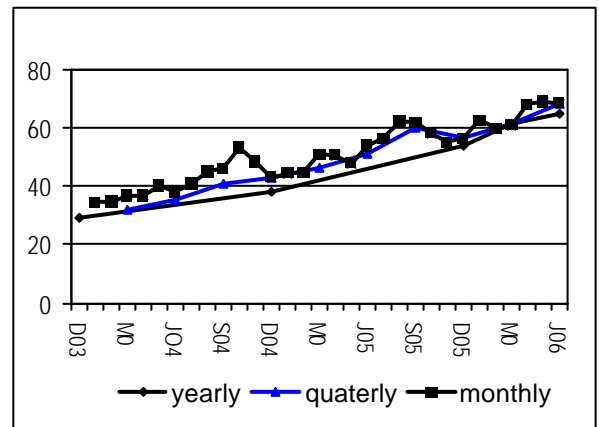
Source: Financial Times, European Central Bank, Reserve Bank of Australia.

All the stock market indices decreased in at end June 2006 as compared to the increases in March. The largest decrease was in the STOXX 50, the European stock index, which was down by 42%. This was unlikely to be of this magnitude due to the increased business confidence in Europe and fast economic recovery, however high inflation could possibly be the main cause. The ASX 200 was down by 1.0 percent in relate to the slow growth in Australia. The FTSE 100 and S&P 500 both fell by 2.2% and 3% respectively over the June quarter.

Oil Markets

The price of oil has continued on its upward trend this quarter.

Figure 11: Average Spot Price for Crude Oil



Source: World Bank Pink Sheet

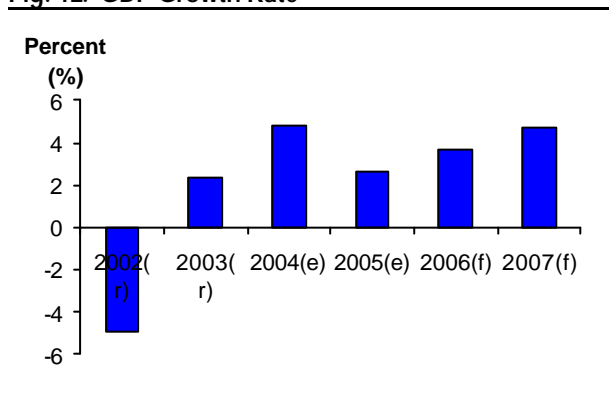
The Price of oil has seen an increase over the quarter as it closed in March at a level \$60.93 and closed in June at a level \$68.29. Quarterly and Annual average prices both show increases.

3. Domestic Economic Development

3.1 Real Economy

In 2006, Gross Domestic Product (GDP) growth is revised to project an estimate growth of 3.7 percent with expected growth in all the three major sectors: Agriculture, Fishing & Forestry (2.8%), Industry (2.5%) and services sector (4.1%). Agriculture sector is expected to pick up growth in 2006 after a decline in 2005.

Fig. 12. GDP Growth Rate



Source: Ministry of Finance and Economic Management (MFEM)

Whilst all sectors are expected to maintain growth in 2006, the service sector is still expected to remain as the major sector contributing to GDP growth. Growth in service sector is notable for Hotels and Restaurants (5.1%) and Transport and Communication (5.6%).

During the second quarter of 2006, the agriculture sector continued to maintain a gradual growth, from that recorded in the previous quarter, while the tourism arrivals recorded slightly lower than the previous quarter, although the overall level was higher vis-a-vis the same last year.

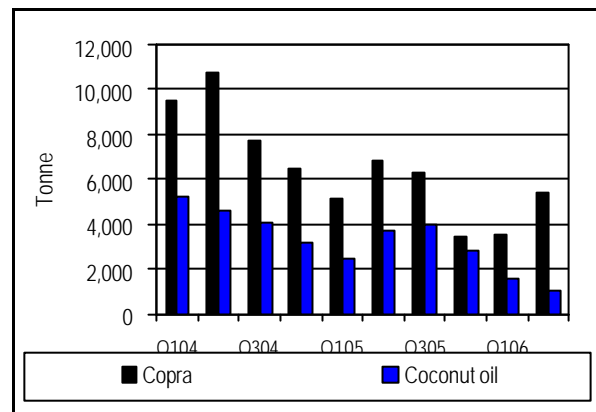
The Consumer price index an increase through increases in prices for housing and utilities particularly prices for fuel and electricity through the June quarter in line with the surge in the world price for crude oil.

1.2a. Copra and Coconut Oil

Preliminary figures indicate total copra production to be 5,433 tons after production picked up again during the second quarter of 2006. The average domestic price per ton increased slightly from VT19,018 per ton to VT19,545 per ton during the quarter. Despite the expected increase in growth during this quarter, total production is expected to drop substantially by 20.2 percent on a year-on-year basis from the same quarter of 2005.

The slight increase in domestic price for copra was some what offset by the decline in world price of copra which declined slightly from US\$383.3 per ton to US\$383.0 per ton.

Fig. 13 Copra & Coconut Oil Production



Source: VCMB, National Statistics Office

Upon the closure of, Coconut Oil Production Vanuatu Ltd (COPV) in February 2006, production has since declined. Despite the expected low production, exports increased by 31 percent from 1,588 tons in the first quarter to 2,086 tons in the second quarter. On yearly basis, coconut oil exports has dropped by 44 percent from the same quarter of 2005.

The only copra mill currently in operation is Vanuatu Coconut Oil Products Limited (VCPL), a subsidiary of VCMB. The company also produces by-products such as detergents and body lotion. Coconut oil from the company is mainly and coconut oil for bio-fuel to the domestic markets such as, Unelco Vanuatu Limited with 8,000 litres per week or 32,000 litres per month to run its power generators in Luganville, Santo.

Despite the decline in the average world price for copra, average world price for coconut oil increased slightly from US\$578.3 per ton to US\$578.7 per ton during the quarter.

1.2b. Cocoa

Preliminary figures indicate an increase in cocoa production compared to the previous quarter, due the seasonal factors. Total production during the quarter is estimated at 149.4 tonnes, with a total estimated value of VT10.9 million, compared VT2.9 million in the previous quarter. The average domestic price for cocoa bought by VCMB (Vanuatu Commodities Marketing Board) has increased to increase to VT75,740 per ton, compared to VT72,407 per ton in the previous quarter. Likewise, the average world price of Cocoa increased from 155.5 US Cent per kg to 158.4 US cent per kg.

1.2c. Kava

During the second quarter, Kava exports increased by 36 percent to 167 tons. This increase indicated the ongoing favorable kava export price, the upward impact on the domestic market.

While kava remains an export potential, internal marketing difficulties and the attempt by the VCMB to monopolize the sector has been received with mixed reaction by exporters. The new policy implies that VCMB will be the sole buyer and export, however the ongoing kava feud is beginning to have effect on the sector. Via-a vis, the same period in 2005 Kava exports declined by 34 percent over the same quarter of 2005. towards the third quarter of 2006, kava production and exports are expected to pick up.

6Figure 14: Selected indicators

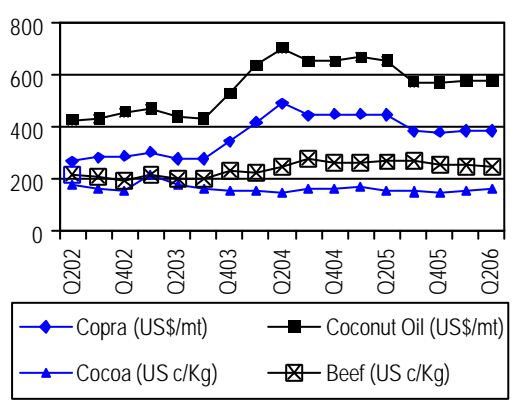
Domestic Data Annual		2001	2002	2003	2004	2005(r)
Real GDP Growth		-2.9	-4.4	2.4	4.8	2.6
Annual inflation rate		2.3	2.3	2.9	0.8	1.8
Production						
Copra(t)		20,234	25,608	28,925	36,822	21,482
Cocoa(t)		797	868	1,346	865	926
Beef(t)		3,028	2,531	3,099	2,984	3,185
Coconut oil exports (t)		8,733	9,856	7,725	17,111	12967
Kava exports (t)		935	601	491	828	686
Air arrivals(no.)						
Cruise arrivals(no.)		53,300	49,462	50,400	60,670	62,082
Hotel Occ. Rate		52,778	49,447	51,995	37,870	63,554
Energy Consumption		49.80%	44.20%	46.50%	51.90%	52.30%
		42,281	41,874	41,341	42,849	44,669
Quarterly		<u>2005</u>			<u>2006</u>	
		Q205	Q305	Q405(r)	Q106(r)	Q206(e)
Real GDP Growth		-	-	-	-	-
Inflation rate (yearly)		1.3	0.6	1.8	2.0	2.3
Inflation rate (quarterly)		0.4	0.5	0.4	0.8	0.6
Production						
Copra(t)		6,601	6,310	3,359	3,529	5,433
Cocoa(t)		125	535	217	39.3	149.4
Beef(t)		963	935	843	722	631
Coconut oil exports(t)		3,700	4,016	2,794	1,588	2,086
Kava exports (t)		227	256	89	123	167
Tourist arrivals(no.)						
Cruise arrivals(no.)		13,309	18,507	17,618	13,789	15,144
Hotel Occ. Rate (room)		12,686	17,017	13,797	27,945	19,445
Energy Consumption		49.40%	72.40%	52.00%	54.00%	45.50%
		10,920	10,059	10,500	12,274	11,571

Source: National Statistics Office

1.2d. Beef

After an increase in production recorded during the first quarter of 2006, the beef industry registered an estimated decline in the June quarter. Production declined by 12.6 percent to 631 tons from 721.6 tons in the previous quarter. This level was lower by 17 percent from the corresponding quarter of last year. The slight decline in production during this reviewed quarter was attributed by a drop in the number of cattle received at Santo Meat Packers Ltd resulting in a decline in the number of heads slaughtered. Port Vila Abattoir (Vanuatu Abattoirs Limited) also recorded a decline in the number of cattle heads slaughtered for beef production. In terms of World prices, the average price of beef declined from 249.3 US Cent per kg in the previous quarter to 247.3 US Cent per kg during the reviewed quarter (figure xx)

Figure 15: World Commodity Price



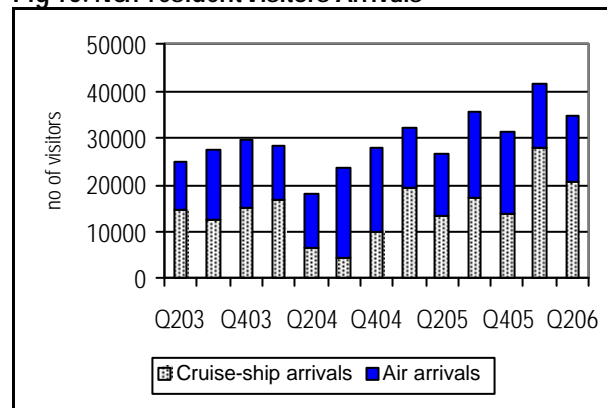
Source: World Bank Commodity Price

1.2e. Tourism

Revised tourism figures for the first quarter of 2006, showed that total visitors arrival¹ increased by 33 percent to 41,734. During the first quarter, air and day visitors accounted for 33 percent and 67 percent respectively. This increase in trend was mainly brought about by the increase in day visitors (cruise ship arrivals) by 103 percent whilst air arrivals declined by 22 percent.

Tourism figures for the second quarter of 2006 indicated that the total number of visitor's arrivals is projected to decline by 17 percent to 34,589, much contributed by seasonality trend in tourism arrivals. During the reviewed quarter, air arrivals and cruise ship arrivals accounted for 44 percent and 56 percent respectively. The decline in total visitor arrivals is mainly attributed by day visitors, notable cruise ship arrivals which declined by 30 percent from the previous quarter to 19,445 mainly attributed by the decline in the number of scheduled cruise-ship calls by the P&O cruises. Air visitors arrivals has increased by 9.8 percent from the previous quarter to 15,144 visitors This increase is mainly contributed by the inflow of visitors to tourism activities organized by the National Tourism Office which attracted regional and overseas visitors such as the Vanuatu Ocean Swim and the Vanuatu Golf tournament during the month of June. This quarter also followed seasonal tourism trend which depicts a low to high season for tourist arrivals especially holiday visitors which accounts for a higher portion of total air visitors arrivals to Vanuatu. These increases were shown for visitors from New Zealand and North America. Hotel room occupancy rate increased from 54.0% in the previous quarter to 55.5% during the June quarter.

Fig 16. Non-resident Visitors Arrivals



Source: National Statistic Office

¹ Non-residents (air) visitors arrivals plus cruise-ship arrivals

1.2f. Inflation

The Consumer Price Index (CPI) for the first quarter, 2006 has been revised to 0.8 percent (from 0.6 percent) quarterly and 2.0 percent (from 1.9 percent) yearly over the same quarter of 2005. Port Vila and Luganville recorded increases of 0.1 percent and 1.2 percent respectively.

Projected annual increase in CPI for the second quarter of 2006 is expected to increase to 2.3 percent or 0.6 percent from the previous quarter. Port Vila and Luganville are projected to show increases of 1.2 percent and 1.1 percent respectively. The major factors contributing to this fluctuation in consumer prices were expected projected increases shown in major expenditure categories for: Food (3.4%), Housing & Utilities (2.7%), Transport & Communication (2.3%) and Drinks & Tobacco (2.1%). Slight increases are expected for Recreation, Education & Health (1.0%), household supplies (0.7%) clothing & footwear increased by 0.3%.

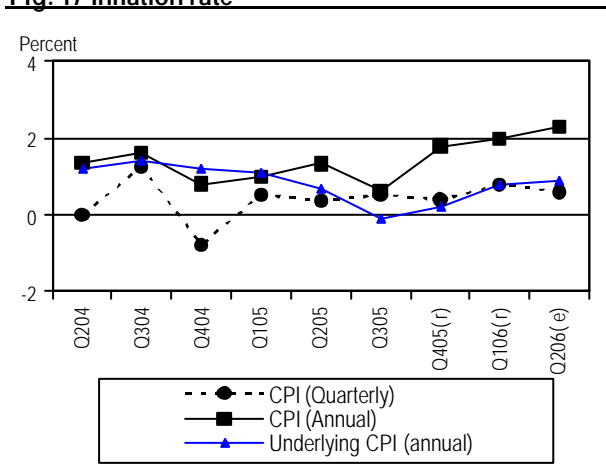
supplier, UNELCO Vanuatu Limited, whose oil consumption accounts for a fair amount of total oil imports to Vanuatu. Inflationary pressures from imported goods, such as gas and oil, could yet be one factor contributing to inflation over the reviewed quarter.

3.2. Fiscal Operations

The Government continued to operate a positive recurrent and capital accounts in line with its policy to run a balance budget. Net claims on Government with the commercial banks and the Reserve Bank of Vanuatu continued to improve which reflects the high deposits maintained by the Government in its accounts.

For the second quarter of 2006, the central government overall fiscal operations depicted another surplus of VT83.7 million compared to VT487.1 million recorded during the corresponding quarter of 2005. The decline in the fiscal position for this quarter stemmed mainly from a decrease of VT197 million in grant aid when compared to the same quarter of 2005.

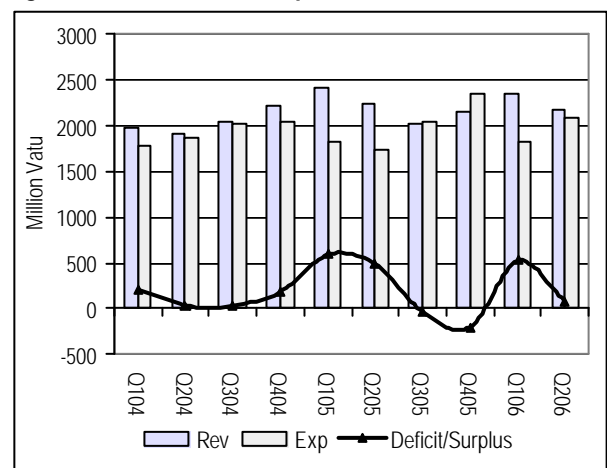
Fig. 17 Inflation rate



Source: National Statistics Office

Particular increase was shown for consumer price index for housing and utilities contributed by the country's electricity

Figure 18: Government Expenditures and Revenue.



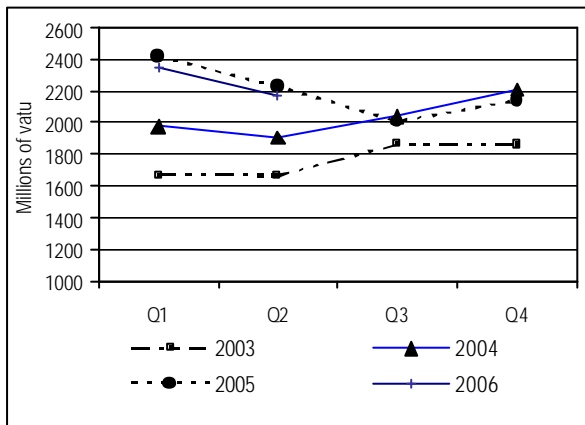
The Government had rolled over one of its domestic debt which will mature next year and continue to service external debts.

3.2a. Revenue

During the quarter under review, overall revenue (including grants from abroad) amounted to VT2177.3 million, 2.2 percent lower than the level attained during the same quarter of 2005. Revenue collection for the second quarter of 2006 was lower than the previous quarter by 7.4 percent.

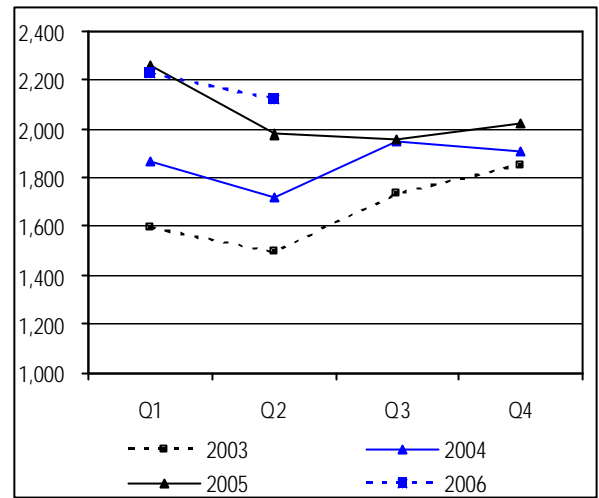
Of the budgetary account, recurrent revenue collected for the six months of this year accounts for 53.1 percent, which is more than the 50.0 percent expected for the year. The good performance of revenue collection can be attributed to the improving economic conditions and compliance by Government departments.

Figure 19: Revenue and Grants



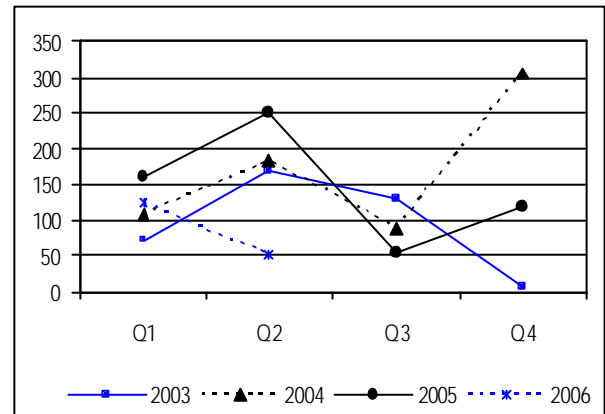
Of the domestic revenue (recurrent), tax collection alone for the quarter constitutes 91.0 percent, higher when compared to 88.0 percent recorded in the same period of last year. Of this, value added tax make up 39.5 percent, tax on international trade makes up 32.7 percent while other taxes make up the remaining balance of 27.8 percent.

Figure 20: Domestic Revenue



Revenue from non-tax sources which constituted the remaining 9.0 percent of total recurrent receipts, decreased by 19.4 percent when compared to the corresponding quarter of 2005.

Figure 21: Grants



Meanwhile, grants received for this quarter totaled VT52.5 million. Grant aid received for this quarter is the lowest for this same period since 2003.

3.2b. Expenditures

Total outlays for the review quarter displayed growth when compared to the corresponding quarter of 2005, due principally to an increase of 19.5 percent in goods and services expenditures. Expenditures to date totaled 44.1 percent of the budget, which is lower than the expected 50 percent for this time of the year.

By economic classification, salary and wages, which accounted for 56.3 percent of total recurrent expenditures increased by 20.6 percent from the corresponding quarter of 2005. This increase is more in line with normal salary and wages payments for both political appointees and civil servants under the public service commission.

3.2c. Financing

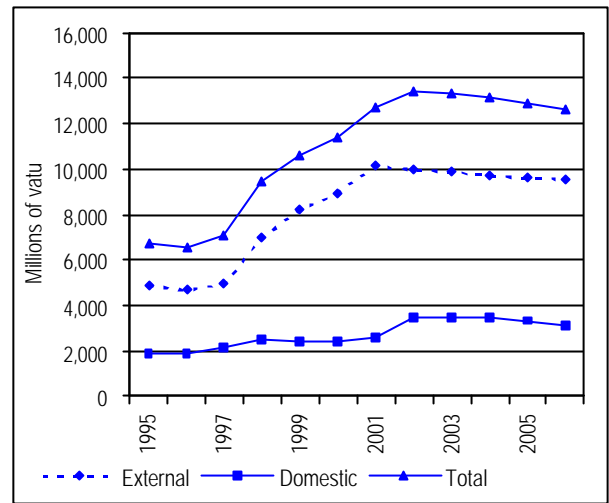
The fiscal surplus incurred for the first six months of 2006 was recorded as VT609.4 million. Financing was by way of domestic bond roll over with no new borrowings. Tight fiscal control by the Department of Finance had ensured that the Government had not resorted to the overdraft facility with the Reserve Bank of Vanuatu.

Two of the main instruments commonly utilized by the central government to finance its deficits are domestic borrowing and resorting to overdraft facility. Through the first vehicle, the Vanuatu Government rolled over VT200 million of the reminding bonds into one year bond. The government had not resorted to the overdraft facility as it continues to maintain a positive operating account.

3.2d. Outstanding Government Debt

Total outstanding public debt was estimated to be approximately VT12.6 billion, of which 24.5 percent or VT3.1 billion is domestic debt. Domestic debts in terms of bond holding and domestic loans total VT3,103.0 million. This quarter also witness the Government retiring VT225 million loan arrangement held by a corporate body. 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 22: Public Debt



Total external debt of the country stood at approximately VT9,544.0 million and representing 75.5 percent of total public debt. Total estimated outstanding public debt represents 30.9 percent of nominal GDP.

MONETARY DEVELOPMENTS

Monetary growth accelerated during the second quarter of 2006, with broad money increasing by 5.5 percent as compared to just 1.8 percent during the preceding quarter. With regards to the counterparts of money supply, net foreign assets continued to increase during the quarter driven mainly by foreign exchange inflows, domestic credit on the other hand contracted slightly as net credit to the government decreased. A year-on-year growth of 11.0 percent was also recorded.

Commercial Banks liquidity rose considerably during the quarter as the economy is experiencing sizeable inflows through the balance of payments. With the current high liquidity in the system, the RBV continues to be proactive in its open market operation (OMO) as reflected in the increase in outstanding notes during the quarter. Despite the fact that excess liquidity was substantial in the system, short term interest rates have also increased during the quarter. These high rates occurred for various reasons; a) throughout the OMO's carried out during the quarter participants fail to bid for the full amount of notes offered in the market, therefore high interest bids were accepted b) the trend reflected a general increase in domestic deposits interest rates as reflected by an increase in the weighted average rate on deposits.

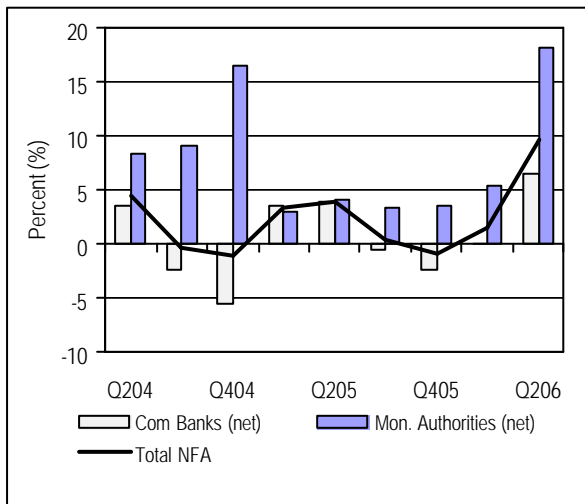
Determinants of Money Supply

Net Foreign Assets

An increase in the net foreign assets (NFA) of the banking system was the main factor contributing to the monetary growth in the second quarter of 2006. During the reviewed quarter NFA expanded further by 9.6 percent to level at VT32 billion. This increase was reflected in growths in the NFA of both the monetary authorities and the rest of the banking system. Over the past twelve months a growth rate of 10.6 percent was recorded.

The net foreign assets of the Reserve Bank of Vanuatu have been persistently expanding for the second consecutive quarter of this year. During the reviewed quarter, the NFA of the Reserve Bank rose considerably by 18.1 percent to reach VT9.1 billion. This level was substantially higher by 33.2 percent from the corresponding quarter of 2005. The growth in the NFA of the Reserve Bank occurred as a result of extensive net purchases of foreign exchange inflows from the rest of the banking system, and from the government through its major donors. The Reserve Bank has moreover recorded substantial inflows from its portfolio investments held abroad during the quarter. With these inflows, foreign exchange reserves are sufficient to cover 7.28 months of the country's import bills as compared to 5.9 months during the first quarter.

Figure 23: Net Foreign Assets



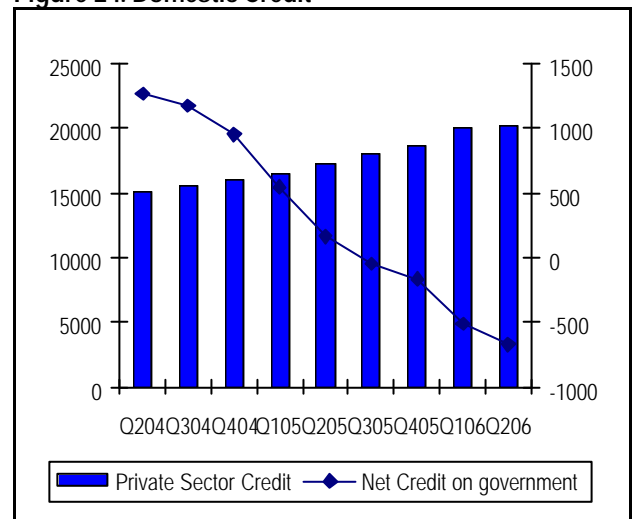
The net foreign assets of the rest of the banking system likewise increased by 6.7 percent to reach VT23 billion during the quarter. Also their annual growth rate rose by 3.8 percent. The second quarter increase was contributed by their investment held abroad with non-resident banks

which increased by 8.9 percent, furthermore, their assets with non-residents non-banks grew substantially by 44.6 percent during the quarter. The level of commercial banks net foreign assets more than outweighs their foreign liabilities to non-residents. Reflecting adequate foreign exchange liquidity in the banking system foreign liabilities in terms of foreign currency deposits of commercial banks increased substantially during the quarter, therefore also contributed to the uptrend in net foreign assets.

Domestic Credit

Domestic credit contracted slightly during the quarter by 0.4 percent to VT19.6 billion, reflecting offsetting movements associated with its two main components. Net credit to the government decline substantially, while claims on private sector slightly increased. Claims on non financial public enterprises and claims on municipalities both registered quarterly growths of 44.8 percent and 7.3 percent, respectively. Though domestic credit declined during the quarter, the level was substantially higher by 11.6 percent from a year ago.

Figure 24: Domestic Credit



The government's net lending position vis-à-vis the banking system has been improving for the second consecutive quarter in 2006. During this quarter the government's net position with the banking system declined considerably by 31.4 percent as the government is accumulating its deposits with both the monetary authorities and the commercial banks. Also during June, the government received the first disbursement of the Millennium Challenge fund; therefore also attributed to the substantial improvement in its deposits with the Reserve Bank. The

government's net lending position with the banking system furthermore improved largely from the previous year's level.

Loans and advances to the private sector expanded moderately during the quarter by 0.3 percent as compared to a 7.8 percent growth recorded over the previous quarter. Though the growth rate was slow during the quarter, private sector credit expanded largely by 16.4 percent from a year ago. The trend in private sector credit reflects the current state of the economy.

With regards to various categories of loans, the growth was contributed to by a trivial growth in loans and advances to businesses, which noted a 0.7 percent increase. Loans and advances extended to individual and households rose by 0.2 percent, while loans and advances to other resident's category on the other hand were reduced by 9.7 percent. In terms of loans and advances granted to various economic sectors, sectors which noted increases in credit during the quarter are; distribution sector which noted the biggest growth of 24 percent. The huge growth indicated that during the quarter commercial banks increase their lending towards wholesale and retail trade. Credit for the tourism sector rose by 12.9 %, entertainment and catering sector (6.0%), housing and land loans (9.6%), transport sector (0.1%) and financial institution (23.9%).

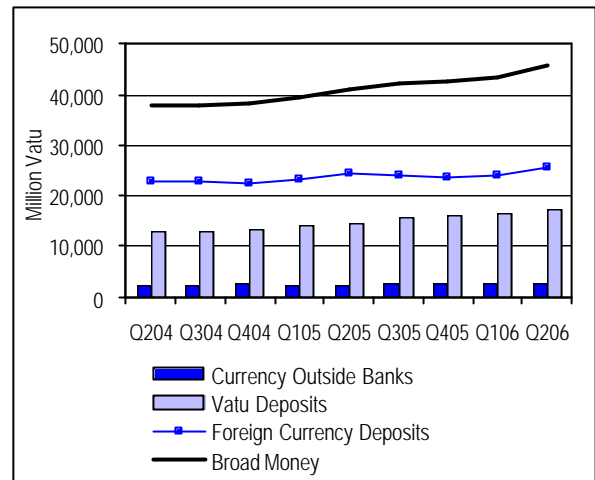
Housing and land loans continued to be the dominant sector by acquiring 24.6 percent of the share of total loans, an increase of 1.6 basis points from the previous quarter. Other personal loans claimed the second largest share of 17.9 percent. The third and the fourth largest share were consumed by the tourism sector and distribution sector of 11.9 percent and 11.7 percent, respectively.

Components of Money Supply

Total money supply increased to VT45.7 billion during the second quarter. This expansion was associated with growths experienced by both of its components.

Narrow money expanded by 6.6 percent during the reviewed quarter. The expansion was attributive to all its components, of which currency outside banks and demand deposits both registered increases of 10.2 percent and 5.9 percent, respectively. An annual growth rate of 4.0 percent was also recorded.

Figure 25: Money Supply



The expansion in currency outside banks partly reflected the large disbursements of funds made by the government during the month of June to support the metenesal cocoa estate and partly indicated that residents have been hoarding currency which is readily available to meet immediate demands in the economy. The growth in demand deposits was explained by an increase of 10.6 percent in its foreign currency component. Demand deposits in local currency on the other hand fell slightly by 0.5 percent. The downtrend in demand deposits in local currency could be explained by a) offsetting effects of the substantial increase in currency outside banks b) offsetting effects of the expansion in demand deposits in foreign currency, possibly reflecting foreign exchange inflows for investments, overseas trade, visitors arrival and other infrastructure development in the economy and c) residents may also convert their demand deposits in local currency to invest in interest bearing deposits as seen in the growth in time and saving deposits in local currency.

Quasi-money moreover grew by 4.9 percent during the quarter. This development stemmed from growths of 7.4 percent in time and savings deposits in local currency, while time and savings deposits in foreign currency increased by 3.2 percent. Quasi-money expanded largely by 15.0 percent from the preceding year. While money is flowing into the economy, residents are at the same time investing in interest bearing deposits as reflected in the growth in quasi-money.

Deposits with Commercial Banks

Resident's total deposits (excluding Government deposits) held by commercial banks during the quarter expanded by 5.2 percent to totaled VT43 billion. Deposits denominated

in foreign currency continued to dominate the share of total deposits by 59.3 percent, local currency deposits comprises the remaining 40.7 percent. Total deposits expanded by 10.6 percent compared to a year ago.

Considering the ownership of deposits, individual residents consumes the largest share of 44.6 percent, private businesses followed with 42.8 percent, non-financial public enterprises comprises 7.3 percent, other residents category accounted for 5.2 percent, while the least share of 0.1 percent of total deposits was taken by municipalities.

Interest Rates

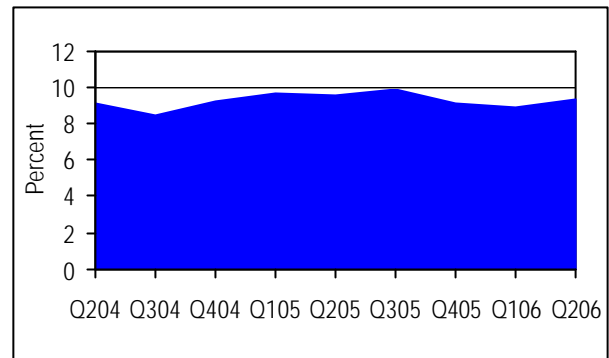
Commercial banks interest rates on deposits noted few movements from the previous quarter's level (see table 9). With regards to term deposits, the maximum interest on the one month maturity and maturities of two-six months noted reductions of 0.5 percentage points, respectively. Interest rates on maturities of over six months and savings deposits were maintained as in the previous quarter. Due to these slight reductions the weighted average rate of interest for fixed deposits were slightly down by 0.05 percentage points to reach 5.20 percent. The moderate reduction in the weighted average interest rate on fixed deposits could not make up for the trivial increases experienced in the weighted average interest rates on other deposit categories. Due to this the weighted average rate of interest for total bank deposits increased slightly by 0.1 percentage points to 2.38 percent.

Though the upper interest rate on personal lending was down by 0.5 percentage points from a one-off increase during the previous quarter, interest rates ranges on commercial loans and housing loans were maintained as in the previous quarters level, see table 9. Taking into account fluctuations in interest rates on lending to other economic sectors, the weighted average rate of interest for commercial bank loans increased from 11.20 percent in the March quarter to 11.65 percent in the June quarter. The interbank rates were maintained at 5.50 percent.

Interest Rates Spread

The aforesaid increases in the weighted average interest on commercial banks deposits and lending rates triggered the overall interest rate spread to broaden by 0.45 percentage points to 9.27 percent during the quarter.

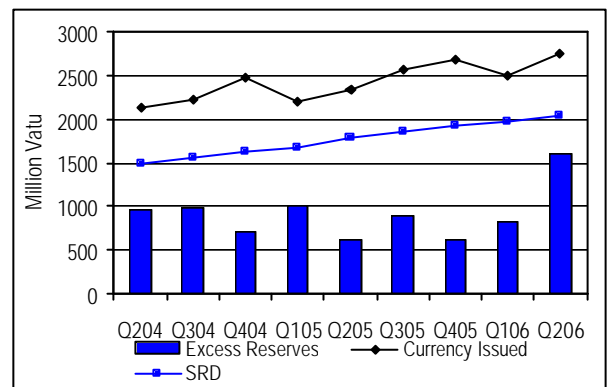
Figure 26: Interest Rate Spread



Reserve Money

Reserve money² witnessed a significant expansion of 19.2 percent during this quarter, after a contraction experienced over the previous quarter. An annual growth rate of 33.5 percent was also noted. The quarter-to-quarter growth was contributed to vast increases in all its components. Currency in circulation grew by 10.2 percent, excess reserves, 92.3 percent as well as SRD by 2.9 percent.

Figure 27: Components of Reserve Money



The gigantic growth in excess reserves was mainly attributed to massive inflows of foreign exchange through the Balance of Payments during the quarter. This was reflected in the substantial growth in the net foreign assets of the Reserve Bank. The massive inflows during the quarter furthermore contributed to the increase in commercial banks local deposits and demand deposits in foreign currency as reflected in the growth in SRD.

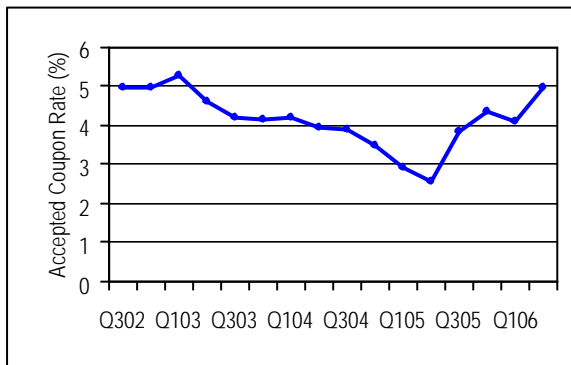
DOMESTIC MARKET DEVELOPMENT

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

Open Market Operation

In order to curb the surge in domestic banking system liquidity in the second quarter, the RBV increased the float of RBV notes by 22.30% from VT1,370 million in the first quarter and reintroduced the 119 days maturity note. Totalled allotments fall short by VT45 million of the amounts asked for as follows; VT475 million to 14-days, VT430 million to 28-days, VT350 million to 63-days, VT335 million to 91-days and VT45 million to 91-days maturities. RBV notes outstanding at the end of the second quarter stood at VT990 million compared to VT710 million at the end of first quarter of 2006.

Figure 28: 91-days RBV Notes Yield



The average weighted Yield on all RBV notes increased to 4.42% in second quarter compared to 4.16% in the first quarter of 2006. The increase in the yields on all RBV notes reflected high interest bids offered by commercial banks and also domestic deposit rates as determined by the increase in the weighted average interest on deposit rates. By end of the quarter, the yield on 91-days maturity stood at 4.95% compared to 4.34% at the end of first quarter while the yields on 14-days, 28-days, 63-days and 119-days maturities also hiked to 4.90%, 5.00%, 4.90% and 5.00% respectively.

3.4. Financial Development

3.41. Total Local Expenditures

Total estimated local expenditures of Finance Centre institutions recorded increases of 14.8 percent and 7.5 percent from the previous quarter and corresponding quarter of 2005, respectively. This is attributed to increases of 16.9 percent in total recurrent expenditures and 317.9 percent in total capital expenditures from the previous quarter.

From the estimated total local expenditures of VT979.5 million, the banking sector continue to dominate with 46.0 percent, followed by trust and insurance companies with 28.7 percent, accounting firms with 14.5 percent and legal firms and offshore institutions with 10.8 percent.

Total estimated taxes and levies paid by Finance center institutions and other private companies, decreased by 31.7 percent from the previous. The bulk of this decline comes from central government fees which registered a decrease of 32.6 percent from the first quarter of 2006.

There was an increase in total estimated capital expenditures of finance institutions and other private sector institutions by 317.9 percent from the previous quarter but recorded a decline of 9.0 percent from the corresponding quarter of 2005. The bulk of this increase comes from the banking sector compared to the previous quarter.

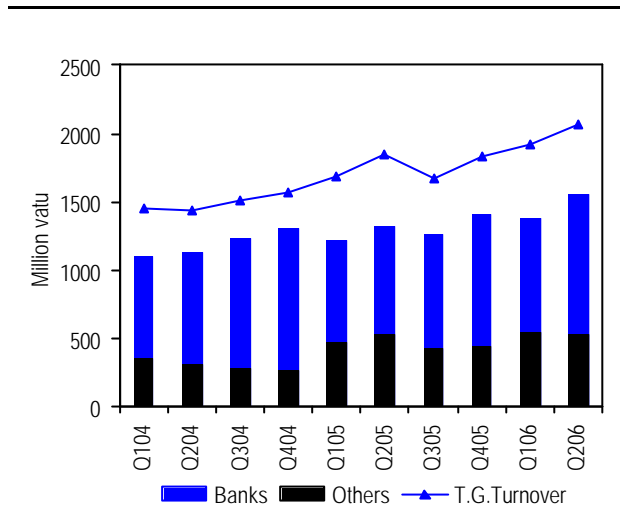
Estimated Value of total assets of finance Centres and other private sector institutions increased by 4.8 percent from the previous quarter and 2.1 percent from the corresponding quarter of 2005.

The total estimated number of employees declined to 619 after increasing to a new high of 624 recorded during the previous quarter. Ni-Vanuatu employees made up approximately 88.2 percent of this total.

3.42. Total Gross Turnover

Total estimated gross earnings of Finance Centre Institutions increased by approximately 7.4 percent from the previous quarter and 12.3 percent from the corresponding quarter of 2005. This increase in estimated total gross earnings of finance center institutions was attributed to increases in earnings on commercial banks by 12.0 percent and gross income of trust and insurance companies by 4.8 percent from the previous quarter.

Figure 29. Total Gross Turnover (Finance Centre Institutions)



Total estimated net foreign exchange earnings decreased by 11.1 percent from the previous quarter and 1.6 percent from the corresponding quarter of 2005. This decline was attributed to decreases of net foreign exchange earnings of commercial banks by 6.9 percent and net government's foreign exchange receipts from exempt institutions by 47.7 percent from the previous quarter.

3.43. Shipping Registrations

The number of ships on the registry at quarters end decreased to 586 vessels, compared to 590 and 601 recorded during the previous quarter and corresponding quarter of 2005, respectively. The decline in number of vessels for this quarter was attributed to the addition of 21 new ships to the registry, while 25 ships de-registered.

Net shipping fee figures for the second quarter of 2006 recorded a decline of 60.7 percent from VT20.9 million recorded during the corresponding quarter of 2005 to VT8.2 million for this quarter.

Despite the decrease in number of vessels, there were increases in both gross and net tons. The average sized vessel at the registry increased to just over 4,800 gross tons as a result of the addition of a large vessel to the fleet.

3.44. Company Registration

The Vanuatu Financial Services Commission (VFSC) recorded a total of 6,191 companies for this quarter. This represents a net decline of 32 companies from the previous quarter but an increase of 127 companies from the

corresponding quarter of 2005. The decline in company registration for this quarter was attributed to the registration of 141 companies, while 135 companies de-registered with the VFSC.

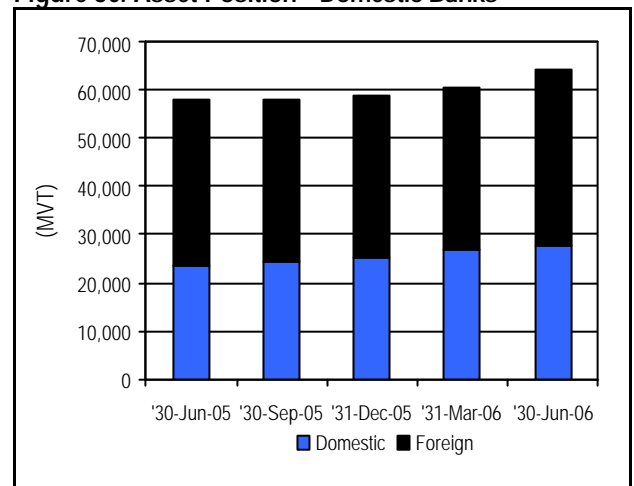
From the total number of companies, international³ companies represent 74.4 percent, local companies made up 23.4 percent, while exempt⁴ and overseas⁵ companies accounting for 2.2 percent.

3.4. Financial Development

DOMESTIC BANKS

Balance Sheet

Figure 30: Asset Position – Domestic Banks



The Industry's balance sheet footings increased by 6.0 percent to VT64.2 billion (VT60.6 billion, Mar-06) over the quarter. The increase in the industry's assets mainly reflects growth in foreign and domestic assets by 8.6 percent and 2.8 percent to VT36.6 billion (VT33.6 billion, Mar-06) and VT27.7 billion (VT26.9 billion, Mar-06) respectively.

Growth in domestic assets is mainly driven by growth in banks' claims on Reserve Bank by 35.7 percent to VT4.1

³ Companies incorporated under the international Companies Act and do not operate business in the country.

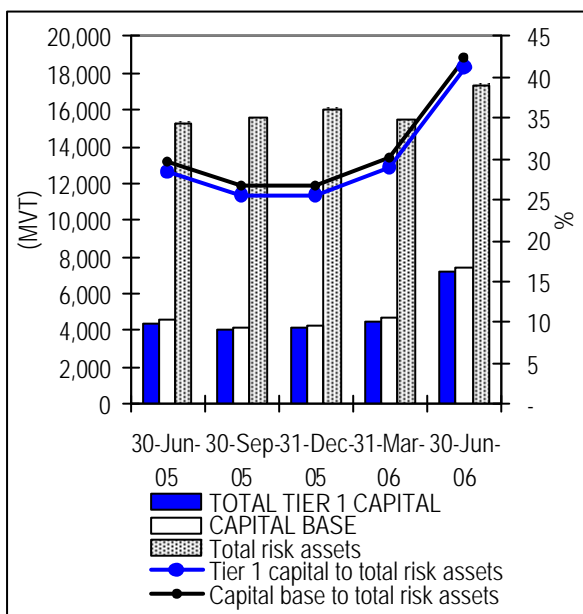
⁴ Companies registered or re-registered as exempt companies and do business overseas.

⁵ Companies incorporated outside Vanuatu and do business in the country.

billion (Vt3.0 billion, Mar-06). Growth in foreign assets on the other hand is mainly due to increase in both balances due from banks by 8.4 percent and foreign currency assets by 22.9 percent to Vt35.6 billion (Vt32.8 billion, Mar-06) and Vt44.3 million (Vt36.1 million, Mar-06) respectively.

The industry's total liability (less capital) increased by 6.4 percent to Vt57.6 billion (Vt54.1 billion, Mar-06). The increase is mainly attributable to growth in both foreign and domestic liabilities by 12.4 percent and 4.8 percent to Vt12.6 billion (Vt11.2 billion, Mar-06) and VT45.0 billion (Vt42.9 billion, Mar-06) respectively. Refer to chart x.

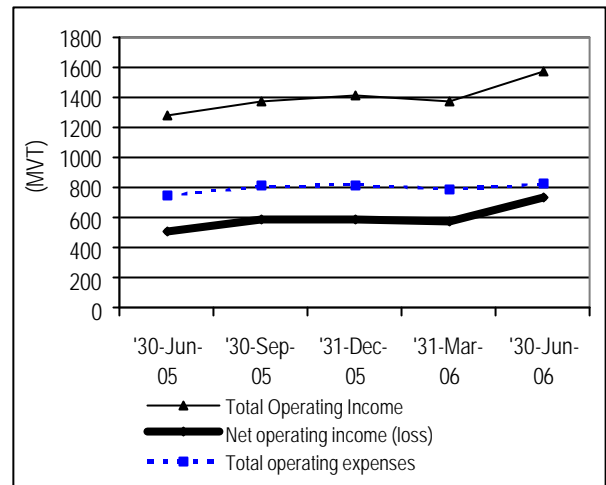
Figure 31: Capital Adequacy & Tier 1 Ratio



The industry recorded significant increase in its capital base up 58.2 percent to Vt7.4 billion (Vt4.7 billion, Mar-06) over the quarter. The increase is mainly attributable to growth in banks' tier 1's disclosed reserves and retained earnings reported over the quarter by 74.3 percent to Vt6.3 billion (Vt3.6 billion, Mar-06).

Generally, the industry is well capitalized with capital adequacy ratio recorded at 42.4 percent compared to 30.1 percent during the previous quarter. The ratio of tier 1 capital to total risk weighted assets also grew to 41.3 percent (29.0 percent, Mar-06). During the quarter, total risk assets rose by 12.3 percent to Vt17.4 billion (Vt15.5 billion, Mar-06). Refer to chart x.

Figure 32: Earnings – Domestic Banks

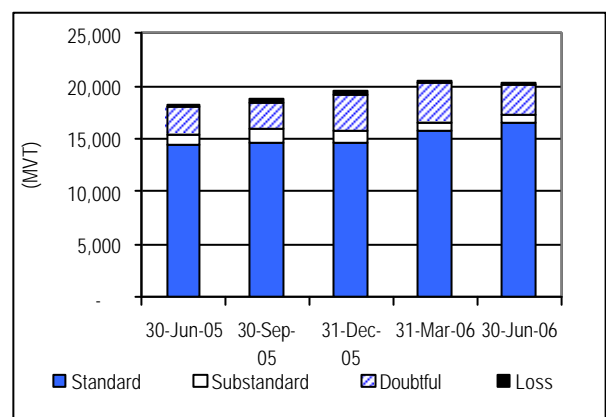


The industry's operating profit ((before tax, write offs and provisions) grew by 26.8 percent to Vt747.2 million (Vt589.5 million, Mar-06). The increase is mainly due to growth in net interest income by 32.2 percent to Vt678.8 million (Vt513.7 million, Mar-06),

Taking into account charges on provisions and bad debts written off over the quarter, net operating income now stands at Vt731.9 million; an increase of 28.7 percent over the previous quarter (Vt568.7 million, Mar-06).

The industry's Return on Assets (ROA) increased from 1.1 percent during the previous quarter to 1.3 percent during the reviewed quarter, whilst Return on Equity (ROE) increased from 9.2 percent to 12.1 percent. Refer to chart x.

Figure 33: Asset Quality – Domestic Banks



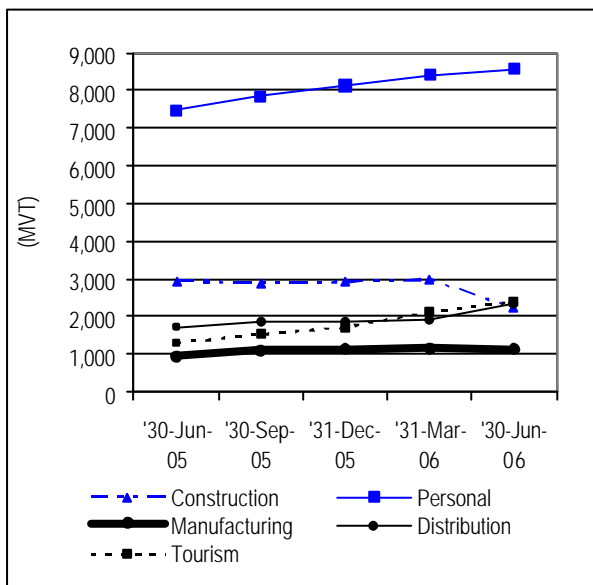
Total lending of the industry dropped slightly over the quarter by 1.2 percent to Vt20.3 billion (Vt20.5 billion, Mar-06). Of this total, standard loans (Vt16.4 billion) accounted for 80.8 percent of total loans whilst substandard loans

(Vt816.9 million), doubtful loans (Vt2.9 billion), and loss loans (Vt176.2 million) accounted for 4.0 percent, 14.3 percent and 0.9 percent of total loans.

The level of impaired assets improved significantly over the quarter, with a reduction of 22.6 percent to Vt3.1 billion (Vt4.0 billion, Mar-06). The decrease mainly reflects migration of the industry's doubtful and loss loans to substandard and standard loans.

The industry's position on provisions for both specific and general provisions fell by 0.7 percent and 18.0 percent to Vt872.4 million (Vt878.5 million, Mar-06) and Vt33.4 million (Vt40.7 million, Mar-06) respectively. Security held also dropped by 9.0 percent to Vt11.5 billion (Vt12.6 billion, Mar-06). These reflect the drop in impaired assets and total lending in general. Refer to chart x.

Figure 34: 5 Largest Sector Claims Domestic Banks

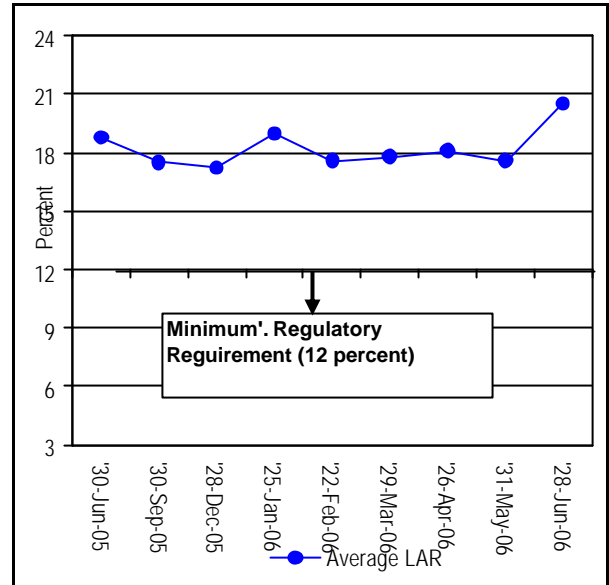


The industry's major sectoral lending remained to the personal sector (Vt8.6 billion) accounting for 42.2 percent of the total lending book. This is followed by the tourism sector (Vt2.4 billion), accounting for 11.8 percent, distribution sector (Vt2.3 billion) 11.6 percent, construction (Vt2.2 billion) 10.9 percent and manufacturing (Vt1.1 billion) 5.5 percent.

During the quarter, lending to personal, distribution and the tourism sector grew by 1.9 percent, 24.2 percent and 12.9 percent respectively. Lending to the construction sector and

manufacturing sector, however declined by 25.8 percent and 3.3 percent respectively. Refer to chart x.

Figure 35: Liquid asset ratio – Domestic Banks



The industry's liquid asset ratio (LAR) remains relatively stable and is maintained well above the minimum regulatory requirement at 20.5 percent. Refer to chart x.

International Banks

Overview

For the quarter ended 30 June 2006, the Bank continues to ensure that the industry abides by the International Banking Act as well as the relevant guidelines, while engaging in the international banking business, through the continued supervision it provides to the industry.

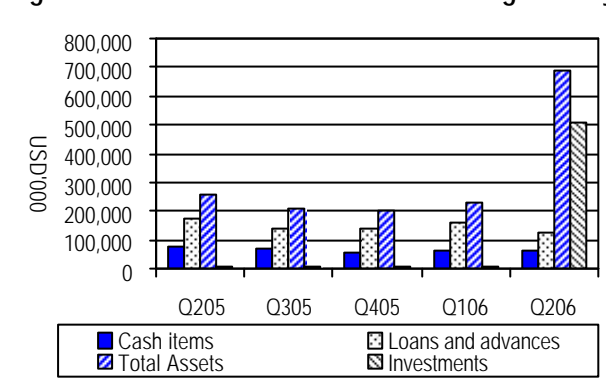
Over the quarter, the Bank revoked one offshore bank, namely Bekoz Bank in exercising its powers under the International Banking Act No: 4 of 2002, for failing to conduct banking business within the specified period upon the issuance of the international banking licence. The Bank continues to be proactive in ensuring the country's reputation is maintained.

Balance Sheet

June 2006 quarter, showed a significant increase in the industry's balance sheet footings of 199% to SD688 million (USD230 million, Mar-06). The increase in assets was mainly attributable to the addition of a new bank in the industry and an increase in investments¹ by to USD504.4 million (USD4.1 million Mar-06) on the asset side.

The major components of the industry's assets consisted of investments, amounting to USD504.4 million, and it constituted 73.7% of the total assets. (Refer figure 1).

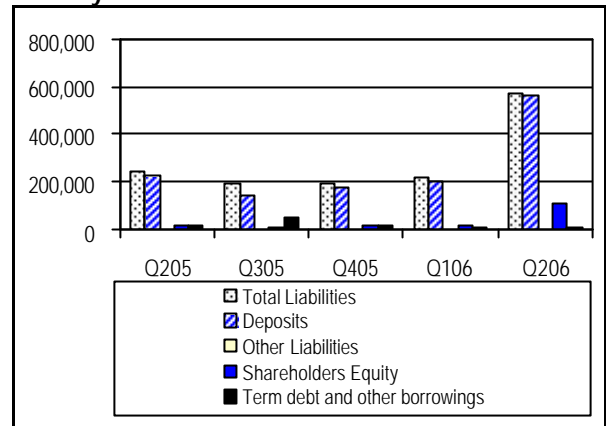
Figure 36: Total Asset – International Banking Industry



On the liability side, the industry's total liabilities (excluding shareholders equity) also increased by 164.3% to USD574.8 million (USD217.5 million, Mar-06). The increase is mainly attributable to increase in deposits by 173.9% to USD563.0 million (USD205 million, Mar-06).

The major components of liabilities are deposits from corporations, which accounted for 81.9% of total liabilities and shareholders equity. (Refer to figure 2).

Figure 37: Total Liabilities – International Banking Industry

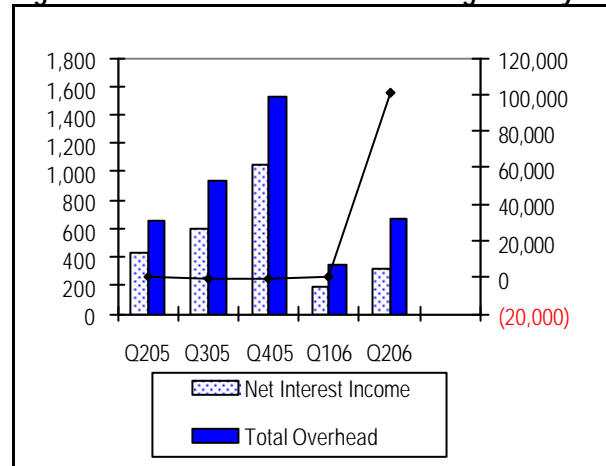


Earnings

The industry recorded a net profit of USD10.1 million for the reviewed quarter from USD0.7 million from the previous quarter. The increase is attributable to increase in non-interest income, amounted to USD10.1 million (USD0.5 million Mar-06). Refer to figure 3.

The industry's ROA and ROE increased to 14.7% (0.3%, Mar-06) and 88.9% (Mar-06, 5.9 %) respectively over the period.

Figure 38: Income – International Banking Industry



3.41. Total Local Expenditures

Total estimated local expenditures of Finance Centre institutions recorded increases of 14.8 percent and 7.5 percent from the previous quarter and corresponding quarter of 2005, respectively. This is attributed to increases of 16.9 percent in total recurrent expenditures and 317.9 percent in total capital expenditures from the previous quarter.

From the estimated total local expenditures of VT979.5 million, the banking sector continue to dominate with 46.0 percent, followed by trust and insurance companies with 28.7 percent, accounting firms with 14.5 percent and legal firms and offshore institutions with 10.8 percent.

Total estimated taxes and levies paid by Finance center institutions and other private companies, decreased by 31.7 percent from the previous. The bulk of this decline comes from central government fees which registered a decrease of 32.6 percent from the first quarter of 2006.

There was an increase in total estimated capital expenditures of finance institutions and other private sector institutions by 317.9 percent from the previous quarter but recorded a decline of and 9.0 percent from the corresponding quarter of 2005. The bulk of this increase comes from the banking sector compared to the previous quarter.

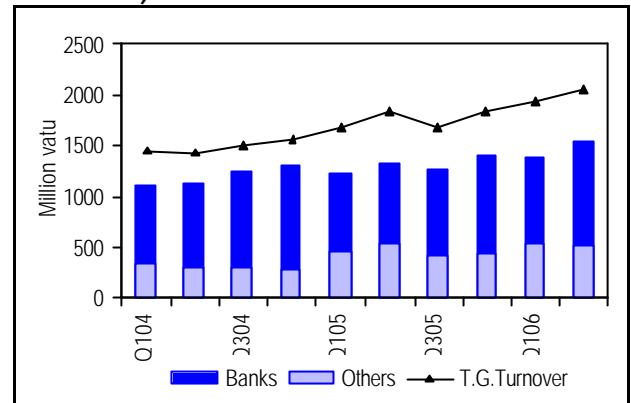
Estimated Value of total assets of finance Centres and other private sector institutions increased by 4.8 percent from the previous quarter and 2.1 percent from the corresponding quarter of 2005.

The total estimated number of employees declined to 619 after increasing to a new high of 624 recorded during the previous quarter. Ni-Vanuatu employees made up approximately 88.2 percent of this total.

3.42. Total Gross Turnover

Total estimated gross earnings of Finance Centre Institutions increased by approximately 7.4 percent from the previous quarter and 12.3 percent from the corresponding quarter of 2005. This increase in estimated total gross earnings of finance center institutions was attributed to increases in earnings on commercial banks by 12.0 percent and gross income of trust and insurance companies by 4.8 percent from the previous quarter.

Figure 39. Total Gross Turnover (Finance Centre Institutions)



Total estimated net foreign exchange earnings decreased by 11.1 percent from the previous quarter and 1.6 percent from the corresponding quarter of 2005. This decline was attributed to decreases of net foreign exchange earnings of commercial banks by 6.9 percent and net government's foreign exchange receipts from exempt institutions by 47.7 percent from the previous quarter.

3.43. Shipping Registrations

The number of ships on the registry at quarters end decreased to 586 vessels, compared to 590 and 601 recorded during the previous quarter and corresponding quarter of 2005, respectively. The decline in number of vessels for this quarter was attributed to the addition of 21 new ships to the registry, while 25 ships de-registered.

Net shipping fee figures for the second quarter of 2006 recorded a decline of 60.7 percent from VT20.9 million recorded during the corresponding quarter of 2005 to VT8.2 million for this quarter.

Despite the decrease in number of vessels, there were increases in both gross and net tons. The average sized vessel at the registry increased to just over 4,800 gross tons as a result of the addition of a large vessel to the fleet.

3.44. Company Registration

The Vanuatu Financial Services Commission (VFSC) recorded a total of 6,191 companies for this quarter. This represents a net decline of 32 companies from the previous quarter but an increase of 127 companies from the corresponding quarter of 2005. The decline in company registration for this quarter was attributed to the registration

of 141 companies, while 135 companies de-registered with the VFSC.

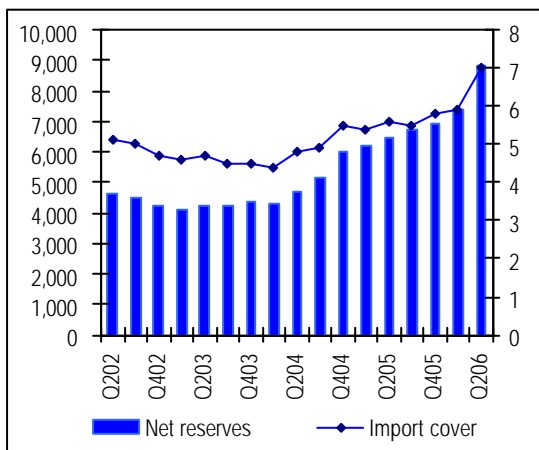
From the total number of companies, international⁶ companies represent 74.4 percent, local companies made up 23.4 percent, while exempt⁷ and overseas⁸ companies accounting for 2.2 percent.

Balance of Payments

At end June 2006, the official international reserves have increased to an adequate level of 7.0 months, up from 5.9 at the end March.. Sourced from official government transfers, commercial banks sales and investment returns of the Reserve Bank., this is the highest months of cover Vanuatu has ever recorded. The improving economic conditions and political stability had contributed a lot into this expansion.. It is important to note that 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. Hence, the Reserve Bank has been monitoring such indicators very carefully.

The Current account had reduced its deficit significantly this quarter, due to improvements in the services account and reduced trade deficits. Despite the level of deficits in the current account, financing was more than adequate.

Figure 40 Components of Reserve Money



⁶ Companies incorporated under the international Companies Act and do not operate business in the country.
⁷ Companies registered or re-registered as exempt companies and do business overseas.
⁸ Companies incorporated outside Vanuatu and do business in the country.

Merchandise trade

The trade deficit was expanded by 10.5 percent in the review quarter. Although exports record an increase of 32%, this could not offset the 16 percent increase in the value of imports.. All major import items were increased during the quarter in particular, mineral fuels, basic manufacturer and food and live animals. The overall trend for imports is an upsurge slope and is expected to continue with this trend in the future.

Services Account

Inward travel or tourism earnings is the main source of surplus of the services account.. The surplus of net services rose by 5.5 percent in June reflecting a marginal increase in travel and other business services. Services payments was slightly more in June reflecting an expansion in freight which is usually in line with the movement in imports. It is important to note that the slight depreciation of the Australian dollar against the Vatu in June quarter did not impact tourism earnings as the number of tourist from Australia this quarter was reduced. Visitors from New Zealand and America rose significantly by which the appreciation of the US dollar in June contributed to the increase in tourism earnings and the overall services account.

Income Account

Vanuatu's net foreign income account is deficit in nature, mostly represented by foreign enterprise's large reinvested earnings. On the debit side, investment income through foreign direct investments expanded by 9 percent of which most came though fresh investments while reinvested earnings during the quarter slightly dropped. Other investment income receipts rose by 10 percent which mostly stemmed mainly from currency and deposits.

2.54 Current Transfers Account

As a large proportion of current transfers represent official grant flows, the level is driven by donor grants to the Government of Vanuatu. Total grants for June quarter was low by 23 percent as compared to grants received in March. The two items that contributed to this decrease was technical assistance and aid in cash. Aid in kind recorded an increase in particular those that were directed to the non government organisations.

Other official transfers was low reflecting periods of payments though the Government shipping registry, while private sector inflows marginally expanded.

2.55 Capital and Financial Account

The June quarter saw a further decrease in project goods provided by donors while continuous net outflows of migrant's transfers was recorded by the private sector. It is important to note that information on estimate migrant's transfers is derived from a model.

The Financial account record flows of transactions through external assets and liabilities. In June quarter, a substantial increase of foreign direct investment was recorded both in terms of fresh investments and reinvested earnings. On other investment assets, the quarter recorded increase in currency and deposits, loans and other types of investments. On liabilities, significant decreases in loans have been noted from other sectors rather than the commercial banks or the government.

Medium Term outlook

In medium term (2006/2007), the current account is expected to improve. Imports will continue to grow, reflecting expansion of the economy as large amount of capital investment are injected into capital projects. The projected improvement in tourism earnings in 2006 will continue to provide a boost to the services account while reinvested earnings of foreign enterprises will continue to create deficits in net factor income. The capital and financial account is forecasted to continue in surplus into the medium term. Barring adverse unforeseen circumstances, official international reserves are therefore expected to remain healthy at around seven months of import cover.

International Investment Position

By end June 2006, Vanuatu's International Investment Position (IIP) expanded its net borrowing position to VT5737 million, from VT5182 million last quarter. The new position reflected expansion of liabilities in particular foreign direct investment.

2.9 Exchange Rates.

Global developments have greatly influenced the exchange rates during the first half of 2006. Higher inflation and interest rates in the US- plus the Euro Zone and Japan have sparked worries that the global economic explosion may slow. Commodity prices notably metals have consequently dropped. The large US budget and current account deficit remain the key reasons behind expectations for a long term dollar weakness.

This impacted on other currencies such as the Vatu. The table below is the result of exchange rate movements over the first 6 months of 2006 and over the year beginning June 2005. Over the first 6 months of 2006, Vatu depreciated against the US dollar (0.1%), British Sterling (STG) (6.1%), Aussie dollar (0.9%), Japanese Yen (2.5%) and Euro(7.0%). In the same period the Vatu appreciated against New Zealand dollar by 11.5 percent.

Like wise, development over the year showed that the Vatu appreciated by the Australian dollar, New Zealand dollar, and Japanese Yen while it depreciated against the US dollar, British Sterling and Euro.

Figure 41 Bilateral Exchange Rate Movement of Vanuatu's major currencies against the vatu

	USD	STG	AUD	JPY	NZD	EURO
Closing rate on 31.06.06	112.42	205.44	82.99	0.9769	67.83	142.33
Closing rate 31.03.06	114.49	200.03	81.85	0.9758	70.15	139.32
Closing rate on 31.12.05	112.33	193.68	82.29	0.9534	76.62	133.07
Closing rate on 31.06..05	109.74	198.34	83.68	0.994	76.85	132.52
3 months % change	7.2	2.7	1.4	0.1	-3.3	2.1
6 months % Change	+0.1	+6.1	+0.9	+2.5	-11.5	+7.0
Yearly % Change	+2.4	+3.6	-0.8	-1.7	-11.7	+7.4

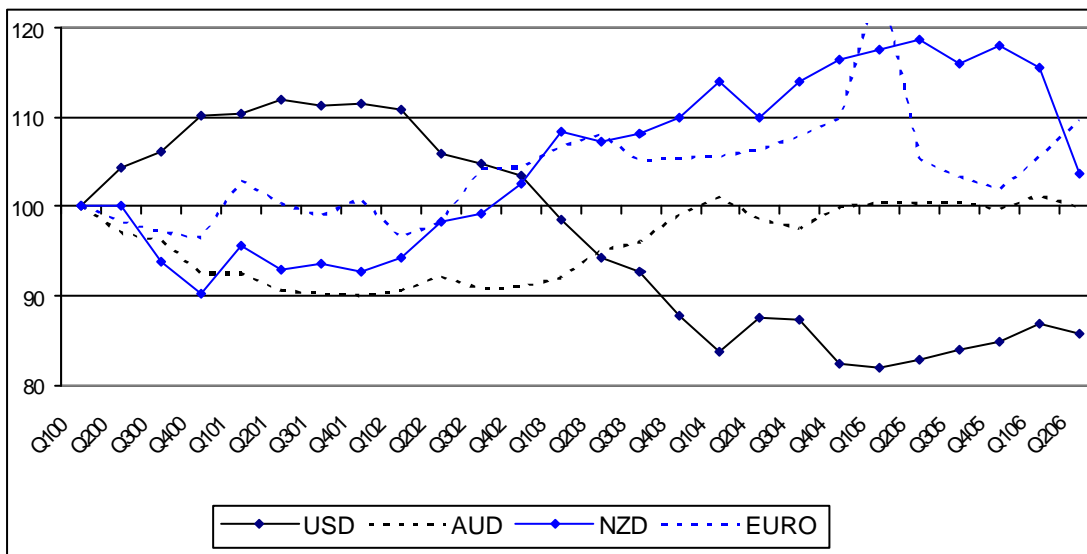


Table 1: ASSETS AND LIABILITIES OF RESERVE BANK OF VANUATU

(Millions of Vatu)

End of Period	2002	2003	2004	2005	2005				2006	
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
Foreign Assets	4,854.4	4,953.5	6614.6	7595.6	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1
Foreign Exchange	4,259.1	4,364.6	6018.2	6988.5	6225.4	6482.8	6738.2	6988.5	7383.3	8800.9
RTP with IMF	445.0	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5
SDR Holdings	150.3	154.4	161.8	172.6	164.3	166.8	169.6	172.6	176.1	179.7
Claims on Government	1,240.8	1,471.0	1418	1184.5	1260.9	1235.1	1233.5	1184.5	1182.6	1196.5
Claims on NFPE	319.6	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Claims on Commercial Banks	0.0	100.0	0.0	0	0.00	0	0	0	0	0
Other Assets	355.4	339.9	433.8	483	358.2	311.1	319.9	483	427.2	420.3
TOTAL ASSETS	6,770.2	6,864.4	8,466.4	9,263.1	8,443.3	8,630.3	8,895.7	9,263.1	9,603.6	11,031.9
Reserve Money	4,478.9	4,828.6	5,295.1	5,937.4	5,294.2	5,086.1	5,659.3	5,937.4	5,694.2	6,788.8
Currency outside Banks	1,916.1	2,108.4	2490.1	2690.7	2208.7	2342.1	2577.6	2690.7	2504.2	2759.6
Commercial Banks' Vault Cash	357.3	450.8	477.1	687.6	409	344.7	319.8	687.6	374	387.8
Commercial Banks Deposits with RBV	2,205.5	2,269.4	2327.9	2559.1	2676.5	2399.3	2761.9	2559.1	2816	3641.4
Foreign Liabilities	248.9	215.9	201.7	245	223.7	215.2	247.5	245	248.2	265.5
Government Deposits, of which	868.0	832.9	1091.4	1727.7	1340.5	1647.4	1735.1	1727.7	2191	2232.1
Contribution to RTP with IMF	445.0	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5
Deposits of NFPE	0.7	0.8	0.0	0	0.0	0	0	0	0	0
RBV Notes	323.9	99.1	1068.6	585.4	820.5	1019.1	546.2	585.4	704.4	982.7
Other Liabilities	849.8	887.1	809.6	767.6	764.4	662.5	707.6	767.6	765.8	762.8
TOTAL LIABILITIES	6,770.2	6,864.4	8,466.4	9,263.1	8,443.3	8,630.3	8,895.7	9,263.1	9,603.6	11,031.9

TABLE 2: ASSETS AND LIABILITIES OF COMMERCIAL BANKS

(Millions of Vatu)

End of Period	2002	2003	2004	2005	2005				2006	
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
Reserves	2,562.8	2,720.2	2805.0	3246.7	3085.5	2744.0	3081.7	3246.7	3190.0	4029.2
Vault Cash	357.3	450.8	477.1	687.6	409.0	344.7	319.8	687.6	374.0	387.8
Deposits with RBV	2,205.5	2,269.4	2327.9	2559.1	2676.5	2399.3	2761.9	2559.1	2816.0	3641.4
RBV Notes	323.9	99.1	1068.6	585.4	820.5	1019.1	546.2	585.4	704.4	982.7
Foreign Assets 1/	28,726.8	27,209.0	28060.9	29279.1	28896.8	30355.7	29733.2	29279.1	29404.2	32130.9
Claims on non-resident banks	-	-	-	-	-	-	-	-	-	-
Claims on non-resident nonbanks	-	-	-	-	-	-	-	-	-	-
Claims on Government	1,190.9	773.0	813	838	813	838	838	838	838.0	708
Claims on Municipalities	2.0	5.4	6.2	13.4	16.4	11.1	10.4	13.4	12.3	13.2
Claims on NFPE	14.6	16.2	29.4	26.5	24.9	23.3	22.1	26.5	25.2	36.5
Claims on private sector	13,264.9	14,558.4	15953	18545.4	16435.2	17217.1	17978.4	18545.4	20012.0	20073.5
Inter-bank claims	370.0	0.0	-	0	0.0	0.0	0.0	0	0.0	0
Other Assets	725.0	1,168.8	1485.3	1543.4	1502.9	1425.2	1379.5	1543.4	1676.1	1384.1
TOTAL ASSETS	47,180.9	46,550.1	50221.4	54077.9	51595.2	53633.5	53589.5	54077.9	55862.2	59358.1
Demand Deposits	9,607.7	10,067.1	10,243.2	11,349.3	11503.3	12616.8	11463.9	11349.3	12085.3	12796
Local currency	3,748.9	3,763.2	4067.2	4733.9	4500.9	4298.3	4479.4	4733.9	5119.8	5089.6
Foreign currency	5,858.8	6,303.9	6176	6615.4	7002.4	8318.5	6984.5	6615.4	6965.5	7706.4
Savings Deposits	2,629.6	2,698.3	2,989.1	2,954.3	2962.8	3045.0	3005.2	2954.3	2868.1	2944.4
Local currency	2,315.8	2,282.9	2378.3	2497.1	2344	2501.3	2529.7	2497.1	2441.2	2526.9
Foreign currency	313.8	415.4	610.8	457.2	618.8	543.7	475.5	457.2	426.9	417.5
Time Deposits	20,855.0	19,854.7	22,425.5	25,568.1	22972.1	23166.1	25058.2	25568.1	25881.4	27214.1
Local currency	4,929.2	5,527.1	6883	8815.4	7228.3	7658.1	8572	8815.4	9100.1	9870.2
Foreign currency	15,925.8	14,327.6	15542.5	16752.7	15743.8	15508	16486.2	16752.7	16781.3	17343.9
Foreign Liabilities	8,684.9	7,267.5	6898.6	7141.5	6988.6	7572.7	7072	7141.5	7241.0	8488.9
Government Deposits 2/	244.1	282.5	185.1	457.3	182.4	259.7	379.8	457.3	340.0	343
Credit from RBV	0.0	100.0	-	0	-	-	0	0	0.0	0
Other Liabilities	5,159.6	6,280.0	7479.9	6607.4	6986	6973.2	6610.4	6607.4	7446.4	7571.7
TOTAL LIABILITIES	47,180.9	46,550.1	50221.4	54077.9	51595.2	53633.5	53589.5	54077.9	55862.2	59358.1

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.

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

(Millions of Vatu)

End of Period	2002	2003	2004	2005	2005				2006	
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
NET FOREIGN ASSETS	24,744.4	24,679.1	27,575.1	29,488.2	28,508.7	29,651.9	29,756.0	29,488.2	29,908.8	32,791.6
'Monetary Authorities	4,702.5	4,737.6	6,412.8	7,350.6	6,600.5	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6
Reserve Bank of Vanuatu(a-b)	4,605.5	4,737.6	6,412.8	7,350.6	6,600.5	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6
'(a) Foreign Assets	4,854.4	4,953.5	6614.5	7595.6	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1
'(b) Foreign Liabilities	248.9	215.9	201.7	245	223.7	215.2	247.5	245	248.2	265.5
'Treasury Foreign Assets	97.0	0.0	0.0	0.0	0	0	0	0	0	0
'Commercial Banks (Net) 1/ (a-b)	20,041.9	19,941.5	21,162.3	22,137.6	21,908.2	22,783.0	22,661.2	22,137.6	22,163.2	23,642.0
'(a) Foreign Assets	28,726.8	27,209.0	28060.9	29279.1	28896.8	30355.7	29733.2	29279.1	29404.2	32130.9
'(b) Foreign Liabilities	8,684.9	7,267.5	6898.6	7141.5	6988.6	7572.7	7072	7141.5	7241	8488.9
DOMESTIC CREDIT	15,092.8	15,888.1	17,093.5	18,546.5	17,171.8	17,547.1	18,092.8	18,546.5	19,661.2	19,574.4
'Claims on Government (Net)	1,319.6	1,128.6	954.5	-162.5	551	167.3	-43.4	-162.5	-510.4	-670.6
'Claims on NFPE 2/	334.2	16.2	29.4	26.5	24.9	23.3	22.1	26.5	25.2	36.5
'Claims on Private Sector 3/	13,437.0	14,737.9	16103.4	18669.1	16579.5	17345.4	18103.7	18669.1	20134.1	20195.3
'Claims on OFI 4/	0.0	0.0								
'Claims on Municipalities	2.0	5.4	6.2	13.4	16.4	11.1	10.4	13.4	12.3	13.2
TOTAL LIQUIDITY	35,009.1	34,729.3	38,147.6	42,562.4	39,646.9	41,170.0	42,104.9	42,562.4	43,339.0	45,714.1
'Money	11,524.5	12,176.3	12,733.3	14,040.0	13,712.0	14,958.9	14,041.5	14,040.0	14589.5	15555.6
'Currency outside Banks	1,916.1	2,108.4	2490.1	2690.7	2208.7	2342.1	2577.6	2690.7	2504.2	2759.6
'Demand deposits	9,608.4	10,067.9	10,243.2	11,349.3	11,503.3	12616.8	11463.9	11349.3	12085.3	12796
'Local currency	3,749.6	3,764.0	4067.2	4733.9	4500.9	4298.3	4479.4	4733.9	5119.8	5089.6
'Foreign currency	5,858.8	6,303.9	6176.0	6615.4	7002.4	8318.5	6984.5	6615.4	6965.5	7706.4
'Quasi-money	23,484.6	22,553.0	25,414.3	28,522.4	25,934.9	26,211.1	28,063.4	28,522.4	28749.5	30158.5
'Time & Savings deposits in Vatu	7,245.0	7,810.0	9261.0	11312.5	9572.3	10159.4	11101.7	11312.5	11541.3	12397.1
'Time & Savings deposits in FC	16,239.6	14,743.0	16153.3	17209.9	16362.6	16051.7	16961.7	17209.9	17208.2	17761.4
OTHER ITEMS (Net)	4,828.1	5,837.9	6,521.0	5,906.8	6,033.6	6,029.0	5,743.9	5,472.3	6,231.0	6,651.9

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

TABLE 4: DOMESTIC MONEY SUPPLY AND COMPONENTS

(Millions of Vatu)

End Period		2002	2003	2004	2005	2005				2006.0	
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
Notes	(1)	1,872.4	2,133.8	2543.9	2928.3	2194.2	2256.6	2456.60	2928.3	2664.5	2931.2
Coins	(2)	401.0	425.4	0.0	450.0	423.5	430.0	440.90	450.0	213.7	216.2
Total	(3)	(1+2) 2,273.4	2,559.2	2937.2	3378.3	2617.7	2686.6	2897.5	3378.3	2878.2	3147.4
Cash in hand with Banks	(4)	357.3	450.8	447.1	687.6	409.0	344.7	319.80	687.6	374.0	387.8
Currency with Public in Vatu	(5)	(3-4) 1,916.1	2,108.4	2490.1	2690.7	2208.7	2342.1	2577.60	2690.7	2504.2	2759.6
Demand deposits of resident in Vatu (D dV)1/	(6)	3,749.6	3,764.0	4067.2	4733.9	4500.9	4298.3	4479.40	4733.9	5119.8	5089.6
M1 (Narrow Measure)	(7)	(5+6) 5,665.7	5,872.4	6557.3	7424.6	6709.6	6640.4	7057.0	7424.6	7624.0	7849.2
Demand deposits of residents in FC (DdF)2/	(8)	5,858.8	6,303.9	6176.0	6615.4	7002.4	8318.5	6984.50	6615.4	6965.5	7706.4
M2	(9)	(7+8) 11,524.5	12,176.3	12733.3	14040.0	13712.0	14958.9	14041.5	14040.0	14589.5	15555.6
Savings & time deposits of residents in Vatu (T dV)	(10)	7,245.0	7,810.0	9261.0	11312.5	9572.3	10159.4	11101.70	11312.5	11541.3	12397.1
MV (Vatu liquidity)	(11)	(7+10) 12,910.7	13,682.4	15818.3	18737.1	16281.9	16799.8	18158.7	18737.1	19165.3	20246.3
M3	(12)	(9+10) 18,769.5	19,986.3	21994.3	25352.5	23284.3	25118.3	25143.2	25352.5	26130.8	27952.7
Savings & time deposits of residents in FC (TdF)	(13)	16,239.6	14,743.0	16153.3	17209.9	16362.6	16051.7	16961.70	17209.9	17208.2	17761.4
Mf (Foreign currency liquidity)	(14)	(8+13) 22,098.4	21,046.9	22329.3	23825.3	23365.0	24370.2	23946.2	23825.3	24173.7	25467.8
M4 (Broad Measures)	(15)	(12+13) 35,009.1	34,729.3	38147.6	42562.4	39646.9	41170.0	42104.9	42562.4	43339.0	45714.1

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	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)				
2001	3,094.7	1,894.9	4,449.0	9,438.6	2,879.5	126.1	21,173.1	24,178.7	28.1	71.9	100.0	292.4
2002	3,748.9	2,315.8	4,929.2	10,993.9	5,858.8	313.8	15,925.8	22,098.4	33.2	71.9	105.1	244.1
2003	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
2004	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
2005	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
2004												
Qtr 1	3,665.5	2,182.4	5,911.2	11,759.1	6,343.6	451.3	16,021.5	22,816.4	34.0	66.0	100.0	197.5
Qtr 2	4,304.3	2,293.9	6,232.1	12,830.3	5,765.8	709.8	16,320.4	22,796.0	36.0	64.0	100.0	228.3
Qtr 3	4,098.0	2,233.0	6,514.2	12,845.2	6,056.8	630.4	16,246.0	22,933.2	35.9	64.1	100.0	196.8
Qtr 4	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
2005												
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
2006												
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

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/
BY MATURITY PERIOD 1/

(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/
2002	189.9	1,062.3	459.7	601.5	458.9	447.2	568.0	3,787.5
2003	350.5	1,377.5	537.5	644.8	1,091.2	962.1	691.3	5,654.9
2004	525.2	1,306.1	780.2	554.2	961.0	1,755.6	1,056.7	6,939.0
2005	191.1	2,488.1	1,106.8	774.4	1,267.8	2,409.1	774.1	9,011.4
2003								
Qtr 1	61.8	723.9	707.9	582.4	474.8	436.0	545.9	3,532.7
Qtr 2	72.5	972.2	246.2	444.7	691.4	616.4	531.2	3,574.6
Qtr 3	285.5	1,329.9	362.3	354.4	1,079.1	1,261.0	683.1	5,355.3
Qtr 4	350.5	1,377.5	537.5	644.8	1,091.2	962.1	691.3	5,654.9
2004								
Qtr 1	552.1	1,250.2	468.6	477.4	1,382.4	1,159.4	691.9	5,982.0
Qtr 2	310.8	1,499.1	668.0	530.7	1,105.4	1,205.6	929.4	6,249.0
Qtr 3	285.8	1,313.0	725.0	531.8	1,196.9	1,424.1	1,092.8	6,569.4
Qtr 4	525.2	1,306.1	780.2	554.2	961.0	1,755.6	1,056.7	6,939.0
2005								
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
2006								
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

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

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
FOREIGN CURRENCY**

AND

(Millions of Vatu)

SECTOR	2002	2003	2004	2005	2005				2006	
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
Agriculture	243.4	240.7	244.6	304.2	261.5	243.4	275.1	304.2	555.9	269
Fisheries	4.8	30.9	26.6	26.9	27.5	19.8	20.3	26.9	34.5	30.5
Mining & Quarrying	-	-	11.2	0	5.7	3.4	0.0	0.0	0.0	0
Manufacturing	411.6	852.4	487.6	1117.4	882.9	942.8	1097.9	1117.4	1153.3	1115.4
Tourism	960.2	1,313.7	1,314.6	1706.8	1,285.1	1,298.1	1523	1706.8	2114.2	2387.3
Entertainment & Catering	157.2	163.3	205.4	58.5	207.2	201.3	151.4	58.5	116.2	123.2
Transport	589.6	588.9	667.0	625.5	682.4	677.1	591.2	625.5	893.4	894.7
Public Utilities	396.1	9.9	7.5	6.6	7.3	7.0	6.8	6.6	6.4	6.2
Construction	2,759.7	2,731.3	2,710.0	2917.6	2,751.2	2,946.4	2882.1	2917.6	2987.3	2215.9
a) Government	2.0	5.9	0.9	8.8	0.5	2.3	1.9	8.8	5.1	9.8
b) Public Corporation	3.5	8.5	43.7	46.8	36.5	46.7	46.1	52.8	49.2	41.4
Financial Institutions	35.3	48.6	138.7	121.6	138.4	136.6	136.9	121.6	122.0	151.5
Professional & Other Services	959.9	917.1	915.7	916.4	918.8	918.6	911.1	916.4	897.7	876.4
Housing & Land Purchases	2,095.1	2,260.5	3,592.7	4386.5	3,875.0	4,073.2	4168.9	4386.5	4522.7	4955.7
Distribution	1,641.7	1,780.6	1,600.6	1862.9	1,713.6	1,725.0	1844.2	1862.9	1893.1	2350.5
Personal: Others	2,691.1	3,423.9	3,147.3	3736.5	3,385.4	3,404.5	3677.1	3736.5	3880.4	3605.8
Miscellaneous	168.8	203.8	933.2	828.4	385.2	691.2	720.3	828.4	907.8	1232.2
TOTAL	13,120.0	14,580.0	16,047.3	18,671.4	16,564.2	17,337.4	18,054.3	18,677.4	20,139.2	20,265.5
Of which: Vatu	10,897.1	13,216.1	14,503.1	16886.2	15,034.1	15,663.2	16228.2	16886.2	17651.5	17469.5
Private shares & Bonds	-	-	-	-	-	-	-	-	-	-
Government Bonds	1,195.2	773.0	813.0	838.0	773.0	838.0	838.0	838.0	838.0	708
Claims on Non-reporting banks /1	-	-	-	-	-	-	-	-	-	-
Grand Total	14,315.2	15,353.0	16,860.3	19,509.4	17,337.2	18,175.4	18,892.3	19,515.4	20,977.2	20,973.5

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

TABLE 8: DISTRIBUTION OF VATU ADVANCES BY INTEREST RATES
AS AT THE END OF JUNE 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	89.3	490.5	1,339.5	843.6	239.1	275.7	3,277.7
At	8.00			6.8	25.6	11.9	97.0	141.3
	8.50		243.0		311.3	14.9	3.8	573.0
	9.00			57.7	123.4	611.2	85.6	877.9
	9.50			172.1		467.5	59.5	699.1
	10.00	12.8	9.2	186.3	105.8	1,745.2	245.1	2,304.4
	10.50	29.2		44.9	89.6	317.9	63.7	545.3
	11.00	4.4		290.6	145.6	274.0	60.0	774.6
	11.50	91.6	135.3	104.8	326.1	117.0	58.2	833.0
	12.00	5.5	2.6	60.5	13.3	20.8	163.3	266.0
	12.50	13.3	23.3	188.0	203.7	476.0	607.5	1,511.8
	13.00		23.0	340.2	19.3	109.6	298.9	791.0
	13.50		0.8	58.5	90.3	51.8	86.3	287.7
	14.00		42.2	75.8	50.9	67.8	62.6	299.3
	14.50	22.6	12.0	757.9	76.7	180.9	121.8	1,171.9
	15.00		41.5	2.4	1,019.8	4.4	21.8	1,089.9
	15.50	3.4	6.8	8.3	14.1	14.7	13.7	61.0
	16.00			4.9	3.9	1.8	15.8	26.4
	16.50	1.5	4.9	22.9	5.3	5.0	65.8	105.4
	17.00					4.2	1.8	6.0
	17.50	2.6	3.2	6.8		4.4	13.8	30.8
At	18.00			17.5	0.5	4.9	43.8	66.7
Above	18.00	23.2	5.9	39.7	791.6	9.3	859.6	1,729.3
TOTAL		299.4	1,044.2	3,786.1	4,260.4	4,754.3	3,325.1	17,469.5

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 total bank deposits	1 month (Locally quoted)	Commercial	Personal	Housing	Weighted average rate of interest for bank loans	Call or Overnight
2002	0.50-2.00	1.00-5.00	1.00-5.75	1.75-6.25	2.07	3.13-4.09	10.00-16.00	9.75-25.00	5.90-12.50	11.58	5.50
2003	0.50-2.00	1.50-6.00	1.50-6.00	1.75-4.75	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	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	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
2004											
Qtr 1	0.50-2.00	1.50-6.00	1.50-6.00	2.75-7.00	2.35	3.55-4.40	10.00-16.00	12.00-25.00	8.95-14.75	11.60	5.50
Qtr 2	0.50-2.00	1.50-6.00	1.50-7.00	2.25-7.25	2.41	3.55-4.43	10.00-16.00	12.00-25.00	8.75-14.75	11.55	5.50
Qtr 3	0.50-2.00	1.50-6.00	1.50-7.00	2.75-7.55	2.43	3.55-4.425	8.50-16.00	12.00-25.00	8.95-14.75	10.84	5.50
Qtr 4	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.55	2.40	3.55-4.55	8.50-16.00	12.00-25.00	5.90-14.75	11.59	5.50
2005											
Qtr 1	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.00	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	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	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	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
2006											
Qtr 1	0.50-2.00	2.00-6.50	2.00-7.00	2.75-6.5	2.28	3.50-4.55	8.25-16.00	12.00-25.50	8.25-14.75	11.20	5.50
Qtr 2	0.50-2.0	2.00-6.00	2.00-6.50	2.75-6.50	2.38	3.50-4.55	8.25-16.00%	12.00-25.00	8.25-14.75	11.65	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 6.00 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		
2002	2,273.5	23.8	47.8	111.3	892.0	765.1	1,872.4	401.1
2003	2,559.2	23.8	54.7	119.3	1,005.6	898.1	2,133.8	425.4
2004	2,967.2	23.7	63.6	131.6	1,140.5	1,184.5	2,543.9	423.3
2005	3,378.3	23.7	68.0	141.5	1,342.6	1,352.5	2,928.3	450.0
2005								
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
2006								
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

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)
2002	4,259.1	150.3	445.0	4,854.4	248.9	4,605.5	28,726.8	8,684.9	20,041.9
2003	4,364.6	154.4	434.5	4,953.5	215.9	4,737.6	27,209.0	7,267.5	19,941.5
2004	6018.2	161.8	434.5	6,614.5	201.7	6,412.8	28,060.9	6,898.6	21,162.3
2005	6988.5	172.6	434.5	7,595.6	245.0	7,350.6	29,279.1	7,141.5	22,137.6
2005									
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
2006									
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

TABLE 12: RESERVE BANK NOTES ISSUED IN PRIMARY MARKET

Date of Issue	Period of Original Maturity	Date of Maturity	Amount Issued (Million Vatu)		Weighted Average Yield of Accepted Tenders	Notes Outstanding (Million Vatu) 1/	
			Received	Accepted			
12/4/2006	14 days	26/04/06	110	50	3.95	710	
	28 days	10/05/06	110	55	4.02		
	63 days	14/06/06	110	55	4.06		
	91 days	12/07/06	55	55	4.08		
	Total		385	215			
26/04/06	14 days	10/05/06	180	60	3.86		
	28 days	24/05/06	160	55	3.96		
	63 days	28/06/06	160	55	4.00		
	91 days	26/07/06	105	50	3.85		
	Total		605	220			
10/05/06	14 days	24/05/06	130	65	3.95		785
	28 days	07/06/06	180	65	3.89		
	63 days	12/07/06	180	65	3.95		
	91 days	09/08/06	115	65	4.11		
	Total		605	260			
24/05/06	14 days	07/06/06	140	70	4.15		
	28 days	21/06/06	130	65	4.03		
	63 days	26/07/06	130	65	4.01		
	91 days	23/08/06	130	65	4.00		
	Total		530	265			
7/6/2006	14 days	21/06/06	140	45	5.45	990.0	
	28 days	05/07/06	80	40	5.40		
	63 days	09/08/06	75	30	5.30		
	91 days	06/09/06	150	30	5.25		
	119 days	04/10/06	30	15	5.30		
	Total		475	160			
21/06/06	14 days	05/07/06	180	180	4.90		
	28 days	19/07/06	150	150	5.00		
	63 days	23/08/06	80	80	4.90		
	91 days	20/09/06	70	70	4.95		
	119 days	18/10/06	30	30	5.00		
	Total		510	510			

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)
2002	357.3	817.3	1,174.6	1,388.1	323.9	2,886.6
2003	450.8	772.4	1,223.2	1,497.0	99.1	2,819.3
2004	477.1	703.8	1,180.9	1,624.1	1,068.6	3,873.6
2005	687.6	624.1	1,311.7	1,935.0	585.4	3,832.1
2005						
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
2006						
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

CONSOLIDATED CAPITAL - 1/

	Thousands of Vatu											
	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	
TIER 1												
Paid-up capital	805,664	905,664	862,000	860,000	863,000	861,000	862,000	862,000	863,000	864,000	863,000	
Disclosed reserves & retained earnings 2/	1,655,427	1,440,062	2,969,702	4,087,961	3,243,145	3,676,883	3,502,858	3,132,277	3,243,145	3,618,357	6,308,333	
Less goodwill etc	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL TIER 1 CAPITAL	2,461,091	2,345,726	3,831,702	4,947,961	4,106,145	4,537,883	4,364,858	3,994,277	4,106,145	4,482,357	7,171,333	
TIER 2												
Asset revaluation reserves												
(1) Premises	22,778	-	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful debts												
- Gross	182,272	-	-	-	-	-	-	-	-	-	-	-
- Eligible	116,588	91,972	110,451	169,185	184,517	168,069	175,392	178,633	184,517	176,700	199,386	
Term subordinated debt etc												
- Gross	-	-	-	-	-	-	-	-	-	-	-	-
- Eligible	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL TIER 2 CAPITAL	139,366	91,972	110,451	169,185	184,517	168,069	175,392	178,633	184,517	176,700	199,386	
TOTAL TIER 1 & TIER 2	2,600,457	2,437,698	3,942,153	5,117,146	4,290,662	4,705,952	4,540,250	4,172,910	4,290,662	4,659,057	7,370,719	
Less holdings of other banks capital instruments	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL BASE	2,600,457	2,437,698	3,942,153	5,117,146	4,290,662	4,705,952	4,540,250	4,172,910	4,290,662	4,659,057	7,370,719	
Total risk weighted assets	9,304,039	7,430,663	9,901,757	14,630,348	16,071,125	14,824,091	15,308,273	15,611,938	16,071,125	15,481,598	17,381,250	

1/ - Excluding branches of foreign banks

2/ - Revised

ASSETS QUALITY

	Thousands of Vatu											
	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	
1 Asset Quality												
Standard - 2/ Qtr 1- 2006	11,124,213	11,492,229	11,166,575	13,587,061	14,685,463	14,124,786	14,339,119	14,569,845	14,685,463	15,774,046	16,396,620	
Substandard	620,553	9,510,981	2,619,707	845,805	981,078	803,006	1,069,999	1,322,668	981,078	784,273	816,936	
Doubtful (D)	255,137	260,135	1,039,438	2,012,945	3,467,345	2,037,998	2,512,613	2,497,242	3,467,345	3,658,326	2,901,010	
Loss (L)	173,873	246,965	230,530	193,618	319,946	209,396	229,377	329,124	319,946	316,066	176,242	
Total lending assets	12,173,776	12,951,310	15,056,250	16,639,429	19,453,832	17,175,186	18,151,108	18,718,879	19,453,832	20,532,711	20,290,808	
Total risk weighted assets 1/	15,671,039	13,881,663	15,147,757	20,979,348	22,795,125	21,310,091	22,058,273	15,618,707	22,795,125	23,715,598	27,244,250	
Restricted items	-	99,726	185,918	40,418	75,592	49,480	97,008	68,123	75,592	73,923	75,405	
Non-accrual items (D + L) 3/	429,010	507,100	1,269,968	2,206,563	3,787,291	2,247,394	2,741,990	2,826,366	3,787,291	3,974,392	3,077,252	
2 Provisioning												
Provisions (specific)	151,580	220,985	502,079	592,102	733,470	595,575	589,424	613,624	733,470	878,508	872,436	
Provisions (general)	220,471	175,650	37,549	43,185	15,517	37,069	26,102	23,633	15,517	40,700	33,386	
Security	2,773,495	5,426,626	10,759,087	10,789,480	12,350,070	11,045,254	11,346,010	11,666,623	12,350,070	12,611,147	11,476,603	

1/ - Including branches of foreign banks

2/ - Revised

3/ - Impaired assets

TABLE 14: VANUATU GOVERNMENT FISCAL OPERATIONS

(Millions of Vatu)

ITEMS	2001	2002	2003	2004	2005	2005				2006	
						Qtr1	Qtr2	Qtr3	Qtr 4	Qtr1	Qtr2
REVENUE AND GRANTS	7365.2	7258.3	7061.7	8129.7	8795.8	2420.7	2227.2	2008.2	2139.7	2350.7	2177.3
Domestic Revenue	6682.9	6530.4	6680.3	7444.9	8213.5	2259.6	1977.7	1954.7	2021.5	2227.9	2124.8
Tax Revenue	5793.0	5845.5	6024.6	6621.6	7342.8	2110.8	1739.7	1668.1	1824.2	2038.9	1933.0
Non Tax Revenue	889.9	684.9	655.7	823.3	870.7	148.8	238.0	286.6	197.3	189.0	191.8
Sales of fixed capital assets	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants from abroad	670.0	727.9	381.4	684.8	582.3	161.1	249.5	53.5	118.2	122.8	52.5
EXPENDITURE AND NET LENDING	8612.6	7958.6	7682.4	7685.8	7964.2	1831.0	1740.1	2046.2	2346.9	1825.0	2093.6
Recurrent Expenditure	7198.6	7236.5	7239.7	7272.5	7502.6	1668.6	1656.2	1905.2	2272.6	1754.7	2032.1
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
Non-recurrent transfer to Gov. bodies	225.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0	60.8
Development Expenditure	1189.0	722.1	442.7	413.3	461.6	162.4	83.9	141.0	74.3	0.3	0.7
DEFICIT/SURPLUS	-1247.4	-700.3	-620.7	443.9	831.6	589.7	487.1	-38.0	-207.2	525.7	83.7

Source : Department of Finance

TABLE 15: GOVERNMENT REVENUE CLASSIFIED BY MAJOR SOURCES

(Millions of Vatu)

ITEMS	2001	2002	2003	2004	2005	2005				2006	
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2
TOTAL REVENUE AND GRANTS	7366.0	7308.0	7061.7	8129.7	8795.8	2420.7	2227.2	2008.2	2139.7	2350.7	2177.3
Total Recurrent Revenue	6683.7	6565.6	6680.3	7444.9	8213.5	2259.6	1977.7	1954.7	2021.5	2227.9	2124.8
Tax Revenue	5793.9	5773.3	6024.6	6621.6	7342.8	2110.8	1739.7	1668.1	1824.2	2038.9	1933.0
Taxes on Use of Goods	3413.4	3442.5	3666.3	3995.4	4776.4	1514.4	1071.6	1087.9	1102.5	1415.0	1216.5
Value Added Tax	2358.2	2236.7	2356.8	2475.3	2813.4	639.9	685.7	723.2	764.6	703.7	763.7
Business Licenses	111.1	141.4	124.6	150.0	290.6	258.9	13.2	16.7	1.8	148.8	9.2
Turnover Tax	43.1	117.0	97.9	122.8	146.3	103.0	6.4	26.7	10.2	151.3	5.9
Other	901.0	947.4	1087.0	1247.3	1526.1	512.6	366.3	321.3	325.9	411.2	437.7
Tax on International Trade	2291.8	2279.9	2283.5	2519.6	2412.0	551.3	626.6	544.1	690.0	574.3	633.0
Import duties	2287.9	2279.3	2283.4	2519.6	2412.0	551.3	626.6	544.1	690	571.0	632.4
Export duties	3.9	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.6
Other taxes	88.7	50.9	74.8	106.6	154.4	45.1	41.5	36.1	31.7	49.6	83.5
Non Tax Revenue	889.8	792.3	655.7	823.3	870.7	148.8	238.0	286.6	197.3	189.0	191.8
Property income: of which	418.1	391.7	239.4	323.4	316.9	17.6	106.3	159.5	33.5	8.6	28.1
Dividends	246.2	188.6	101.3	133.2	229.0	15.0	99.5	90.1	24.4	2.0	17.0
Other	171.9	203.1	138.1	190.2	87.9	2.6	6.8	69.4	9.1	6.6	11.1
Administrative fees & Charges	447.4	386.6	379.4	467.7	527.4	126.4	123.5	119.9	157.6	172.5	152.1
Other	24.3	14.0	36.9	32.2	26.4	4.8	8.2	7.2	6.2	7.9	11.6
Grants from abroad	670.0	720.3	381.4	684.8	582.3	161.1	249.5	53.5	118.2	122.8	52.5

Source : Department of Finance

TABLE 16: GOVERNMENT EXPENDITURE CLASSIFIED BY MAJOR CATEGORY

ITEMS	Millions of Vatu)										
	2001	2002	2003	2004	2005	2005				2006	
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2
TOTAL EXPENDITURE	8612.6	7958.6	7682.4	7685.8	7964.2	1831.0	1740.1	2046.2	2346.9	1755.0	2032.8
Total Recurrent Expenditure	7198.6	7236.5	7239.7	7272.5	7502.6	1668.6	1656.2	1905.2	2272.6	1754.7	2032.1
Goods and services: of which	5592.4	5834.3	5683.3	5580.9	5942.9	1265.4	1358.5	1516.9	1802.1	1289.4	1623.7
Salaries & Wages	3734.4	3929.1	4072.2	4053.8	4222.1	902.1	984.5	1134.8	1200.7	939.2	1187.1
Interest payments	281.4	318.7	308.2	397.7	349.0	121.9	48.2	77.0	101.9	113.8	46.2
Domestic	172.9	217.7	195.4	304.2	272.2	96.6	34.6	69.6	71.4	88.7	32.4
External	108.5	101.0	112.8	93.5	76.8	25.3	13.6	7.4	30.5	25.1	13.8
Subsidies and transfers: of which	1141.0	1004.0	1118.1	1163.1	883.3	227.3	182.1	246.7	227.2	234.4	259.7
Provinces	199.3	202.7	206.8	197.1	200.5	44.8	47.4	56.4	51.9	46.3	36.1
Acquisition of fixed capital assets	183.8	79.5	85.9	159.3	327.4	54.0	67.4	64.6	141.4	47.1	41.7
Lending minus repayments	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	225.0	458.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0	60.8
Total Development Expenditure	1189.0	722.1	442.7	413.3	461.6	162.4	83.9	141.0	74.3	0.3	0.7

Source : Department of Finance

TABLE 17: 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

TABLE 18: EXCHANGE RATES: VATU PER UNIT OF FOREIGN CURRENCIES

Period (Yr/Mth)	End of Period Rates					Averages	
	Australian Dollar	US Dollar	ECU / Euro	Pound Sterling	Japanese Yen	Australian Dollar	US Dollar
1995	84.82	113.74	145.42	175.96	1.1060	83.45	113.02
1996	88.27	110.77	137.69	187.35	0.9549	87.01	111.62
1997	81.11	124.31	137.37	206.05	0.9568	86.11	115.90
1998	79.67	129.78	151.56	215.44	1.1280	80.17	127.52
1999	83.19	128.89	130.54	208.44	1.1280	82.94	129.08
2000	79.82	142.80	132.93	213.79	1.2499	80.09	138.29
2001	75.00	146.74	129.67	212.82	1.1181	75.47	145.72
2002	75.21	133.17	139.66	213.68	1.12	75.47	139.12
2003	83.73	111.81	140.31	198.76	1.04	79.39	122.20
2004	83.06	106.53	145.34	205.30	1.03	82.36	111.90
2005	82.29	112.33	133.07	193.68	0.95	83.27	109.22
2005							
January	83.39	107.72	140.40	203.32	1.0409	82.88	108.19
February	83.80	106.50	141.07	204.36	1.0122	83.77	107.28
March	83.31	108.09	139.69	203.14	1.0057	83.67	106.42
April	83.52	107.30	138.38	204.59	1.0111	83.27	107.68
May	83.04	109.18	136.19	199.09	1.0111	83.05	108.50
June	83.68	109.74	132.52	198.34	0.9940	83.72	109.25
July	83.68	110.48	132.71	191.45	0.9813	83.34	110.89
August	82.83	110.61	135.19	197.58	0.9945	83.46	109.67
September	83.67	110.14	132.58	194.03	0.9740	83.66	109.36
October	83.17	109.88	133.41	195.89	0.9518	83.25	110.34
November	82.45	111.69	131.64	192.01	0.9337	82.45	111.69
December	82.29	112.33	133.07	193.68	0.9534	82.73	111.35
2006							
January	83.06	110.97	134.18	196.27	0.9435	83.02	110.73
February	82.91	112.48	133.26	195.65	0.9678	82.89	111.71
March	81.85	114.49	139.32	200.03	0.9758	82.46	113.39
April	83.79	110.72	138.77	199.48	0.9699	82.93	112.73
May	83.72	109.82	141.41	206.94	0.9794	84.09	109.96
June	82.99	112.42	142.33	205.44	0.9769	82.85	111.87

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 19: SUMMARY OF BALANCE OF PAYMENTS

	2003	2004	2005	2005				2006	
				Qtr1	Qtr 2	Qtr 3	Qtr 4	Qtr1	Qtr 2(e)
CURRENT ACCOUNT	(3,464)	(2,702)	(3,963)	(325)	(1,317)	(683)	(1,638)	(707)	(1,082)
A Trade Balance	-7912	-8291	(10,094)	(1,928)	(2,876)	(2,325)	(2,965)	(2,200)	(2,431)
Export (fob)	3249	4,264	4,226	1,013	927	1,118	1,168	847	1118
Imports (fob)	11161	12,555	14,320	2,941	3,803	3,443	4,133	3,047	3,549
B. Services	4999	5,746	6,515	1684	1316	1811	1704	1581	1616
Services Credit	11617	12,709	14,504	3,429	3,371	3,863	3,841	3,643	3,620
Services Debit	6618	6,963	7,989	1,745	2,055	2,052	2,137	2,062	2,004
C. Income	-1254	(1,764)	(2,475)	-567	-526	-632	-750	-902	-909
Income Credit	2960	3,038	3,132	672	782	825	853	766	819
Income debit	4214	4,802	5,607	1,239	1,308	1,457	1,603	1,668	1,728
D. Current transfers	891	1,607	2,091	486	769	463	373	814	642
Current transfer cr.	2099	2,726	2,864	774	910	602	578	990	822
Current transfer dr.	1208	1,119	773	288	141	139	205	176	180
	-363	-157	-384						
Capital & Financial Account	3,381	2,175	4,440	452	1,190	1,113	1,685	1,169	584
			-						
E. Capital Account	-567	(351)	(177)	-33	-85	80	-139	-22	-56
Capital account cr.	1275	1,409	1,478	379	328	496	275	392	360
C Capital account dr.	1842	1,760	1,655	412	413	416	414	414	416
F. Financial Account	3948	2,526	4,617	485	1,275	1,033	1,824	1,191	640
Direct Investment Abroad	-82	(85)	(84)	-21	-21	(21)	(21)	(21)	(25)
Direct investment in Vanuatu	1879	1,985	1,463	240	389	44	790	976	2,497
Portfolio Investment Assets	249	23	(117)	16	-58	-46	(29)	11	(2)
Portfolio Investment Liabilities	0	75	(35)	-29	0	0	-6	-61	1
Other Investment Assets	6016	(150)	5,193	2,084	169	1,960	980	293	(3,264)
Other Investment Liabilities	-3768	2,340	(821)	(1,595)	1,056	(646)	364	391	2,240
Reserve Assets	-346	(1,662)	(982)	(210)	(260)	(258)	(254)	(398)	(807)
Net errors and omissions	83	527	(477)	(127)	127	(430)	(47)	(462)	498
Memorandum items:									
Gross Official reserves	4954	6,615	7,596	6824	7,084	7342	7596	7994	9415
Net Reserves (Vatu)	4,339	6,018	6,988	6225	6483	6738	6988	7363	8801
Net Reserves (USD)	39.8	53.7	63.8	58.0	59.0	61.3	62.8	65.7	78.3
Exchange rate (VT/USD) end period average	109.00	112.00	109	107.40	109.8	110	111.3	112	112.42
Projected monthly import cover.	4.9	5.5	5.8	5.7	5.9	5.6	5.8	5.9	7.0

TABLE 20: DOMESTIC EXPORTS BY COUNTRY OF DESTINATION

(Millions of vatu)

Period (Yr/Qtr)	EEC Countries	Japan	Australia	South Korea	New Zealand	New Caledonia	Bangladesh	Singapore	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	79	225	807	2,705
2001	187	272	525	38	88	124	185	0	0	869	2,267
Qtr1	37	36	108	13	23	29	29			145	420
Qtr2	60	129	109	11	15	31	0			198	532
Qtr3	39	60	70	14	28	28	44			245	528
Qtr4	51	47	238	0	22	36	112			281	787
2002	229	227	621	4	72	192	104	0	0	677	2,126
Qtr1	9	31	72	4	7	24	2			79	228
Qtr2	52	90	299	0	23	28	0			173	665
Qtr3	58.73	44.97	106.67	0.09	31.47	38.64	0			239.3	520
Qtr4	109	61	143	0	11	101	102			186	713
2003											
Qtr1	136	34	114	2	7	32	45			79	449
Qtr2	99	62	135	4	7	36	5			271	619
Qtr3	22	66	88	0	5	89	0			201	471
Qtr4	2	6	19	0	1	1	0			141	170
2004	1,214	184	327	3	46	124	0	79	225	807	2,705
Qtr1	171	49	120	3	9	14	0			309	675
Qtr2	487	41	82	0	7	38	0	17	88	118	773
Qtr3	314	44	59	0	0	26	0	0	0	167	610
Qtr4	242	50	66	0	30	46	0	62	137	213	647
2005	1,013	151	428	0	39	219	0	0	438	623	2,911
Qtr1	239	13	121	0	9	34	0	0	65	191	672
Qtr2	289	49	93	0	14	65	0	0	125	72	707
Qtr3	282	43	87	0	7	50	0	0	210	140	819
Qtr4	203	46	127	0	9	70	0	0	38	220	713
Percentage share of export by Country											
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	2.9	8.3	29.8	100.0
2005	34.8	5.2	14.7	0.0	1.3	7.5	0.0	0.0	15.0	21.4	100.0

Source: Vanuatu Statistics Office

TABLE 21: 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	
2002	4,907	2,153	477	654	959	307	171	602	1,352	12,235	
Qtr1	870	428	86	291	212	49	27	112	15	2,382	
Qtr2	1,381	559	137	114	253	125	37	202	332	3,254	
Qtr3	1,314	601	135	133	272	58	19	24	522	3,209	
Qtr4	1,342	565	119	116	223	75	88	263	483	3,389	
2003	5,142	2,054	574	606	1,061	241	235	861	1,274	12,571	
Qtr1	1,101	443	124	232	233	76	29	220	154	2,844	
Qtr2	995	430	165	123	223	55	58	164	322	2,658	
Qtr3	1,578	740	169	133	290	44	63	267	276	3,693	
Qtr4	1,468	441	116	118	315	66	85	210	522	3,376	
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
<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	5.0	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	41.3	13.9	1.8	3.4	8.0	#	1.5	2.2	7.1	100.0	

Source: Vanuatu Statistics Office

TABLE 22: FINANCE CENTRE INSTITUTIONS: LOCAL EXPENDITURE, VALUE-ADDED,

EMPLOYMENT AND TOTAL ASSETS

INSTITUTIONS	Fnd Period	(In Thousands of Vatu)																
		RECURRENT EXPENDITURE								TAXES AND LEVIES				EMPLOYMENT (No.)				
		Total Expenditure (8+12+13)	Total Wages & Salaries (3)	Ni Van Wages & Salaries (3a)	Rent (4)	Interest (5)	Total (3+4+5) (6)	Other Expenditure (7)	TOTAL (6+7) (8)	Central Govt. Fees (9)	Import Duties (10)	Local Govt. Revenue (11)	TOTAL (9+10+11) (12)	CAPITAL EXPENDITURE (13)	VAI LIF OF IN VANUATU (14)	Exnat. Ni-Van TOTAL (15+16) (17)		
(1)	(2)	(3)	(3a)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Banks																		
2001		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		462 242	126 507	97 410	e 23 766r	0	150 273	208 521	358 794	24 907	541 r	682 r	26 130	77 318	42 681 238	28	304	332
2003		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		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		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
Trust & Insurance Companies																		
2001		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		177 872	44 131	26 479	e 4 823	3	48 957	42 636	91 593	3 056	0	188 r	3 244	83 035	773 499 r	11 r	60 r	71
2003		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		127 222	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		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
Accounting Firms																		
2001		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		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		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		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		125 333	99 104	19 885	e 7 562	3 977	110 443	12 193	122 636	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	141 825	99 660	19 922	e 7 160	4 614	111 434	16 326	127 760	4 246	17	0	4 263	9 852	535 153	29	87	116
Local Firms/ Offshore Instns																		
2001		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		63 894	22 058 r	4 412	e 1 310r	1 022	24 390	10 417	34 807	26 874	0	761 r	27 635	1 452	190 875	10	34	44
2003		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		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		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	28 036	6 366	e 2 410	1 442	32 288	0 702	42 490	112 448	470	1 200	114 218	110	346 404	0	37	46
	Qtr2	105 539	27 681	6 090	e 2 410	337	30 428	13 159	43 587	60 091	0	1 300	61 391	561	356 101	9	37	46
GRAND TOTAL																		
2001		670 091	251 893	124 831	e 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		823 074	281 538	144 293	e 36 159	2 953	320 450	275 372	596 022	60 292	548	1 857	62 697	164 355	44 031 363	76	471	547
2003		702 017	240 655	120 153	e 27 170	3 401	271 426	341 068	612 494	46 992	598	2 982	50 572	38 951	40 952 950	81	449	530
2004		740 849	284 392	142 219	e 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		896 603	325 548	166 971	e 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	e 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	970 545	223 542	162 880	e 27 065	4 054	365 562	412 710	728 222	111 000	1 847	2 600	115 636	85 637	48 884 107	72	546	619

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

TABLE 23: TRENDS IN BUSINESS TURNOVER/FOREIGN EXCHANGE EARNINGS OF FINANCE CENTRE INSTITUTIONS

(Millions of Vatu)

End of Period	(Millions of Vatu)														
	Commercial Banks						Trust/Insur. Companies	Accounting/Legal & O		Gov. foreign	Total	Total			
	Earnings on			Payments on			Net foreign	Gross	Net	Gross	Net	exchange	Gross	Net foreign	
	Resident Assets	Non Resident Assets	Total (1+2)	Resident Liabilities	Non Resident Liabilities	Total (4+5)	exchange Earnings (2-5)	income (8)	foreign exchange Earnings (9)	income (10)	foreign exchange Earnings (11)	Receipts from Exempt Institutions (12)	Earnings (3+8+10)	exchange Earnings (7+9+11+12)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
2001	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	
2002	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	
2003	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	
2004	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	
2005	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	
2004	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
2005	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
2006	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	240.1	439.3	304.0	95.3	215.4	84.1	57.2	2067.3	675.9

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

TABLE 24: 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)
2001	112	69	528	214.8
2002	119	132	515	218.2
2003	107	59	563	177.6
2004	120	93	590	142.0
2005	155	149	596	134.8
2002 Qtr1	33	11	550	151.6
Qtr2	29	69	510	34.9
Qtr3	32	9	533	16.2
Qtr4	25	43	515	15.5
2003 Qtr1	23	12	526	113.0
Qtr2	35	14	547	39.7
Qtr3	26	13	560	11.9
Qtr4	23	20	563	13.0
2004 Qtr1	35	14	584	109.7
Qtr2	31	14	601	19.5
Qtr3	27	41	587	14.3
Qtr4	27	24	590	-1.5
2005 Qtr1	75	68	597	104.7
Qtr2	19	15	601	20.9
Qtr3	30	30	601	5.4
Qtr4	31	36	596	3.8
2006 Qtr1	24	30	590	106.7
Qtr2	21	25	586	8.2

Source: Vanuatu Maritime Services Limited

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

Table 25: COMPANY REGISTRATION IN VANUATU

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

Type of Company	End of	2004					2005				2006					
		2001	2002	2003	2004	2005	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2
Local		1302	1,351	1,303	1,369	1,371	1320	1351	1342	1369	1402	1354	1364	1371	1,412	1,451
Exempt		174	186	152	129	116	148	141	132	129	130	123	122	116	112	109
Overseas		26	26	24	25	27	24	24	25	25	26	26	27	27	27	27
International Companies		4,156	4,504	4,310	4,464	4,625	4,280	4,327	4,451	4,464	4,527	4,561	4,666	4,625	4,672	4,604
Total:		5,658	6,067	5,789	5,987	6,139	5,772	5,843	5,950	5,987	6,085	6,064	6,179	6,139	6,223	6,191
Of Which Hold Licenses as:																
a) Exempt Banks		51	34	14	7	7	9	9	9	7	7	7	7	7	7	7
b) Exempt Financial Institutions		2	0	2	2	1	2	2	2	2	2	2	1	1	2	
c) Insurance Companies		45	45	45	47	39	43	43	47	47	39	39	39	37	40	
d) Trust Companies		13	10	11	10	10	11	11	10	10	11	11	10	11	11	

PART B: Company Registration during individual Year/ Quarter

Type of Company	End of	2004					2005				2006					
		2001	2002	2003	2004	2005	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2
1. Number of Fresh Registrations																
(Total)		674	616	562	573	536	113	140	189	131	144	117	141	134	98	141
a) Local Companies		111	74	79	141	177	29	35	38	39	46	32	41	58	49	74
b) Overseas Companies		1	1	0	1	2	0	0	0	1	1	0	1	0	0	0
c) Exempt Companies		5	9	6	7	3	2	0	1	4	1	2	0	0	1	2
of which: (l) Banks		0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
d) International Companies		557	532	477	424	354	82	105	150	87	96	83	99	76	48	65
2. Number of Struck off																
(or otherwise deregistered)		195	876	847	665	254	123	79	78	385	14	94	27	119	8	135
(All categories)																
3. Exempt Companies																
converted to international companies		0	0	0	0	0	0	1	1	0	0	0	0	0	0	0

Source: Vanuatu Financial Services Commission

TABLE 26: COCONUT PRODUCTS AND PRICES

Period	2001	2002	2003	2004	2005	2005				2006	
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr1(e)	Qtr 2(e)
Santo	-	-	-	-	-	-	-	-	-	-	-
Smoked	-	-	-	-	-	-	-	-	-	-	-
Hot Air/ Sun Dry	19,704.6	25,264.2	25,417.3	34,446.3	21,536.0	5,172.6	6,809.6	6,310.0	3,464.0	3,503.0	5,433.0
Total	19,704.6	25,264.2	25,417.3	34,446.3	21,536.0	5,172.6	6,809.6	6,310.0	3,464.0	3,503.0	5,433.0
TOTAL COPRA PRODUCTION	19,725.2	25,265.6	25,417.2	34,446.3	21,536.0	5,172.6	6,809.6	6,310.0	3,464.0	3,503.0	5,433.0
Smoked	-	-	-	-	-	-	-	-	-	-	-
Hot Air/ Sun Dry	19,725.2	25,265.6	25,417.3	34,446.3	21,536.0	5,172.6	6,809.6	6,310.0	3,464.0	3,503.0	5,433.0
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
TOTAL VALUE (Millions of Vatu)	494.4	596.0	690.3	896.6	467.3	122.382	146.9	132.9	65.2	64.2	134.0
Average domestic Price(Vt / tonne)	24,725	22,830	27,160	26,028	21,700	23,660	21,566	21,060	20,000	19,018	19,545
World Bank's Copra Market Prices.											
Average US\$/Tonne	202.0	266.2	300.0	450.0	413.8	447.8	446.4	380.7	380.1	383.3	383.0
End Period US\$/Tonne	196.3	273.0	400.0	449.0	413.8	474.0	431.3	425.0	413.8	383.3	383.2
COCONUT OIL EXPORT (Tonnes)	8,516.0	10,346.7	7,721.9	17,111.0	12,967.0	2457	3,700.0	4,016.0	2,794.0	1,588.0	2,086.0
World Bank's Coconut oil Prices.											
Average US\$/Tonne	318.2	421.4	467.3	672.4	617.0	667.3	654.9	571.7	574.0	578.3	578.7
End Period US\$/Tonne	313.8	426.0	582.0	650.0	569.7	710.0	638.8	631.3	569.7	578.3	578.5

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

TABLE 27: COCOA PRODUCTION FOR EXPORTS AND PRICES

Period	2001	2002	2003	2004	2005	2005				2006	
						Qtr 1	Qtr2	Qtr3	Qtr4	Qtr1(e)	Qtr2(e)
COCOA PRODUCTION (Tonnes)											
Export Quality											
1st Grade	461.6	403.7	-	-	-	-	-	-	-	-	-
2nd Grade	194.1	513.6	-	-	-	-	-	-	-	-	-
Sub Total	655.8	917.3	-	-	-	-	-	-	-	-	-
TOTAL	796.4	867.0	1418.0	803.9	926.4	49.1	125.3	535.0	217.0	39.3	149.4
Value of Output (Millions of Vatu)	76.1	84.0	49.0	83.5	75.7	3.9	9.1	45.0	17.7	2.9	10.9
VT/Tonne	95,508.5	96,885.8	96,837.9	103,912.2	81,736.8	79,430	73,009	83,618	83,191	72,407	75,740

Source: VCMB

TABLE 28: COMMERCIAL MEAT PRODUCTION

Period	2000	2001	2002	2003	2004	2005	2005				2006	
							Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
PORT VILA ABATTOIR												
Cattle Slaughter												
No. of Heads	7,993	5,627	6,709	6,864	7,678.0	5,921.0	2,033.0	1,965.0	2,325.0	1,863.0	2,101.0	1,901.0
Weight (Tonnes)	1,763	1,533	1,412	1,548	1,715.9	1,697.6	386.9	423.9	481.7	405.2	456.3	300.0
Percentage Change	-3.1	-13.0	-7.9	9.7	10.9	-1.1	-22.6	9.6	13.6	-15.9	12.6	-34.3
Pig Slaughter												
No. of Heads	1,511	640	985	600	864.0	na	na	185.0	211.0	250.0	196.0	204.0
Weight (Tonnes)	49	38	51	31	46.2	na	na	10.1	12.8	14.9	12.9	61.0
Percentage Change	46.1	-22.3	34.4	-38.2	47.6	na	na	na	26.9	16.4	-13.4	372.9
SANTO ABATTOIR												
Cattle Slaughter												
No. of Heads	8,429	4,709	4,902	7,790	5,935.0	6,969.0	1,143.0	1,630.0	2,088.0	2,108.0	1,468.0	1,625.0
Weight (Tonnes)	3,971	1,494	1,120	1,579	1,267.5	1,332.5	206.2	332.4	479.2	314.6	265.3	331.0
Percentage Change	93.2	-62.4	-25.1	41.0	-19.7	5.1	-45.0	61.2	44.2	-34.4	-15.7	24.8
TOTAL BEEF PRODUCTION												
No. of Heads	16,433	10,336	11,611	14,654	13,613.0	15,155.0	3,176.0	3,595.0	4,413.0	3,971.0	3,569.0	3,526.0
Weight (Tonnes)	5,734	3,028	2,531	3,127	2,983.4	3,030.1	593.1	756.3	960.9	719.8	721.6	631.0
Percentage Change	48.0	-47.2	-16.4	23.5	-4.6	1.6	-32.2	27.5	27.1	-25.1	0.3	-12.6

Source: Vanuatu Quarantine and Inspection Services

TABLE 29: WORLD PRICES OF COMMODITIES RELEVANT TO VANUATU'S

Period	Commodity / Unit Prices					
	Copra	Cocoa	Coconut Oil	Coffee Robusta	Other Milds	Beef (US)
	US\$ / ton	US cents / Kg	US\$ / ton	US cents / Kg	US cents / Kg	US cents / Kg
Annual Average :						
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
Quarterly Average :						
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
Monthly Average :						
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	157.3	569.0	139.8	273.8	250.5
February	393	154.6	591.0	138.8	262.6	253.0
March	385	154.5	575.0	131.4	250.6	244.5
April	372	154.8	578.0	133.5	254.5	248.2
May	390	159.6	583.0	132.5	241.1	248.5
June	387	161	575	133	227	245

EXPORTS

Source: World Bank Commodity Prices

TABLE 30: SELECTED TOURISM STATISTICS

	2001	2002	2003	2004	2005	2005				2006	
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2
Total Non-resident Visitor Arrivals:	105,705	99,488	100,830	98,540	125,636	32,102	26,595	35,524	31,415	41,734	34,589
Visitor arrivals	52,927	49,461	50,400	60,670	62,082	12,648	13,309	18,507	17,618	13,789	15,144
Day visitors:	52,778	50,027	50,430	37,870	63,554	19,454	13,286	17,017	13,797	27,945	19,445
Cruiseship	52,758	50,027	50,430	37,870	63,554	19,454	13,286	17,017	13,797	27,945	19,445
Air/ yachts	20	-	-	-	-	0	0	0	0	0	0
Air arrivals by purpose of visit:	52,928	49,462	50,400	60,613	62,082	12,648	13,309	18,507	17,618	13,789	15,144
Stop-over	1,108	611	835	1,521	1,326	393	343	370	220	80	139
Holiday	41,319	38,740	38,924	46,806	47,865	9,625	9,873	14,104	14,263	10,943	11,566
Visiting freinds	3,677	3,563	3,887	4,594	4,451	804	1,068	1,314	1,265	877	992
Business/ Meetings	6,557	6,544	6,746	7,686	8,411	1,797	2,025	2,719	1,870	1,888	2,447
Other Purposes	111	1	6	6	29	29	-	-	-	1	0
Not Stated	156	3	2	-	-	-	-	-	-	0	0
Air arrivals by Usual Country of Residence:	52,927	49,461	50,400	60,668	62,082	12,648	13,309	18,507	17,618	13,789	15,144
Australia	33,492	29,730	29,492	35,782	38,073	7,864	8,438	10,694	11,077	9,126	8,863
New Zealand	7,485	7,263	7,729	8,209	7,651	943	1,837	2,743	2,128	966	2,518
New Caledonia	3,956	4,704	5,050	6,519	6,815	1,591	1,209	2,049	1,966	1,646	1,523
Other Pacific	2,190	1,828	2,034	3,208	2,731	852	405	853	621	529	644
Europe	2,651	2,948	3,003	3,361	3,503	670	700	1,167	966	819	726
North America	1,400	1,438	1,625	1,930	1,625	357	345	490	433	318	444
Japan	789	731	571	586	583	113	136	195	139	134	130
Other Countries	927	803	881	1,073	1,100	258	239	316	287	251	296
Not Stated	37	16	15	-	1	-	-	-	1	0	0
Facilities at end of period:											
Hotels	29	29	29	29	29	27	23	29	29	29	29
Rooms	1,008	992	899	895	902	883	901	882	886	951	914
Room nights offered	92,828	91,945	82,229	84,406	86,024	80,718	85,704	80,934	80,514	83,564	87,184
Occupancy rate	49.8%	44.2%	48.2%	52.4%	1	46.40%	44.90%	61.30%	57.10%	54.00%	45.40%
Beds	2,910	2,658	2,348	2,320	2,317	2,119	2,444	2,352	2,382	2,458	2,452
Bed nights offered	256,395	242,001	217,453	212,478	211,967	202,463	216,604	216,893	215,457	215,727	219,074
Occupancy rate	35.6%	32.8%	35.3%	40.9%	0	39.40%	35.20%	48.50%	39.80%	36.80%	32.90%

Source: Vanuatu Statistics Office

TABLE 31: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to previous quarter)

Expenditure Group	Region	Average					2005				2006	
		2001	2002	2003	2004	2005	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1 (r)	Qtr 2
Food		0.6	0.2	1.0	0.5	0.0	-1.8	0.6	0.6	0.7	1.2	0.9
	Port Vila	0.5	0.1	1.0	0.5	0.6	0.2	1.1	0.6	0.6	2.2	
	Luganville	1.2	0.2	0.8	0.5	0.5	3.1	0.3	0.3	-1.6	2.5	
Drinks & Tobacco		0.3	1.8	2.3	0.1	0.8	1.5	0.5	1.0	0.2	0.5	0.3
	Port Vila	0.3	1.8	2.4	0.1	0.8	-0.4	1.3	1.2	1.2	0.6	
	Luganville	0.5	1.9	1.4	0.2	1.1	3.7	0.9	-0.2	0.0	0.2	
Clothing etc		0.4	0.1	0.2	0.2	-0.2	0.6	0.0	-0.1	0.1	0.0	0.3
	Port Vila	0.4	0.0	0.3	0.0	0.0	-0.3	1.0	-0.2	-0.2	0.0	
	Luganville	0.4	0.5	0.1	-0.8	-0.9	0.7	0.9	0.0	0.0	-3.3	
Rent, Water, Electricity		1.5	-0.2	0.0	-0.4	1.4	3.3	1.1	0.9	0.4	1.1	0.3
	Port Vila	1.3	-0.2	0.0	-0.5	0.6	-0.5	1.1	0.8	0.8	1.8	
	Luganville	2.4	-0.5	-0.2	0.2	1.3	1.9	3.6	1.2	-1.6	13.9	
Household Supplies		-0.4	-0.2	0.1	-0.1	-0.2	0.8	-1.7	0.2	0.1	0.0	0.4
	Port Vila	-0.5	-0.2	-0.1	-0.1	-0.1	-1.7	1.0	0.2	0.2	0.0	
	Luganville	0.0	-0.2	0.7	-0.1	-0.4	0	-1.9	0.3	0.0	7.4	
Transport & Comm		0.5	1.9	0.2	0.3	0.1	0.3	-0.3	0.3	0.3	0.6	1.1
	Port Vila	0.6	2.0	0.2	0.3	0.7	0.2	1.2	0.7	0.7	0.6	
	Luganville	0.3	1.0	0.4	0.2	-0.5	-0.6	0.0	-1.3	0.1	-1.3	
Recreation, Health etc		0.0	0.9	0.9	0.9	0.7	2.7	0.2	0.0	0.0	0.0	1.0
	Port Vila	0.1	1.0	0.6	0.9	0.3	0.1	1.1	0.0	0.0	0.0	
	Luganville	-0.8	0.5	2.4	0.3	0.9	2.7	0.2	0.5	0.0	-1.2	
ALL GROUPS		0.6	0.6	0.7	0.2	0.4	0.5	0.4	0.5	0.4	0.8	0.6
	Port Vila	0.5	0.6	0.8	0.4	0.5	-0.2	1.1	0.5	0.5	1.2	
	Luganville	0.9	0.3	0.7	0.4	0.6	2.1	0.8	0.2	-0.8	3.3	

Source: Vanuatu Statistics Office

TABLE 32: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to same quarter of previous year)

Expenditure Group	Region	End year					2005				2006	
		2001	2002	2003	2004	2005	Qtr 1	Qtr 2	Qtr 3	Qtr 4 (r)	Qtr 1	Qtr 2
Food		2.4	0.6	4.0	1.9	0.0	-0.1	0.5	-2.2	0.0	3.1	3.4
	Port Vila	1.9	0.5	4.1	1.9	0.4	4.1	-0.1	-3.3	0.4	0.5	
	Luganville	4.8	0.7	3.0	1.9	2.2	4.6	5.4	0.3	2.2	4.9	
Drinks & Tobacco		1.2	7.3	9.1	0.4	3.1	1.7	1.9	2.9	3.1	2.1	2.0
	Port Vila	1.2	7.1	9.7	0.4	2.7	9.7	-0.3	2.7	2.7	3.3	
	Luganville	2.0	7.9	5.6	0.7	0.3	3.4	4.6	4.4	0.3	0.5	
Clothing etc		1.6	0.4	1.0	-1.0	0.6	0.1	0.7	0.5	0.6	0	0.3
	Port Vila	1.6	0.0	1.2	0.0	0.2	1.2	0.0	0.2	0.2	0.2	
	Luganville	1.7	1.9	0.2	-4.7	-0.7	-2	2.4	1.6	-0.7	-3.1	
Rent, Water, Electricity		6.1	-0.9	-0.1	-1.4	5.7	1.8	2.8	3.5	5.7	3.5	2.7
	Port Vila	5.4	-0.6	0.2	-1.9	2.8	0.1	-0.1	2.8	2.8	6.8	
	Luganville	9.7	-2.1	-0.8	0.6	-1.3	2.5	6.0	7.3	-1.3	12.4	
Household Supplies		-1.5	-0.8	0.2	-0.4	-0.7	0.6	-1.0	-0.8	-0.7	-1.5	0.7
	Port Vila	-1.8	-0.7	-0.4	-0.3	-0.6	-0.4	-0.1	-0.6	-0.6	-0.6	
	Luganville	-0.1	-1.0	2.6	-0.5	-0.5	-0.4	-2.2	-1.6	-0.5	7.3	
Transport & Comm.		2.2	7.5	0.9	1.1	0.7	0.9	0.6	0.4	0.7	1.3	2.3
	Port Vila	2.3	8.2	0.7	1.2	0.8	0.7	0.0	0.8	0.8	1.4	
	Luganville	1.3	3.9	1.5	0.7	0.9	0.2	0.2	-1.5	0.9	-0.8	
Recreation, Educ., Health etc		0.0	3.8	3.4	3.4	2.8	3.1	3.3	2.8	2.8	0.2	1.0
	Port Vila	0.5	4.1	2.6	3.6	2.8	2.6	0.0	2.8	2.8	2.8	
	Luganville	-3.0	2.1	9.7	1.6	5.2	3.3	3.1	3.4	5.2	-0.9	
ALL GROUPS		2.3	2.3	2.9	0.8	1.8	1.0	1.3	0.6	1.8	2.0	2.3
	Port Vila	2.0	2.4	3.0	1.8	0.1	3.0	-0.1	0.1	0.1	2.2	
	Luganville	3.8	1.3	2.7	0.8	1.2	2.7	3.8	3.0	1.2	4.1	

Source: Vanuatu Statistics Office

TABLE 33: ENERGY CONSUMPTION

Period	'000 Kwh / x 1000 Kwh					Imports Cleared for Home Consumption (*000 litres)			
	Port-Vila	Luganville	Malekula	Tanna	TOTAL	Petrol	Fuel	Kerosene	
2002	35,288	6,587	221	111	42,207	4,836	24,940	786	
2003	34,385	6,303	445	208	41,341	5,809	23,799	911	
2004	na	na	na	na	na	3,518	17,090	512	
2002	Qtr 1	9,507	1,669	-	-	11,176	1,275	6,253	353
	Qtr 2	8,648	1,629	-	-	10,277	1,372	7,389	220
	Qtr 3	8,954	1,673	106	63	10,796	1,139	5,747	133
	Qtr 4	8,179	1,616	115	48	9,958	1,050	5,551	80
2003	Qtr 1	9,330	1,665	96	48	11,139	1,333	5,314	440
	Qtr 2	8,776	1,734	122	51	10,683	1,094	4,802	88
	Qtr 3	7,667	1,453	106	56	9,282	1,707	7,653	222
	Qtr 4	8,612	1,451	121	53	10,237	1,675	6,030	161
2004	Qtr 1	10,121	1,750	141	56	12,068	420	3,526	199
	Qtr 2	8,682	1,636	122	54	10,494	1,509	8,397	226
	Qtr 3	8,232	1,572	112	53	9,969		7,100	207
	Qtr 4	8,580	1,554	134	51	10,319	1,077	3,766	151
2005	Qtr 1	10,835	1,626	146	57	12,664	988	6,640	93
	Qtr 2	9,255	1,475	135	56	10,921	897	4,510	106
	Qtr 3	8,384	1,497	123	56	10,060	491	2,121	161
	Qtr 4	9,361	1,479	125	61	11,026	1,142	3,819	152
2006	Qtr 1	10,571	1,501	145	58	12,274	595	2,843	270
	Qtr 2	9,921	1,449	137	64	11,571	221	1,379	213

Source: Unelco Vanuatu Limited and Department of Customs/ Unelco Vanuatu Limited et Services des Douanes
(1) Includes White Spirit / Y compris le White Spirit

TABLE 34: 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	
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

Source: Vanuatu Statistics Office

TABLE 35: POSTAL SERVICES

Period	Letters	Priority Letters	Printed Matter	Packets	Parcels	Registered	EMS	Total	Domestic Mail			Total
									Outbound	Inbound		
2001	944,270	385	150,828	119,302	5,856	12,348	4,038	1,237,027	553,272	310,434	373,529	1,237,235
2002	908,827	424	142,760	121,898	5,722	11,966	3,122	1,194,719	552,228	298,718	343,773	1,194,719
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												
2003 1st	206,342	186	32,142	36,303	1,161	2,927	646	279,707	117,115	78,896	83,696	279,707
2nd	195,048	220	31,326	37,503	1,312	2,784	723	268,916	112,309	79,334	77,273	268,916
3rd	213,161	181	34,830	39,104	1,395	2,884	879	292,434	125,777	88,054	78,603	292,434
4th	226,056	194	31,889	41,278	1,582	2,626	1,162	304,787	126,904	92,393	85,490	304,787
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

Source: National Statistics Office