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Q4 December 1986	The System of National Accounts of the Republic of Vanuatu: Data Sources, Methodology, and Assumptions
Q1 March 1987	Press Announcement from Minister of Finance concerning The Cyclone UMA – Economic recovery program
	<ol style="list-style-type: none"> 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
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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 domestic economy continues to show growth, with the services sector accounting for most of the growth. Despite a generally weak agricultural sector for 2006, the September quarter has witnessed an increase in copra production, beef and kava production. Air Arrivals increased in the third quarter by 2.5 percent in the previous quarter, while day visitor arrivals increased by 68 percent from the previous quarter. Inflation for the year September 2006 indicated an increase by 2.9 percent, owing largely to fuel increases, electricity prices, food items and household supplies.

The central government overall fiscal operations depicted a deficit of VT227.8 million compared to a smaller deficit of VT38.0 million recorded during the corresponding quarter of 2005. The drop was accounted for by an increase in expenditures, due to increases in public servants salaries and wages.

Monetary growth decelerated during the third quarter of 2006, as broad money depicted a contraction in growth of almost 3.0 percent to reach VT44,434.9 million. In view of the determinants of money supply, the slow growth in broad money was attributed mainly to a contraction in the holdings of net foreign assets of commercial banks, resulting in a decline in overall net foreign assets. Domestic credit somewhat grew during the quarter.

Excess reserves have been vigorously increasing during the quarter, as the economy is persistently experiencing massive foreign exchange inflows through the process of balance of payments. The Reserve Bank of Vanuatu was also aggressive in its open market operation (OMO), with an increase in the level of RBV during the quarter. Short term interest rates currently depict an increasing trend. The weighted average interest rates on deposits and lending rates have declined given the high level of liquidity.

The Balance of payments figures for September quarter 2006 reflected an expansion of the official international reserves to 7.7 months of import cover from the 7.0 in June. The improving economic conditions and political stability had contributed a lot into this expansion. The Current account had reduced its deficit significantly this quarter, largely

due to improvements in the services account. Despite the level of deficits in the current account, financing was more than adequate.

World economic growth has continued to strengthen in 2006, although in the September quarter, although growth in the United States of America and Australia had softened. Growth in Euro zone continues to remain robust, while activity in Asia has remained resilient also. A key element to the strong world performance is the extraordinary growth of emerging markets and developing countries. Global growth is projected to increase by 5.1 percent for 2006 before moderating to 4.9 percent in 2007.

Falling oil prices was essential for most economies in controlling inflation, although strength in domestic demand, coupled with capacity constraints has meant that strong underlying inflation still remain a possibility.

Despite earlier strong growth in the US economy in early 2006, activity has since moderated, with an advance estimate indicating that growth has slowed to 2.9 percent in the second quarter, from 5.6 percent in the first quarter. For the year as a whole, growth is projected at 3.4 percent, before slowing to 2.9 percent in 2007.

The Australian economy continued to grow in towards the end of 2006, with a forecasted growth of 3.1 percent and 3.5 percent for 2007. The second quarter figures point to a moderation in domestic demand from the first quarter, although it is still running at 3.5 percent to 4 percent over the year. Meanwhile drought conditions have brought on difficult agricultural conditions, although activity remains strong in resource rich states.

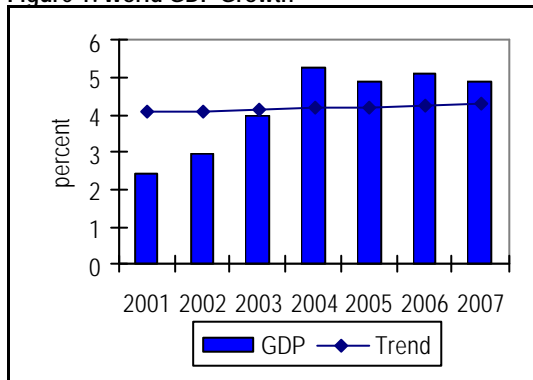
Real output growth in Europe is forecasted at 2 percent for 2007, compared to 2.4 percent in 2006. In the outlook two long-term trends are alarming: first, productivity growth in most European countries has declined in recent years and jeopardizes future competitiveness in a global market. Second, economic fundamentals among member countries of the Euro area are drifting apart particularly with regards to restructuring which vary from in objectives from country to country.

Japan's economy is slowly recovering from deflation and is expected to grow at 2.7 percent in 2006 and around 2.1 percent in 2007 while in China, Annualized GDP growth slowed slightly in the third quarter of 2006, but remained robust at 10.4 percent.

2. INTERNATIONAL DEVELOPMENT

The world economy continues to be strong, with a third year of above average growth. Growth in the United States and Australia has softened, activity in the Euro Zone has picked up, and while in Asia activity has generally remained resilient. A key element to the strong world performance is the extraordinary growth of emerging markets and developing countries. Global growth is projected to increase by 5.1 percent for 2006 before moderating to 4.9 percent in 2007.

Figure 1: World GDP Growth



Source: IMF World Economic Outlook, September 2006

Recently, falling oil prices have led to declines in headline inflation, although strength in domestic demand, coupled with capacity constraints has meant that strong underlying inflation still remain a possibility. Consequently, a number of Central Banks have since, raised official rates.

Figure 2: Selected Official rate changes

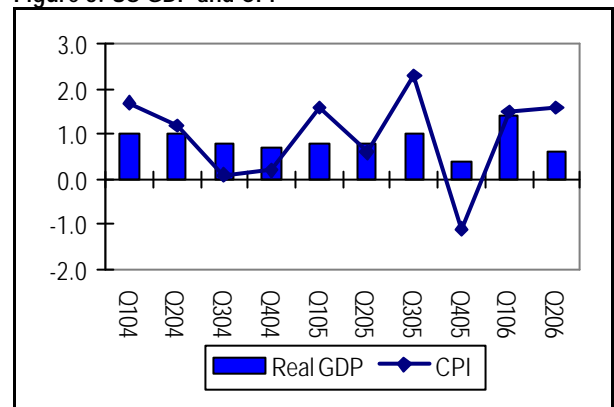
Central Bank	Net change in Policy rate since January 2006 [last move]	Current level of policy rate
R Bank Aust	+75 [+25 in November 2006]	6.23%
US F. Reserve	+75 [+25 in July 2006]	5.25%
Bank of England	+25 [+25 in November 2006]	4.75%
European CB	+75 [+25 in October 2006]	3.25%
Bank of Japan	+25 [+25 in July 2006]	0.25%
Bank of N Z	0 [+25 in December 2005]	7.25%

Source: Bank of New Zealand

The US Economy

Despite earlier strong growth in the US economy in early 2006, activity has since moderated, with an advance estimate indicating that growth has slowed to 2.9 percent in the second quarter, from 5.6 percent in the first quarter. Private consumption growth weakened against the background of higher interest rates, a cooling housing market, high gasoline prices, and lackluster employment gains. Business investment in equipment and software was also surprisingly weak, but net exports contributed positively to growth as imports slowed. For the year as a whole, growth is projected at 3.4 percent, before slowing to 2.9 percent in 2007.

Figure 3: US GDP and CPI

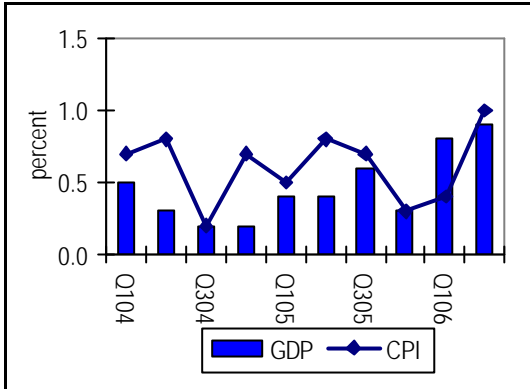


Europe

Recovery in the Euro zone has finally materialized in 2006. Corporate restructuring improved competitiveness and increased consumption and investment spending (particularly in France and Germany), contributing to the turnaround. Consumer confidence is robust. Real output growth is forecasted at 2 percent for 2007, compared to 2.4 percent in 2006.

.As a net oil importer, the outlook depends significantly on future crude oil prices. Similar to U.S. house prices, housing prices in Spain, France, and Ireland are still elevated and a rapid downturn could cool off the economy.

Figure 4: Euro area GDP and CPI



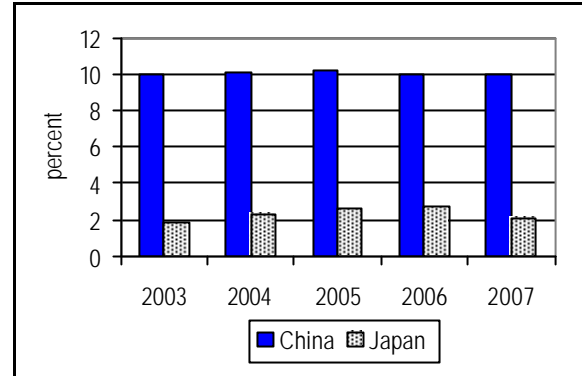
Two long-term trends are alarming: first, productivity growth in most European countries has declined in recent years and jeopardizes future competitiveness in a global market. Second, economic fundamentals among member countries of the Euro area are drifting apart. While countries like Germany and France effectively managed an economic restructuring toward higher value-added production, other countries like Italy or Spain have been less successful. Meanwhile labor costs have declined in Germany and to a lesser extent France since the introduction of the euro, there has been significant increases in Italy and Spain. Over the long run, this might undermine the commitment to the Euro currency because depreciation might be too tempting for populist policies.

The United Kingdom will do slightly better than continental Europe with an expected economic expansion of 2.7 percent. Job creation, consumption, and investment spending are robust and the economy expands around its potential output growth.

Asia

Japan's economy is slowly recovering from deflation and is expected to grow at 2.7 percent in 2006 and around 2.1 percent in 2007. The Bank of Japan has begun slowly redeeming excess liquidity and is expected to slightly increase interest rates in the year to come, although caution of a possible fallback into deflation looms. GDP growth in the September quarter of 2006 went up by 0.5 percent, owing largely to a strong external sector.

Figure 5: GDP Growth in China and Japan

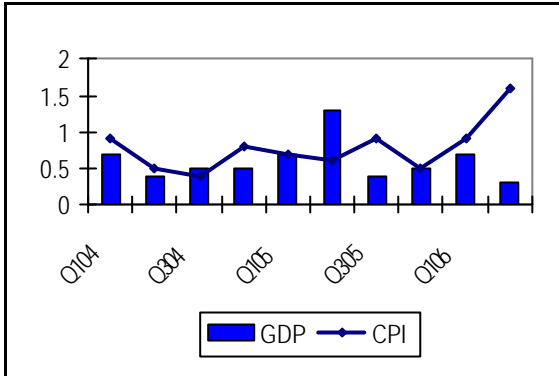


While there has been some moderation in investment in response to policy tightening measures by the People's Bank of China, consumption and net exports have remained resilient. China's current account surplus continued to rise in 2005 and the first half of 2006 and now accounts for some 70 percent of the regional surplus of about \$260 billion (annual basis). Annualized GDP growth slowed slightly in the third quarter of 2006, but remained robust at 10.4 percent.

Australia

The Australian economy continued to grow in towards the end of 2006, with a forecasted growth of 3.1 percent and 3.5 percent for 2007. The second quarter figures point to a moderation in domestic demand from the first quarter, although it is still running at 3.5 percent to 4 percent over the year. Real GDP growth over the 12 month period to June 2006 indicated a decline of 2 percent, yet employment has remained quite strong. Meanwhile drought conditions have brought on difficult agricultural conditions, although activity remains strong in resource rich states.

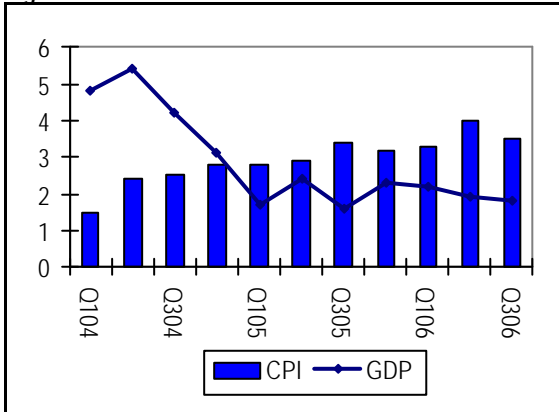
Figure 6: Australia GDP and CPI



New Zealand

Despite a recovery in the New Zealand Economy in early 2006 from 2005, it now appears to be occurring at a more gradual pace. Strength in domestic demand and the resulting pressure on domestic resources has seen non-tradable inflation lingering above 4 percent since 2004. Over much of 2006 New Zealand also experienced strengthening in tradable inflation due to high petrol prices. These combined conditions resulted in headline inflation rising to 4 percent in the year to June 2006.

Figure 7: New Zealand GDP and CPI



Global risks

High oil prices are the biggest risk for world economic activity in 2007. A rapid price increase would have significant and negative effects for all oil importing economies.

Rising current account imbalances are a second concern for the world economy. The U.S. current account for the first six months of 2006 reached a

deficit of \$431 billion and will probably reach 7 percent of GDP at the end of the year, while other regions, such as emerging Asia, Japan, and oil-exporting countries, further increase their current account surpluses.

Over the long run, this is not sustainable and unavoidable adjustments will be made. The question is how smoothly these adjustments will occur. A fast and significant depreciation of the U.S. dollar would not hurt the U.S. economy as much as it would hurt China and other big exporters to the U.S. market.

Private capital is increasingly flowing from the developed world into emerging economies, causing the yield spreads of emerging countries' debt to decline. These low risk spreads seem—at least in some cases—unaligned with economic fundamentals. A financial crisis in one country could trigger an initial turnaround in worldwide capital flows.

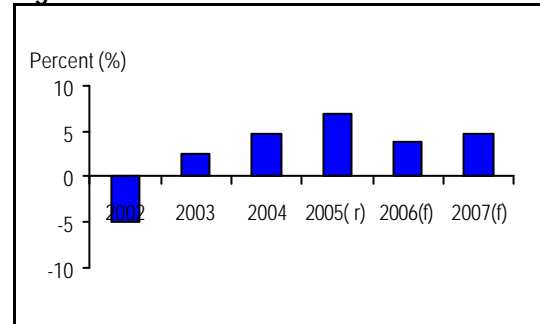
3. Domestic Economic Development

3.1. Real Economy

Economic activity continued to grow during the third quarter of 2006, with much of the growth being attributed to improved output in manufacturing, construction sectors, and a dominant services sector.

Similarly, the services sector accounted for 72 percent of the country's total Real GDP in 2005, followed by the Agricultural sector by 18 percent and the industrial sector by 10 percent.

Figure 8: GDP Growth Rate



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

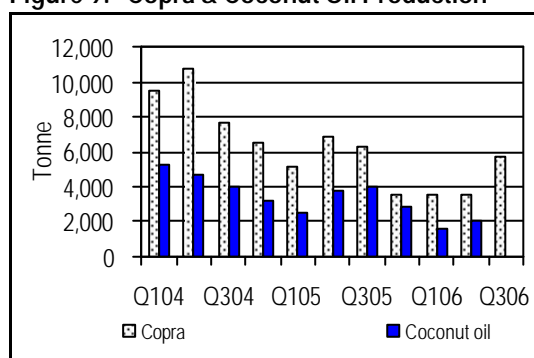
The consumer price index continues to show increases in the third quarter following on from an increase in the second quarter. Amidst rising world fuel prices towards the mid-year, inflation rate up to the quarter under review prevailed around 2.0 and 3.0 percent.

3.1a. Copra and Coconut Oil

Copra production during the quarter increased by 84 percent to 6,484 tonnes, from 3,516 tonnes produced in the second quarter, although the level of production is lower by 10 percent from the same quarter of 2005. The value of copra amounted to VT118.3 million, compared to VT63.7 million in the previous quarter. The increase reflected in part a slight increase in the average domestic price, from VT18,119 per ton to VT18,249 per tonne.

The average world price for copra increased from US\$383.0 per tonne in the second quarter to US\$400 per tonne during the reviewed quarter, whilst in the same quarter of 2005 the average price was US\$380.7 per tonne. Despite the increase, world prices remain low compared to 2005 prices.

Figure 9: Copra & Coconut Oil Production



Source: VCMB, National Statistics Office

There was no coconut oil export over the third quarter following the closure of the major coconut oil mill, Coconut Oil Production Vanuatu Limited (COPV) in Santo. Export of coconut oil in the third quarter was mainly from stock after the closure. Other coconut oil producing companies such as the VCMB (Vanuatu Commodities marketing Board) owned coconut oil mill, VCPL (Vanuatu Coconut Products Limited), although much of the oil is targeted towards producing bio fuel domestically.

Figure 10: Selected Domestic Indicators

Domestic Data Annual		2002	2003	2004	2005
Real GDP Growth		-4.4	2.4	4.8	6.8(r)
Annual inflation rate		2.3	2.9	0.8	1.8
Production					
Copra(t)		25,608	28,925	36,822	21,482
Cocoa(t)		868	1,346	865	926
Beef(t)		2,531	3,099	2,984	3,185
Coconut oil exports (t)		9,856	7,725	17,111	12,967
Kava exports (t)		601	491	828	686
Air arrivals(no.)		49,462	50,400	60,670	62,082
Cruise arrivals(no.)		49,447	51,995	37,870	63,554
Hotel Occ. Rate		44.20%	46.50%	51.90%	52.30%
Energy Consumption		41,874	41,341	42,849	44,669
Quarterly		<u>2006</u>			
		Q405	Q106	Q206	Q306(e)
Real GDP Growth		-	-	-	-
Inflation rate (yearly)		1.8	2.0	2.2	2.9
Inflation rate (quarterly)		0.4	0.8	0.6	1.2
Production					
Copra(t)		3,359	3,559	3,516	6,179
Cocoa(t)		217	39.3	653	378
Beef(t)		843	540	538	895
Coconut oil exports(t)		2,794	1,588	2,086	na
Kava exports (t)		89	123	167	200
Tourist arrivals(no.)		17,618	13,789	15,144	18,712
Cruise arrivals(no.)		13,797	27,945	19,445	22,506
Hotel Occ. Rate (room)		52.00%	54.00%	45.50%	50.00%
Energy Consumption		10,500	12,274	11,571	11,500

In line with the increase in the average world price for copra, coconut oil prices also increased from US\$578.7 per tonne in the previous quarter to US\$599.1 per tonne as compared to the \$ US571.7 per tonne in the third quarter.

3.1b. Cocoa

Total cocoa production amounted to 378 tons over the third quarter, recording a drop of 42 percent from 653 tonnes in the previous quarter and lower by 29 percent over the same quarter of last year. Production varies with seasonality which showed high produce towards the mid-year. The total value of cocoa production though, increased from VT58.3 million (revised from VT10.9 million) to VT35 million during the September quarter. Average producers price increased from VT89,225 per tonne in the previous quarter to VT93,104 per tonne. The average world price for Cocoa also increased from 158.4 Cent per Kg to 162.3 US Cent per Kg.

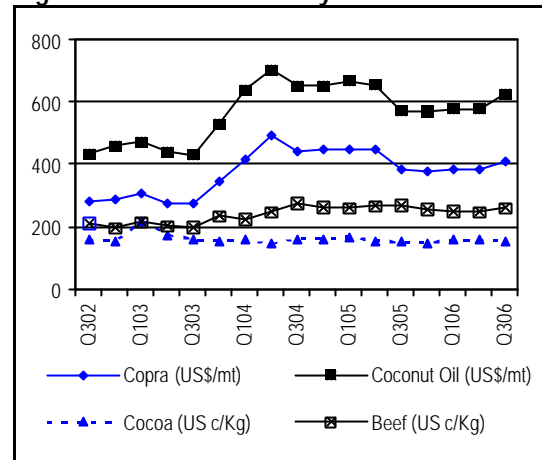
3.1.c. Kava

While data were available, preliminary Kava exports was estimated to increase by 20 percent from 167 tons in the previous quarter to 200 tons. Over the same period in 2005, production was lower by 22 percent; however rising domestic prices are expected to boost production in 2006.

3.1.d. Beef

Beef production increased in the third quarter, resulting from an increase in domestic demand during the independence celebration festivities in July. Production increased from 538 tons produced during the second quarter to 895 tons in the reviewed quarter, representing a growth of 66.4 percent and 4.9 percent growth over the same period of last year respectively. In terms of world price, the average price of beef increased from 247.3 US Cent per Kg to 257.4 US Cent per Kg during the September quarter. Price remain about the same level as in 2005 as see the previous year.

Figure 11: World Commodity Price



Source: World Bank Commodity Price

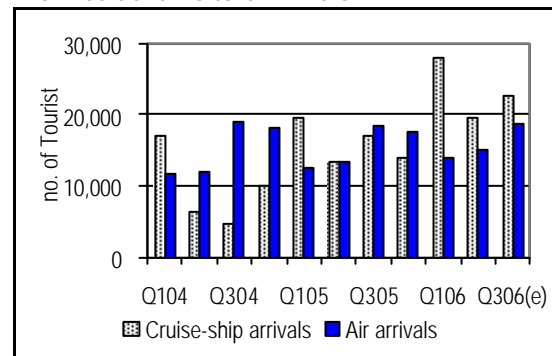
3.1.e. Tourism

Tourism arrivals for both air arrivals and cruise-ship arrivals showed increases in the third quarter of 2006.

Air arrivals increased by 24 percent to 18,712 visitors compared to 15,144 visitors in the second quarter. There was also an increased by 15.7 percent from 19,445 day visitors in the previous quarter to 22,506 visitors in the third quarter, owing largely to an increase in the cruise ship arrivals. Holiday visitors along, accounted for 76 percent of total air visitor arrivals which showed growth of 23.6 percent from the previous quarter and 1.3 percent over the same quarter of 2005. The average hotel room occupancy rate increased slightly from 56.6 percent to 58 percent in the third quarter.

Fig 12:

Non-resident Visitors Arrivals

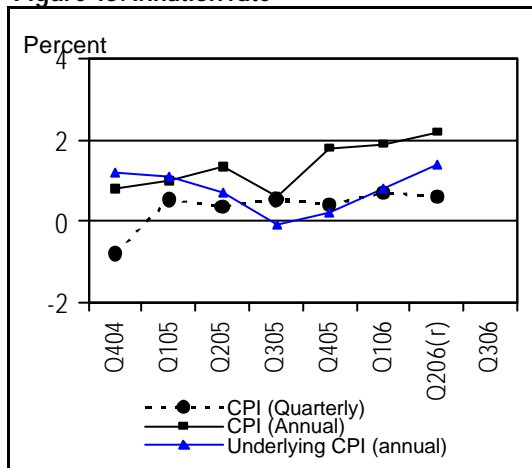


Source: National Statistic Office

3.1f. Inflation

Projected annual increase in CPI for the third quarter of 2006 is projected to increase by 1.2 percent from the previous quarter or 2.9 percent over the same quarter of 2005. Port Vila and Luganville showed increases of 1.2 percent and 1.1 percent respectively. Major expenditure groups contributing to this quarter-to-quarter increase are Transport & communication (0.7%), Housing Utilities (0.5%) and food (0.5%). Other notable increases are in Drinks & Tobacco (0.1%), Housing Supplies (0.1%) and recreational, Education, Health, etc (0.1%) while clothing and Footwear expenditure group indicate to a decline of 0.3 percent.

Figure 13: Inflation rate



Source: National Statistics Office

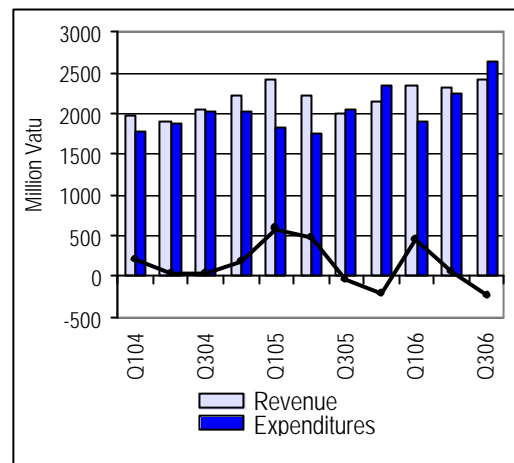
3.2. FISCAL OPERATIONS

Despite the Government operating a positive account with the Reserve Bank of Vanuatu, a budget deficit was incurred for the quarter under review. Net claims on Government (NCG) with the commercial banks had deteriorated slightly due mainly to transfer of funds to the Reserve Bank. This had resulted with improve NCG with the Reserve Bank, reflecting high deposits maintained by the Government in its operating accounts.

The central government overall fiscal operations deficit of VT227.8 million was higher compared to a deficit of VT38.0 million recorded during the corresponding quarter of 2005. The decline in the

fiscal position for this quarter stemmed mainly from the increase in expenditures, resulting from the implementation of the Government remuneration tribunal (GRT) decision to increase public servants salaries and wages. The GRT decision is having an immediate impact on Government budget by increasing expenditures.

Figure 14: Government Expenditures and Revenue.

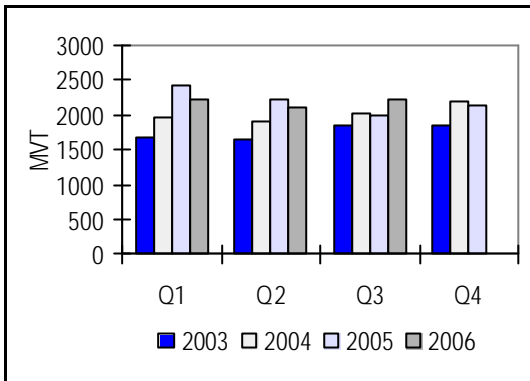


3.2a. Revenue

Revenue including grants received for the quarter under review amounted to VT2414.9 million. Collection of revenue increased by 4.8 percent in the previous quarter and by 20.2 percent, compared to the level attained in the corresponding quarter of 2005.

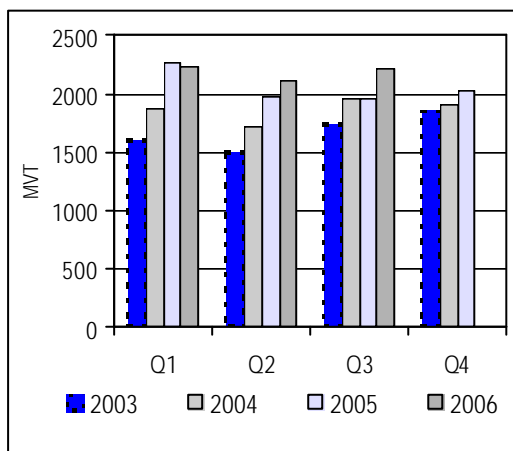
According to Budget, Revenue up to September accounts for 81.1 percent. The improved performance reflects on improving economic conditions and compliance by Government departments.

Figure 15: Total Revenue and Grants



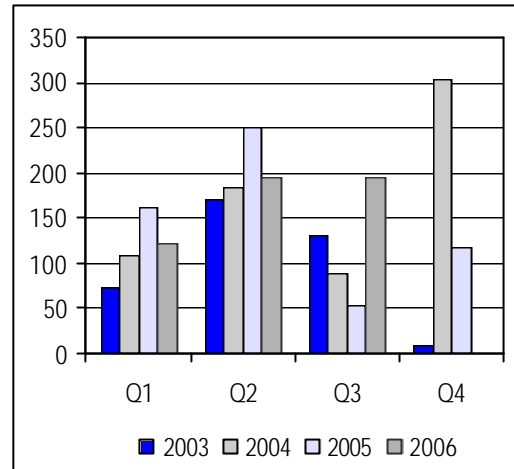
Taxes constituted 5.8 percent of total recurrent revenue, having increased by 14.1 percent compared the same quarter of 2005. VAT collection had also improved by 2.1 percent, while import duties increased by 12.2 percent over the corresponding quarter of 2005. The improved trend in collection is expected to continue into the fourth quarter.

Figure 16: Domestic Revenue



Non tax revenue increased by 67.5 percent and by 10.2 percent from the level attained in the previous quarter and the same quarter of 2005 respectively. Total non tax revenue collected for the three quarters of this year had exceeded the level collected for the same period of 2005 by 2.9 percent.

Figure 17: Grants



Grants received for the review quarter totaled VT195.3. Grant aid received for the nine months of this year had rose to VT514.1 million, which is VT50 million higher than the level received for the same period in 2005. More grant aid is expected to flow in during the fourth quarter with Millennium Challenge Account (MCA) funds also expected in early next year 2007.

3.2b. Expenditures

Total expenditures for the review quarter had increased by 18.1 percent from the previous quarter, and similarly by 29.1 percent compared to the corresponding quarter of 2005.

Expenditures to date totaled 75.7 percent of the budget, which is slightly above the allocation for this time of the year.

Salaries and wages increased by 21.2 percent in comparison the corresponding quarter of 2005. This increase is attributed to the implementation of the government remuneration tribunal decision to increase the salary and wages of civil servants under the public service commission. The increase in salary and wages bill is expected to culminate in an overall increase in total expenditures for 2006.

3.2c. Financing

At end September 2006 the Government incurred a fiscal surplus of VT283.9 million. Continuous tight fiscal control by the Department of Finance meant that had ensured sustainability in the surplus. Given the situation, the Government had not resorted to

the overdraft facility with the Reserve Bank of Vanuatu.

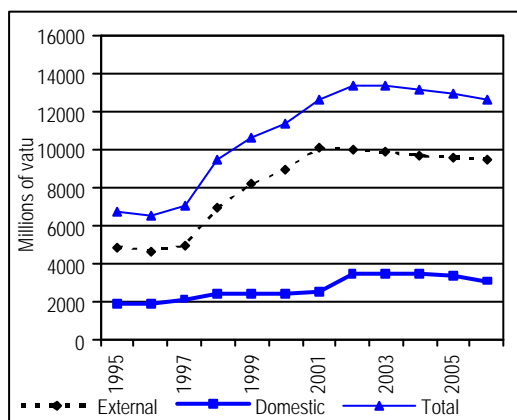
Two of the main instruments commonly utilized by the central government to finance its deficits are domestic borrowing and the overdraft facility with the Reserve Bank.

3.2d. Outstanding Government Debt

Total outstanding public debt was estimated to be approximately VT12.6 billion, of which 24.6 percent is domestic debt. The last external debt to be taken up by the Government was in 1998 and domestic debt in terms of bond holding in 2003.

Domestic debts in terms of bond holding and domestic loans has been reduced to VT3,103.0 million, when VT225 million was retired. From the total bond holding, corporate bodies have a share of 49.3 percent, the RBV 27.8 percent, commercial banks 22.8 percent, and others 0.1 percent.

Figure 18: Public Debt



Total external debt of the country stood at approximately VT9,491.1 million and representing 75.4 percent of total public debt. Total estimated outstanding public debt represents 30.7 percent of nominal GDP. The Government is weary to undertake any more debts, given the high amount of domestic debt that will mature in 2008.

3.3 MONETARY DEVELOPMENTS

Monetary growth decelerated during the third quarter of 2006, as broad money contracted by 3.0 percent to reach VT44,434.9 million. This decline was in contrary to increases of 5.5 percent recorded over the previous quarter and the previous years level, respectively. In view of the determinants of money supply, the slow growth in broad money was attributed mainly to a contraction in the holdings of net foreign assets of commercial banks, resulting in the decline in overall net foreign assets. Domestic credit somewhat grew during the quarter.

The level of Commercial Banks liquidity¹ continued to remain high above expectations during the quarter. Excess reserves have been vigorously increasing during the quarter, as the economy is persistently experiencing massive foreign exchange inflows through the process of balance of payments. Amid the considerable level of excess liquidity, the Reserve Bank of Vanuatu was also active in its open market operation (OMO), with an increase in level of RBV notes issued. With the uptrend in liquidity, Short term interest rates were expected to dampen, however, the reverse has been observed. The high interest rates reflects the fact that Banks have reached their sovereign limit in terms of their holdings of securities, and in an effort to minimize risks they have opted to increase bids short-term notes. Meanwhile, weighted average interest rates on deposits and lending rates have declined reflecting the substantial level of liquidity in the system during the quarter.

3.31. Determinants of Money Supply

3.31a. Net Foreign Assets

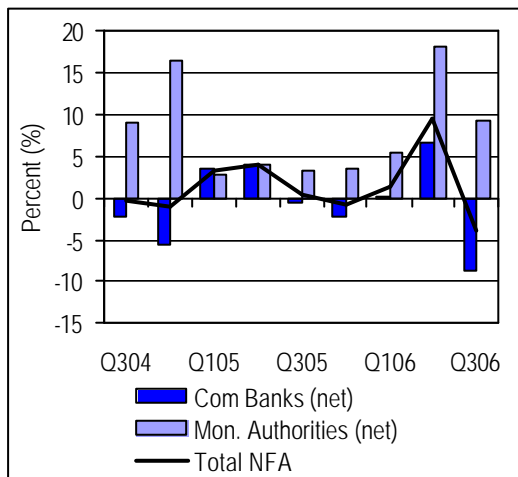
Following an expansion recorded over the previous quarter, total net foreign assets (NFA) of the banking system declined by 3.8 percent during the reviewed quarter. Since commercial banks NFA account for almost 70 percent of the overall net foreign assets, the decline of 8.8 percent in the commercial banks holdings of NFA impacted on the overall decline in NFA. The NFA position of the

¹ Commercial banks liquidity consists of commercial banks excess reserves and holdings of RBV notes.

monetary authorities, however, expanded by 9.2 percent during the quarter. Overall net foreign assets noted a year-on-year growth of almost 6.0 percent.

The net foreign assets position of the Reserve Bank of Vanuatu has been expanding for the third consecutive quarter in 2006, with foreign exchange inflows above expectations. During the reviewed quarter, major inflows of foreign exchange were received by way of the Government in official grants, a few bilateral deals, and RBV Investment income. These inflows outweighed the outflows through government debt services and foreign exchange sales from the Reserve Bank of Vanuatu. As a result of these massive inflows, the months of import cover was equivalent .65 months of import cover. The Reserve Bank's net foreign asset position expanded substantially by 40.8 percent compared with the previous year.

Figure 19: Net Foreign Assets



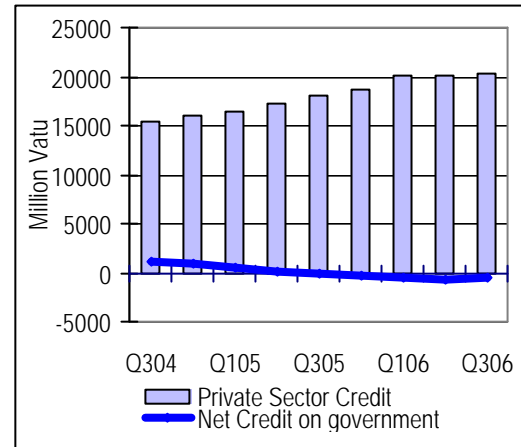
The level of net foreign assets held by the rest of the banking system contracted, due to a fall in their holdings of foreign assets held with their head offices abroad or overseas branches of bank by 5.8 percent. Likewise, foreign liabilities of commercial banks in terms of balances to other non residents increased by 10.0 percent, having contributed to this decline. Part of the decline was also caused by the downward movement in residents' foreign currency deposits during the quarter. On an annual basis, Commercial banks net foreign assets contracted by 4.9 percent, signifying a decline in

net foreign assets for the rest of the banking system over the year.

3.31b. Domestic Credit

Domestic credit growth was moderate during the quarter; however an annual growth rate of 10 percent was recorded. The moderate growth in domestic credit was due to upward movements contributed by its components. Net claims on the government vis-à-vis the banking system increased, and likewise, the banking systems claims to various institutions such as non-financial public enterprises, municipalities and private sector also increased.

Figure 20: Domestic Credit



Following improvements in the previous two quarter, the government's net lending position vis-à-vis the banking system deteriorated during the reviewed quarter. This resulted in an increase by 22.4 percent in the government's net credit position with the banking system, reflecting the drawdown on government deposits within the banking system to finance its expenditures. Consequently, government deposits with the Reserve Bank of Vanuatu also decline by 4.0 percent from the previous quarter.

The government has recorded a budget deficit during the quarter as a result of a general increase in the public servants wage bills during the month of August. Despite the deterioration during this quarter, the governments' overall net lending position has been consistently improving

throughout the nine months of 2006 as compared to the previous year's trend.

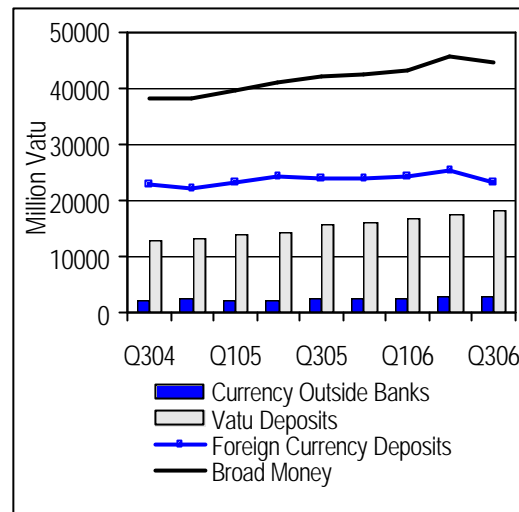
Credit extended to the private sector remained sluggish during quarter with a growth rate of 0.7 percent. Despite this, the volume of credit extended was higher by 12.3 percent compared to the level recorded in to the corresponding quarter of 2005. With regards to the credit distribution by sector, lending to the agriculture sector increased by 6.9 percent, while lending manufacturing and entertainment/catering sectors equally at 1.0 percent, respectively. Lending to Financial Institutions increased by 2.6 percent, while professional and other services increased by 6.0 percent. The transport sector noted a substantial increase in growth of 114 percent. This increase was purposely due to increase in credit for sea transport. In terms of lending for personal requirements, housing and land loans noted an increase of 3.5 percent.

Personal sectors continued to dominant the share of total loans. Housing and land loans consumed the largest share of 25.06 percent of total loans; this recorded an increase of 0.46 basis points from the previous quarter. Other personal loans claimed the second largest share of 16.45 percent though it declined by 1.45 basis points from the second quarter. Tourism sector maintained the third largest share of 11.3 percent, while construction sector supersedes the distribution sector which usually maintained the fourth position to attain the fourth largest position of 10.72 percent.

3.31c. Components of Money Supply

The contraction in money supply growth during the quarter was attributable to declines in both the narrow and quasi-money.

Figure 21: Money Supply



After recording an expansion during the previous quarter narrow money contracted slightly by 0.2 percent during the September quarter. The downtrend was contributed principally by a 7.3 percent decline in demand deposits denominated in foreign currency. Alternatively, demand deposits denominated in local currency grew by almost 7.00 percent. These offsetting movements were partly due to a) residents converting their demand deposits in foreign currency for local currency to cater for domestic economic transaction and b) residents are utilizing their demand deposits in foreign currency to accommodate for overseas transactions, notably imports which recorded an increase during the quarter. Currency outside the banking system expanded further by almost 7.0 percent during this quarter. This trend may be possibly related to: a) disbursement of Government soft loans to various institutions during the quarter and b) increase in the public servants wage bills during August which increase their purchasing power and c) residents hoarding currencies to cater for immediate transactions. Despite the decline in narrow money during the quarter, money has been continuously flowing into the economy as indicated by a 10.5 percent growth in narrow money from the previous year's level.

Quasi-money also contracted by 4.1 percent during the quarter. This trend was attributed principally by time and savings deposits denominated in foreign currency. Time and savings deposits denominated in the local currency on the

other hand increased by 3.0 percent. This offsetting development would be partly due to residents transferring part their long term deposits in foreign currency to national currency or withdrawing their foreign currency deposits to investing in other portfolio investment earning greater returns. Despite this decline, quasi money expanded by 3.0 percent over a year ago.

3.31d. Deposits with Commercial Banks

In concordance with a downtrend in money supply growth, residents total deposits (exclusive of Government deposits) held with commercial banks recorded a decline of 3.4 percent to reach VT41.4 billion during the reviewed quarter. Despite this quarterly decline, the current level of deposits was almost 5.00 percent higher than that recorded over the corresponding quarter of 2005. As yet foreign currency deposits with commercial banks continued to attain the leading share of 56.1 percent in total deposits, while Vatu deposits acquire the remaining share of 43.9 percent.

Taking into account the ownership of deposits of customers, Individuals continued to maintain the bulk of deposits with a 43.7 percent share, private businesses acquire the second largest share of 42.9 percent, and non-financial public enterprises grasp 8.0 percent of total share, and others category with 5.3 percent. Municipalities attained the least share of 0.1 percent.

3.31e. Interest Rates

Deposit interest rates of commercial banks were somewhat lessen this quarter as compared to the previous quarter. For Fixed deposits the interest rate ranges for the one month maturity was shift downwards from 2.00-6.00 percent to a new range of 1.75-5.50 percent. For the 2-6 months maturities the interest rate scope moved from 2.00-6.50 percent during the previous quarter to a latest range of 1.75-5.00 percent. For maturities of deposits above six months, the upper interest rate limit was reduced by 1.00 basis points to 2.75-5.50 percent. The downward interest rates variations on various maturities of fixed deposits triggered overall weighted average deposits to be reduced from 5.20 percent to 4.71 percent during the quarter. Interest rates on savings deposits were maintained at range

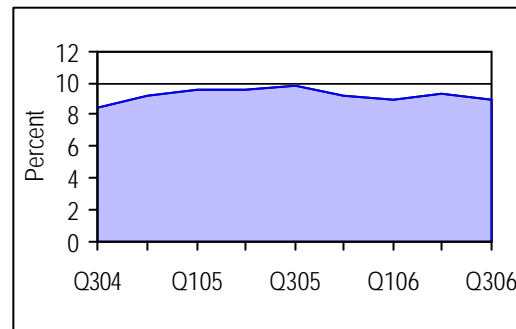
of 0.50-2.00 percent. The reduction in the weighted average rate of interest on fixed deposits resulted in a decline in the weighted average rate of interest for total bank deposits from 2.38 percent during the previous quarter to 1.92 percent during the reviewed quarter.

Though the upper and lower interest rates limits were maintained during the quarter, the weighted average interest rates on loans and advances to various sectors of the economy were reduced from 11.65 percent to 10.86 percent. The downtrend in interest rates during the quarter reflected the current excessive liquidity experienced within the banking system. The interbank rates were maintained at 5.50 percent.

3.31f. Interest Rates Spread

The consequences of a decline in the weighted average rate of interest on both the lending and deposits interest rates prompt the overall interest rates spread to narrow from 9.27 percent in the previous quarter to 8.94 percent during the September quarter.

Figure 22: Interest Rate Spread



3.31g ReserveMoney

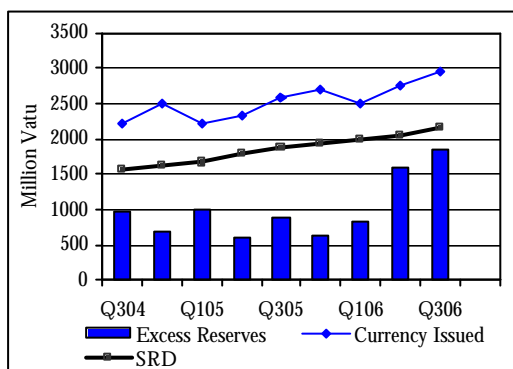
Growth in Reserve money² was sustained during this quarter, as it recorded an 8.9 percent increase from the previous quarter. In comparison to the corresponding quarter of 2005, the current level of reserve money was exceptionally higher by 30.6

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

percent. The growth during the quarter was attributed to all its components, of which currency outside banks rose by 6.9 percent, excess reserves, 16.6 percent and SRD, 5.0 percent.

The current build up in excess reserves of commercial banks continue to reflect massive inflows of foreign exchange though the balance of payments during the quarter. These effected growth in commercial banks local currency deposits and demand deposits in foreign currency as indicated in the growth in SRD.

Figure 23: Components of Reserve Money

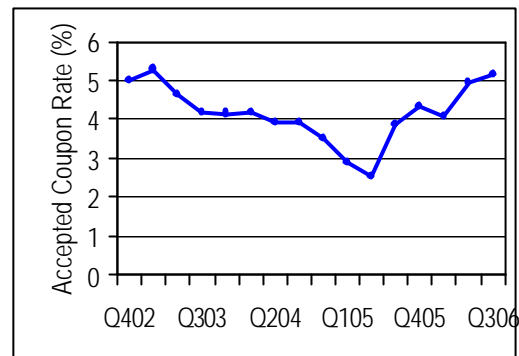


3.32 DOMESTIC MARKET DEVELOPMENT

3.32a. Open Market Operation

The continuing liquidity overhang in the domestic banking system during the quarter has prompted the Bank to increase the volume of its open market operations to VT1,972 million, compared to VT1,630 million in the previous quarter. The allotment in terms of maturities are as follow; VT50 million to 14-days, VT525 million to 28-days, VT595 million to 63-days, VT474 million to 91-days and VT320 million to 119-days. The total RBV notes outstanding stood at VT1,284 at the end of the quarter compared to VT990 million at the end of the previous quarter.

Figure 24: 91-days RBV Notes Yield



The yields on RBV notes also continue to remain high during the quarter despite the high banking system liquidity. The high rates partly reflect the slow down in lending activities of the commercial banks, thereby higher rates partly assist in subsidizing the cost of holding money. The average weighted Yield on all RBV notes continue to increase with the yield on 91-days maturity increased to 5.18% compared to 4.95% at the end of previous quarter.

3.4. FINANCIAL DEVELOPMENT

3.41. Total Local Expenditures

Total estimated local expenditures of Finance Centre institutions had recorded a decline of 3.6 percent from the previous quarter and increased by 16.8 percent from the corresponding quarter of 2005. This decline was attributed to decreases of 8.7 percent in total recurrent expenditures and 37.0 percent in total taxes and levies from the previous quarter.

From the estimated total local expenditures of VT952.6 million, the banking sector continue to dominate with 47.4 percent, followed by trust and insurance companies with 30.3 percent, accounting firms with 14.6 percent and legal firms and offshore institutions with 7.7 percent.

Total estimated taxes and levies paid by Finance center institutions and other private companies, decreased by 37.0 percent from the previous quarter. The bulk of this decline comes from

central government fees which registered a decrease of 36.8 percent from the previous quarter.

There was an increase in total estimated capital expenditures of finance institutions and other private sector institutions by 88.7 percent and 47.5 percent from the previous quarter and the corresponding quarter of 2005, respectively. The bulk of this increase comes from trust and insurance companies when compared to the previous quarter.

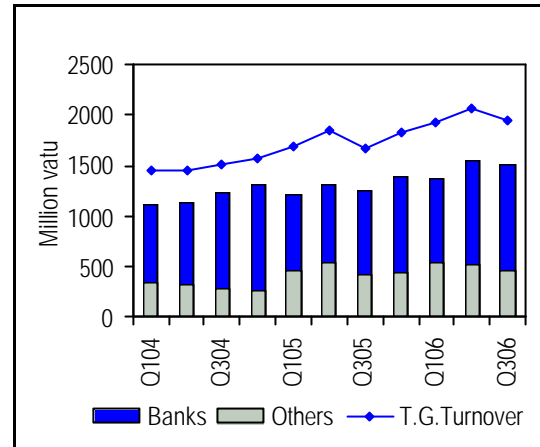
Estimated Value of total assets of Finance Centre and other private sector institutions decreased by 2.5 percent from the previous quarter. An increase of 0.05 percent was recorded for the corresponding quarter of 2005.

The total estimated number of employees recorded a new increase of 626 after declining to 619 during the previous quarter. Ni-Vanuatu employees made up approximately 88.5 percent of this total.

3.42. Total Gross Turnover

Total estimated gross earnings of Finance Centre Institutions decreased by approximately 5.4 percent from the previous quarter. An increase of 16.8 percent was recorded when compared to the corresponding quarter of 2005. The decline in estimated total gross earnings of finance center institutions was attributed to decreases in earnings on commercial banks by 2.9 percent, gross income of trust and insurance companies by 6.25 percent and gross income of accounting and legal firms by 22.1 percent from the previous quarter.

Figure 25: Total Gross Turnover (Finance Centre Institutions)



Total estimated net foreign exchange earnings decreased by 8.0 percent from the previous quarter. An increase of 82.7 percent was recorded when compared to the corresponding quarter of 2005. This decline was attributed to decreases of net foreign exchange earnings of trust and insurance companies by 16.6 percent and net government's foreign exchange receipts from exempt institutions by 72.7 percent from the previous quarter.

3.43. Shipping Registrations

The number of ships on the registry at quarters end remained unchanged at 586 vessels, compared to 601 recorded during the corresponding quarter of 2005. This is attributed to the addition of 8 new ships to the registry, while 8 ships de-registered.

Net shipping fee figures for the reviewed quarter recorded an increase of 77.8 percent increase from the corresponding quarter of 2005 and 17.1 percent increase from previous quarter.

There were slight increases in both gross and net tons. The average sized vessel at the registry remains at just over 4,800 gross tons.

3.44. Company Registration

The Vanuatu Financial Services Commission (VFSC) recorded a total of 6,285 companies for the review quarter. This represents a net increase of 94

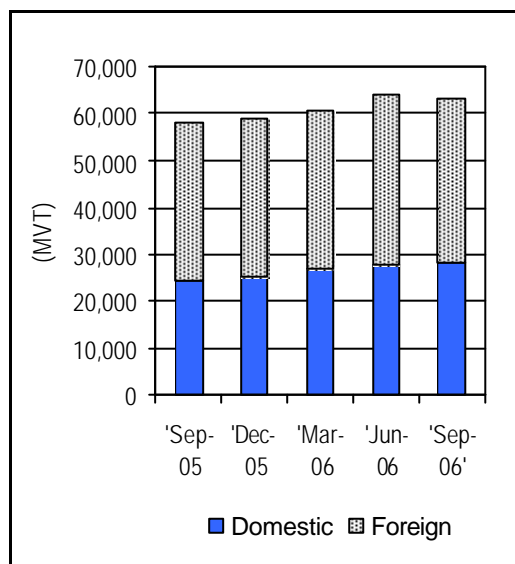
companies and 106 companies from the previous quarter and corresponding quarter of 2005, respectively. The increase in company registration for this quarter was attributed to the registration of 130 companies, while 21 companies de-registered with the VFSC.

From the total number of companies, international³ companies represent 74.5 percent, local companies made up 23.4 percent, while exempt⁴ and overseas⁵ companies accounting for 2.1 percent.

3.44 DOMESTIC INDUSTRY ANALYSIS

3.44a. Balance Sheet

Figure 26: Asset Position – Domestic Banks



The industry's balance sheet recorded no significant movement over the last quarter. Total assets decreased slightly down 1.0 percent to Vt63.6 billion (Vt64.2 billion: Jun-06). The decrease is mainly attributable to a decline in foreign assets by 3.8 percent to Vt35.2 billion (Vt36.6 billion: Jun-

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

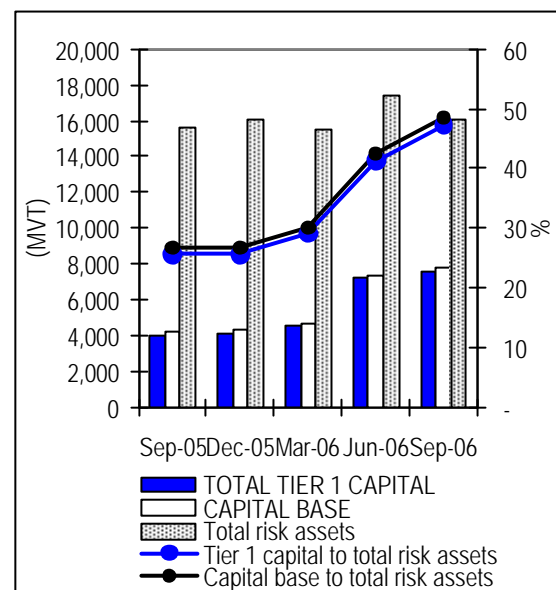
⁴ Companies registered or re-registered as exempt companies and do business overseas.

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

06). Domestic assets on the other hand increased by 2.7 percent to Vt28.4 billion from Vt27.7 billion in the previous quarter.

The industry's total liability (less capital) decreased slightly down 1.2 percent to Vt56.9 billion (Vt57.6 billion: Jun-06). The decrease mainly reflects a decline in domestic liabilities by 3.0 percent to Vt43.6 billion (Vt45.0 billion: Jun-06). Foreign liabilities on the other hand rose by 5.4 percent to Vt13.3 billion (Vt12.6 billion: Jun-06) over the last quarter.

Figure 27: Capital Adequacy & Tier 1 Ratio

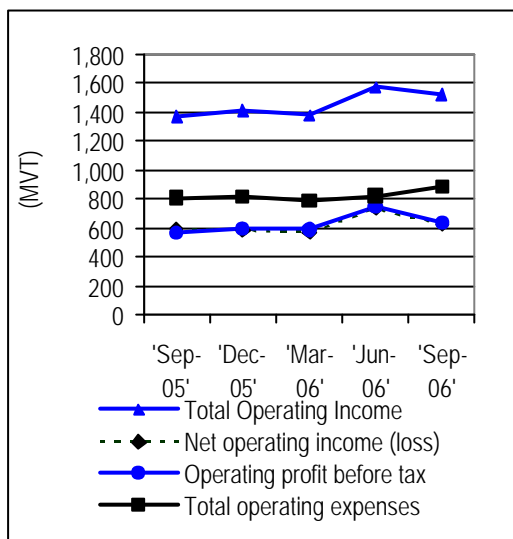


The industry continued to record further growth in its capital base over the last quarter. As of end September 2006, the industry's capital base stood at Vt7.8 billion (Vt7.4 billion: Jun-06); an increase of 5.3 percent over the previous quarter. The increase is driven from growth in disclosed reserves and retained earnings by 6.4 percent to Vt6.7 billion (Vt6.3 billion: Jun-06).

The ratio of capital base to total risk assets rose from 42.4 percent (Jun-06) to 48.5 percent during the reviewed quarter. Tier 1 capital to total risk assets also increased to 47.3 percent from 41.3 percent during the June 2006 quarter. The increase in the industry's capital adequacy ratios resulted to a downward movement in total risk assets by 7.9 percent to Vt16.0 billion (Vt17.4 billion: Jun-06).

The industry's quarterly operating profit (before tax) was down by 15.2 percent to Vt633.5 million from Vt747.2 million in the previous quarter. The decline was mainly attributable to a decrease in net interest income by 10.8 percent to Vt605.3 million (Vt678.8 million: Jun-06) and an increase in operating expenses by 9.9 percent to Vt418.2 million (Vt380.5 million: Jun-06).

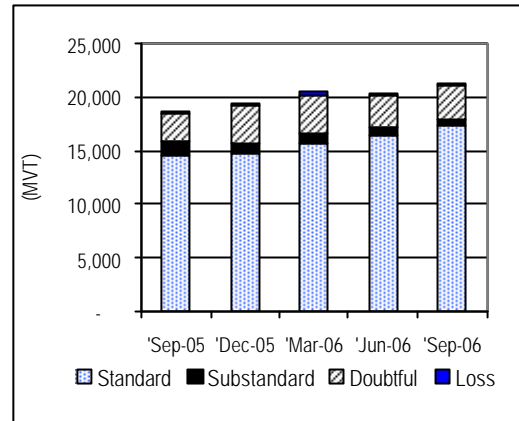
Figure 28: Earnings – Domestic Banks



As a result of a 16.1 percent increase in provisions to Vt20.8 million (Vt17.9 million: Jun-06) and an increase in bad debts recovered from Vt2.5 million (Jun-06) to Vt12.6 million, the industry reported a drop of 14.6 percent in net operating income to Vt625.3 million (Vt731.9 million: Jun-06).

The industry's Return on Asset (ROA) and Return on Equity (ROE) also dropped from 1.2 percent (Jun-06) to 1.0 percent (Sept-06) and from 11.4 percent (Jun-06) to 9.5 percent (Sept-06) respectively.

Figure 29: Asset Quality – Domestic Banks

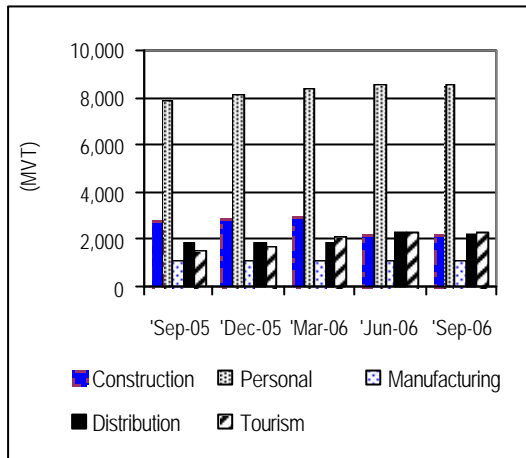


Total lending of the industry increased slightly over the last quarter, up 5.2 percent to Vt21.3 billion (Vt20.3 billion: Jun-06). This comprised mainly of standard loans which accounted for 81.1 percent (Vt17.3 billion), substandard loans 2.5 percent (Vt531.0 million), doubtful loans 15.3 percent (Vt3.3 billion) and loss loans 1.0 percent (Vt222.9 million) of total loans respectively.

The industry's level of impaired assets has increased over the quarter by 13.6 percent to Vt3.5 billion (Vt3.1 billion: Jun-06). The increase mainly reflects the reclassification of substandard loans to doubtful loans over the quarter. As a result, substandard loans fell by 35.0 percent whilst doubtful loans increase by 12.9 percent over the quarter. Impaired asset accounted for 45.1 percent of total capital up from 41.8 percent in the last quarter.

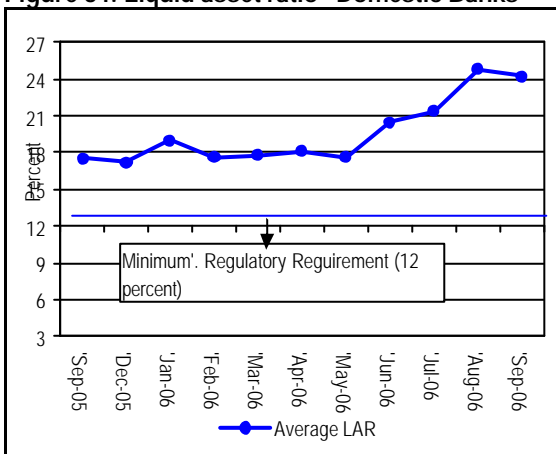
The increase in the industry's impaired assets over the quarter has lead to an increase in specific provisioning by 3.8 percent to Vt905.4 million (Vt872.4 million: Jun-06) and security held by 8.9 percent to Vt12.5 billion (Vt11.5 billion: Jun-06). General provisioning on the other hand declined by 12.9 percent to Vt29.1 million (Vt33.4 million: Jun-06).

Figure 30: 5 Largest Sector Claims Domestic Banks



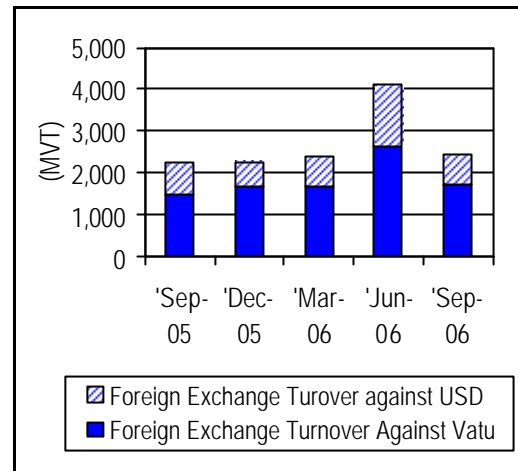
The industry's five largest sectoral lending is geared towards personal loans representing 41.5 percent (Vt8.5 billion), tourism 11.3 percent (Vt2.3 billion), distribution 11.3 percent (Vt2.3 billion), construction 10.7 percent (Vt2.2 billion) and manufacturing 5.5 percent (Vt1.1 billion) of total sectoral lending.

Figure 31: Liquid asset ratio – Domestic Banks



The industry's level of liquidity as expressed as its liquid asset ratio (LAR) continues to improve and remained well above the regulatory requirement. As of end September 2006, the industry's LAR was recorded at 24.2 percent up from 20.5 in the previous quarter.

Figure 32 Foreign Exchange Turnover Positions of Domestic Banks



The industry's foreign exchange turnover position over the quarter ending September 2006 dropped by 40.6 percent to Vt2.4 billion (Vt4.1 billion, Jun-06). Of this total foreign exchange turnover against the Vatu currency accounted for 70.8 percent (Vt1.7 billion), whilst foreign exchange turnover against the USD currency accounted for 29.2 percent (Vt713 million) of total foreign exchange turnover recorded over the period under review.

3.44b. International Banks

Overview

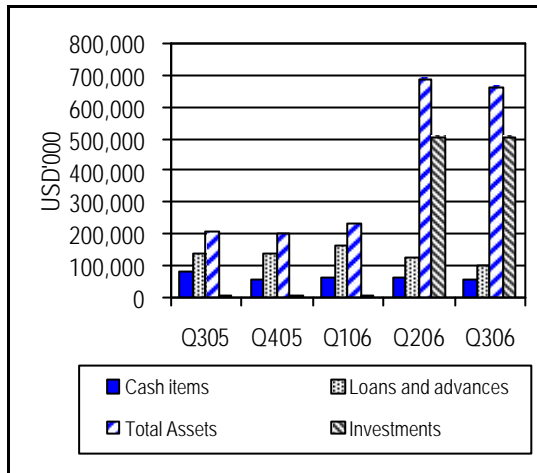
The Bank, as part of its supervisory role, continues to ensure that the industry continues to operate in a prudent and sound manner. The Bank through the off-site and on-site supervision ensures that the banks uphold the law while conducting international banking business.

Balance Sheet

September 2006 quarter showed a slight decrease in the industry's balance sheet footings of 3.89 percent to USD661.6 million (USD688.4 million: June-06). The decrease was mainly attributable to drop in inter bank loans and advances by 25.79 percent to USD77.9 million (USD105 million: June-06)

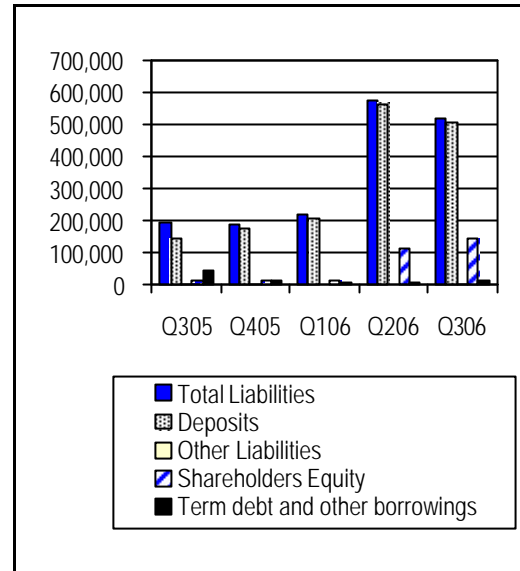
The major components of the industry's assets currently are investments consisting of 76.25 percent to USD504.5 million. (Refer figure 1).

Figure 33: Total Asset – International Banking Industry



On the liability side, the industry's total liabilities (excluding shareholders equity) also decreased by 9.89 percent to USD518.0 million (USD574.8 million: June-06). The decrease is mainly attributable to decrease in deposits by 10.4 percent to USD504.3 million (USD563.04 million: June-06). The decrease in deposits is mainly attributable to drop in Corporation deposits by 11.77 percent to USD417.9 million (USD473.7 million: Jun-06). The major components of liabilities are deposits from corporations, which accounted for 76.2 percent of total liabilities and shareholders equity.

Figure 34: Total Liabilities – International Banking Industry



Earnings

The industry recorded a net profit of USD31.01 million for the reviewed quarter. This is a decrease of 69.3 percent from the June 2006 quarter (USD100.9 million). The decrease is attributable to fall in non-interest income earnings by 69.2 percent to USD30.96 million (USD100.6 million: June-06). Refer to figure 3.

The industry's ROA and ROE for the September quarter are; 0.05⁶ (0.15 Jun-06) and 0.24⁷ (June-06, 0.89) respectively over the period.

⁶ Net income is divided by average total assets of Jun 06 & Sept 06 quarters

⁷ Net income is divided by average total equity of Jun 06 & Sept 06 quarters

Figure 35: Income – International Banking Industry

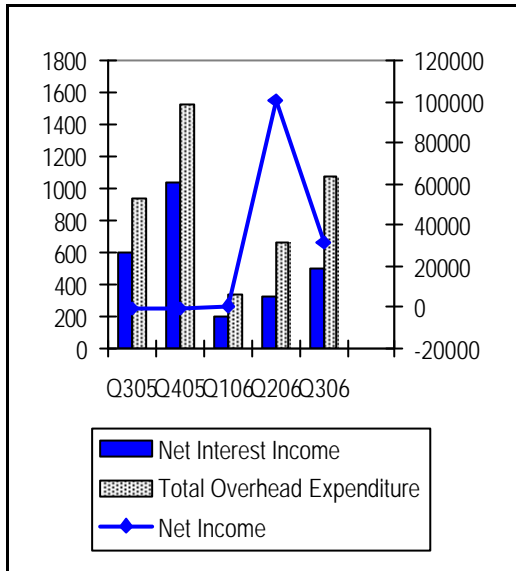
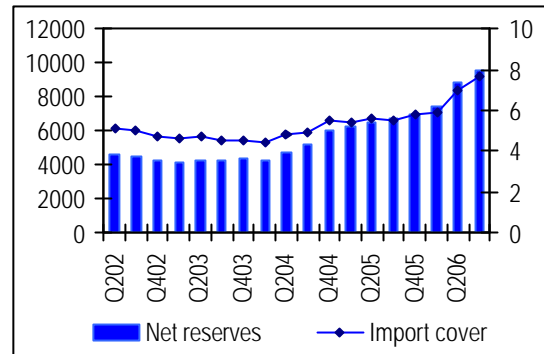


Figure 36: Net Reserves and months of import cover



Merchandise trade

The provisional trade deficit was expanded by 0.6 percent in the review quarter. Exports record a decrease of 19%, offsetting decrease in the value of imports. Earnings from kava, beef and copra increased while timber, cocoa and coconut oil dropped. It is projected that coconut oil exports may reached zero level next quarter due to lack of stock to be exported, however coconut oil exports for early 2007 is anticipated to recommence. Most import

Items decreased during the quarter and 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 are the main source of surplus of the services account. The surplus in net services rose by 24 percent in September reflecting a significant increase in

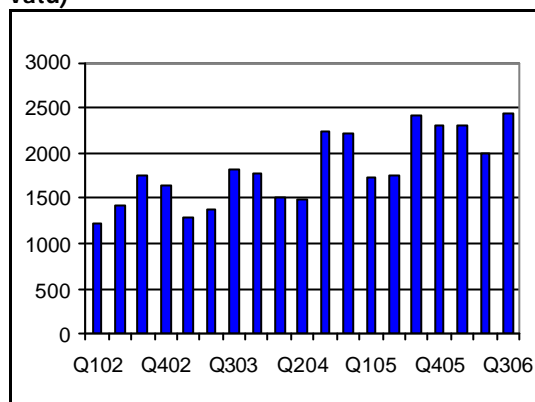
In travel and financial services, services payments marginally expanded stemmed from an expansion in business services. It is important to note that the appreciation of the Australian dollar against the Vatu in September could have contributed to the 22 percent rise in tourism earnings as Australia continues to rank first in tourist country of origin.

3.5 BALANCE OF PAYMENTS

Development in the Balance of payments for September quarter 2006 was reflected in the expansion of the official international reserves to 7.7 months of import cover from the 7.0 in June. The improving economic conditions and political stability had contributed a lot into this expansion. 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, the Reserve Bank has been monitoring such indicators very carefully though its policy objectives and implementations

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

Figure 37: Tourism Earnings (in millions of vatu)



Income Account

Movements in world interest rates also have impacts on the investment income account of Vanuatu. Investment on AUD and NZD have yield well in September given the attractive interest rates of the two currencies. Vanuatu income receipts rose by 20% in the review period reflecting excellent portfolio choices of investment. Nevertheless, Vanuatu's net foreign income account is deficit in nature, mostly represented by foreign enterprise's large reinvested earnings., investment income through foreign direct investments contracted 30 percent as compared to the 9 % up in June of which most came though fresh investments

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 estimated grants for September quarter was marginally higher than last quarter reflected by the significant increase in aid in cash. Other official transfers were low reflecting periods of payments though the Government shipping registry, while private sector was low.

Capital and Financial Account

Estimated capital account for this period saw a decrease in project goods. It is projected that aid in kind for capital related goods will be high in 2007 when the Millennium Fund projects commence.

Continuous net outflows of migrant's transfers continue to be recorded. 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 September quarter, a substantial decrease in foreign direct investment was recorded both in terms of fresh investments and reinvested earnings. This item was high in June caused by huge capital inflow for fresh investments. Large increase in the withdrawal of foreign assets was recorded in other investment assets, in particular currency deposits and loans while liabilities recorded an increase in non residents' deposits which could not offset large decrease in other types of securities.

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 and 2007 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 8 months of import cover at end 2006 and 6 months in 2007.

International Investment Position

By end September 2006, Vanuatu's International Investment Position (IIP) expanded its net borrowing position to VT11126 million, from VT11107 million last quarter. The new position reflected a reduction in assets more than liabilities. (The net IIP data for last quarter was revised).

Exchange Rates

The developments of global capital markets have impacted a lot on the movement of the US dollar against other major currencies. The large US budget and current account deficit remain the key

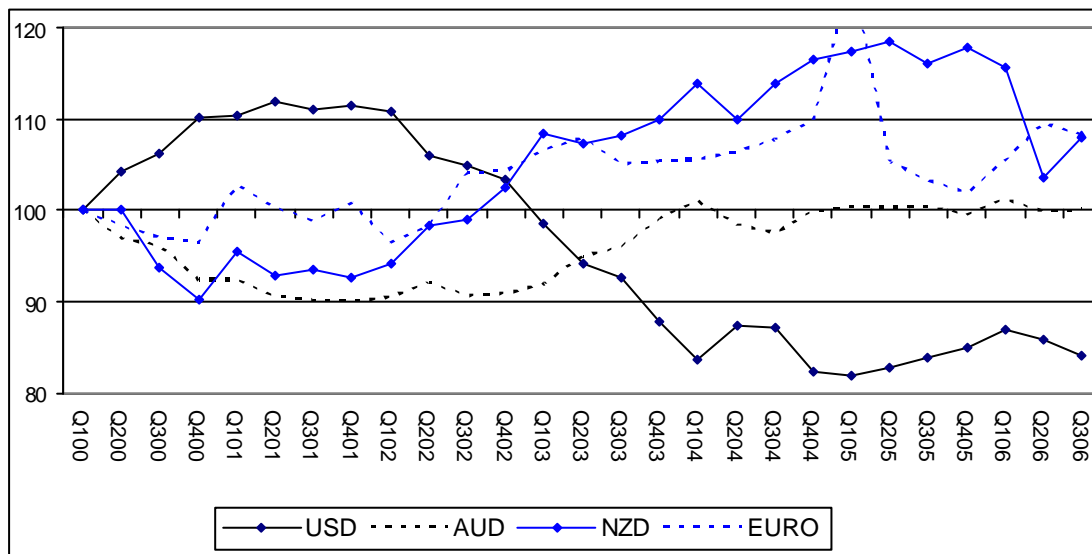
reasons behind expectations for a long term dollar weakness. This has impact on the exchange rate currencies among our trading partners and the vatu vis-a vis the currencies of its major trading partners.

The table below is the result of exchange rate movements over the quarter and over the year from September 2005. Developments over the quarter saw the Vatu depreciated against the US dollar (1.71%), Aussie dollar (-1.0%), Japanese Yen (-3.8%) and Euro (1.4%). In the same period the Vatu appreciated against British Sterling (STG) (6.6%), New Zealand dollar by 11.5 percent.

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

Figure 39 Bilateral Exchange Rate Movement of Vanuatu's major currencies against the vatu.

	USD	STG	AUD	JPY	NZD	EURO
Closing rate on 30..09.06	110.51	207.36	82.76	0.9385	72.65	140.40
Closing rate 31.06.06	112.42	205.44	82.99	0.9769	67.83	142.33
Closing rate on 30.09..05	110.14	194.03	83.60	0.9746	76.07	132.58
3 months % change	-1.7	+0.9	-1.0	-3.8	+6.6	-1.4
Yearly % Change	+0.3	+6.4	+0.8	+1.7	-4.7	-5.6



CHRONOLOGY OF MAJOR EVENTS

NO.	BRIEF DESCRIPTION OF EVENTS	EFFECTIVE DATE
1.	<p>Fruit farmers have an opportunity to earn good money from pomelo or grapefruit (pomplemus) exports to niche markets in New Zealand now that the Quarantine Service has confirmed New Zealand Quarantine Service has given the nod that like Tahitian Lime, our grape fruit is free of frit fly infection. VQS said another export of 1.2 tons of grape fruit left for New Zealand last Saturday. VQS has used the assistance of Vanuatu Fresh Facility, a private company to process and certify all products before they can be exported.</p> <p><i>(Vanuatu Daily Post, 12th July 2006)</i></p>	12 July, 2006
1.	<p>The Minister for Ni-Vanuatu business has launched the first-ever constitution of the Ni-Vanuatu Small Business Development Fund (NVSDBF) and its name on the 21st August, 2006. During the launching he acknowledged the Chinese Government for its assistance in establishing the micro-finance. The launching was not only significant but timely in that indigenous Ni-Vanuatu are now encouraged to apply for the micro-finance scheme in other areas provided within the new Constitution. The Ni-Vanuatu Business Minister also explained that the constitution was the guideline for the board members of the Ni-Vanuatu Micro-finance Scheme and also as a guideline to interested members.</p>	27 August, 2006
2.	<p>One of the first-ever held events during the month was the Port Vila on Sale trade fair over a three day period from Monday 14th through to Wednesday 16th August, 2006. Organizing committee includes the Chamber of Commerce and Industry (CCI), Port Vila Municipality, volunteers, and business houses along with the gratitude of the Australian High Commission sponsorship of tents as stands which housed and displayed huge range of local products from INTV, Melanesian Furniture, Vanuatu Volcanic Ash, etc. There were also impressions of this event becoming an annual event. This Port Vila on Sale comes as an initiative from the CCI as a promotion of Vanuatu-made products.</p>	20 August, 2006
3.	<p>The Vanuatu Government has given Air Vanuatu a cheque of VT 150 million as part of total VT360 million needed by the airline for a company refinancing project that includes the leasing of a new Boeing 737-800. The loan will be at a preferential interest rate of just 6% as advised by the Minister of finance, Willie Jimmy. The government support the airline has come at a time when Air Vanuatu is facing financial pressure as a result</p>	30 August, 2006

of heavy maintenance bills and rising costs. According to the General manager of Air Vanuatu, in an exclusive interview, the airline run into a financial situation in 2006 as a result of high maintenance costs on the Boeing and the ATR43 still in New Caledonia awaiting repairs to fix corrosion. The Airline will receive assistance from China with the donation of a 17-seat Y12 Chinese version of a Twin Otter aircraft. In addition, the new Boeing 737-800 coming in March 2008 will increase seat capacity by 35%.

4. The first ever "National Land Summit" was held at Port Vila from the 25th – 29th September, 2006, officially opened by the Head of State Kalkot Mataskelekele. Coordinator for the Land Summit, William Ganileo said that the theme of the Land Summit is "Sustainable land management and fair dealings to ensure progress with equity and stability". Among Local participants, outside speakers were also invited including presentations from Land officers, Real Estate representatives, Malvatumauri council of Chiefs, land developers and land owners, with the Land Summit formatted with panel discussions which run for the whole of the given days. Participants also called on the Government and the Parliament to change the existing land laws to favour the indigenous people of Vanuatu amongst other relevant issues regarding land policies.
(Daily Post, 26th September, 2006)

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	Qtr 3
Foreign Assets	4,854.4	4,953.5	6614.6	7595.6	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1	10205.0
Foreign Exchange	4,259.1	4,364.6	6018.2	6988.5	6225.4	6482.8	6738.2	6988.5	7383.3	8800.9	9586.7
RTP with IMF	445.0	434.5	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	183.8
Claims on Government	1,240.8	1,471.0	1418	1184.5	1260.9	1235.1	1233.5	1184.5	1182.6	1196.5	1194.2
Claims on NFPE	319.6	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.0
Claims on Commercial Banks	0.0	100.0	0.0	0	0.00	0	0	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	408.3
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	11,807.5
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	7393.0
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	2949.9
Commercial Banks' Vault Cash	357.3	450.8	477.1	687.6	409	344.7	319.8	687.6	374	387.8	415.1
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	4028.0
Foreign Liabilities	248.9	215.9	201.7	245	223.7	215.2	247.5	245	248.2	265.5	217.0
Government Deposits, of which	868.0	832.9	1091.4	1727.7	1340.5	1647.4	1735.1	1727.7	2191	2232.1	2121.9
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	434.5
Deposits of NFPE	0.7	0.8	0.0	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	1268.5
Other Liabilities	849.8	887.1	809.6	767.6	764.4	662.5	707.6	767.6	765.8	762.8	807.1
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	11,807.5

TABLE 2: ASSETS AND LIABILITIES OF COMMERCIAL BANKS

End of Period	(Millions of Vatu)										
	2002	2003	2004	2005	2005				2006		
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Reserves	2,562.8	2,720.2	2805.0	3246.7	3085.5	2744.0	3081.7	3246.7	3190.0	4029.2	4443.1
Vault Cash	357.3	450.8	477.1	687.6	409.0	344.7	319.8	687.6	374.0	387.8	415.1
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	4028.0
RBV Notes	323.9	99.1	1068.6	585.4	820.5	1019.1	546.2	585.4	704.4	982.7	1268.5
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	30640.4
Claims on non-resident banks	-	-	-	-	-	-	-	-	-	-	0.0
Claims on non-resident nonbanks	-	-	-	-	-	-	-	-	-	-	0.0
Claims on Government	1,190.9	773.0	813	838	813	838	838	838	838.0	708	708.0
Claims on Municipalities	2.0	5.4	6.2	13.4	16.4	11.1	10.4	13.4	12.3	13.2	13.3
Claims on NFPE	14.6	16.2	29.4	26.5	24.9	23.3	22.1	26.5	25.2	36.5	88.3
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	20210.8
Inter-bank claims	370.0	0.0	-	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	1284.3
TOTAL ASSETS	47,180.9	46,550.1	50221.4	54077.9	51595.2	53633.5	53589.5	54077.9	55862.2	59358.1	58656.7
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	12568.2
Local currency	3,748.9	3,763.2	4067.2	4733.9	4500.9	4298.3	4479.4	4733.9	5119.8	5089.6	5425.1
Foreign currency	5,858.8	6,303.9	6176	6615.4	7002.4	8318.5	6984.5	6615.4	6965.5	7706.4	7143.1
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	2846.0
Local currency	2,315.8	2,282.9	2378.3	2497.1	2344	2501.3	2529.7	2497.1	2441.2	2526.9	2648.6
Foreign currency	313.8	415.4	610.8	457.2	618.8	543.7	475.5	457.2	426.9	417.5	197.4
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	26070.8
Local currency	4,929.2	5,527.1	6883	8815.4	7228.3	7658.1	8572	8815.4	9100.1	9870.2	10118.1
Foreign currency	15,925.8	14,327.6	15542.5	16752.7	15743.8	15508	16486.2	16752.7	16781.3	17343.9	15952.7
Foreign Liabilities	8,684.9	7,267.5	6898.6	7141.5	6988.6	7572.7	7072	7141.5	7241.0	8488.9	9090.7
Government Deposits 2/	244.1	282.5	185.1	457.3	182.4	259.7	379.8	457.3	340.0	343	300.9
Credit from RBV	0.0	100.0	-	0	-	-	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	7780.1
TOTAL LIABILITIES	47,180.9	46,550.1	50221.4	54077.9	51595.2	53633.5	53589.5	54077.9	55862.2	59358.1	58656.7

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

2/Government deposits in Vatu and foreign currency.

r: Revised

TABLE 3: MONETARY SURVEY

(Millions of Vatu)

End of Period	2002	2003	2004	2005	2005				2006		
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
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	31537.7
'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	9988.0
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	9988.0
'(a) Foreign Assets	4,854.4	4,953.5	6,614.5	7,595.6	6,824.2	7,084.1	7,342.3	7,595.6	7,993.8	9,415.1	10205.0
'(b) Foreign Liabilities	248.9	215.9	201.7	245	223.7	215.2	247.5	245	248.2	265.5	217.0
'Treasury Foreign Assets	97.0	0.0	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	21549.7
'(a) Foreign Assets	28,726.8	27,209.0	28,060.9	29,279.1	28,896.8	30,355.7	29,733.2	29,279.1	29,404.2	32,130.9	30,640.4
'(b) Foreign Liabilities	8,684.9	7,267.5	6,898.6	7,141.5	6,988.6	7,572.7	7,072	7,141.5	7,241	8,488.9	9,090.7
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	19,913.7
'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	-520.6
		0.0									
		0.0									
'Claims on NFPE 2/	334.2	16.2	29.4	26.5	24.9	23.3	22.1	26.5	25.2	36.5	88.3
'Claims on Private Sector 3/	13,437.0	14,737.9	16,103.4	18,669.1	16,579.5	17,345.4	18,103.7	18,669.1	20,134.1	20,195.3	20,332.7
'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	13.3
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	44,434.9
'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	14,589.5	15,555.6	15,518.1
'Currency outside Banks	1,916.1	2,108.4	2,490.1	2,690.7	2,208.7	2,342.1	2,577.6	2,690.7	2,504.2	2,759.6	2,949.9
'Demand deposits	9,608.4	10,067.9	10,243.2	11,349.3	11,503.3	12,616.8	11,463.9	11,349.3	12,085.3	12,796	12,568.2
'Local currency	3,749.6	3,764.0	4,067.2	4,733.9	4,500.9	4,298.3	4,479.4	4,733.9	5,119.8	5,089.6	5,425.1
'Foreign currency	5,858.8	6,303.9	6,176.0	6,615.4	7,002.4	8,318.5	6,984.5	6,615.4	6,965.5	7,706.4	7,143.1
'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	28,749.5	30,158.5	28,916.8
'Time & Savings deposits in Vatu	7,245.0	7,810.0	9,261.0	11,312.5	9,572.3	10,159.4	11,101.7	11,312.5	11,541.3	12,397.1	12,766.7
'Time & Savings deposits in FC	16,239.6	14,743.0	16,153.3	17,209.9	16,362.6	16,051.7	16,961.7	17,209.9	17,208.2	17,761.4	16,150.1
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	7,016.5

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

End Period	(Millions of Vatu)												
		2002	2003	2004	2005	2005				2006			
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	
Notes	(1)	1,872.4	2,133.8	2543.9	2928.3	2194.2	2256.6	2456.60	2928.3	2664.5	2931.2	2895.9	
Coins	(2)	401.0	425.4	0.0	450.0	423.5	430.0	440.90	450.0	213.7	216.2	469.0	
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	3364.9
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	415.1
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	2949.8
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	5425.1
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	8374.9
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	7143.1
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	15518.0
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	12766.7
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	21141.6
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	28284.7
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	16150.2
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	23293.3
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	44434.9

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

2/ Excludes Government deposits and deposits of exempt institutions.

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

(Millions of Vatu)

End Period	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
Qtr 3	5,425.1	2,648.6	10,118.1	18,191.8	7,143.1	197.4	15,952.7	23,293.2	43.9	56.1	100.0	300.9

1/ Excludes deposits of the Vanuatu Government.

2/ Government deposits in Vatu and Foreign currencies.

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

(Millions of Vatu)

\ MATURITY \ PERIOD END OF PERIOD \	Up to and	Over 7 days	1 to 2	2 to 3	3 to 6	6 to 12	Over one	Total 2/
	Inclusive of 7 days	and up to 1 Month	Months	Months	Months	Months	Year	
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
Qtr 3	382.8	2,331.3	1,583.3	662.8	1,676.8	3,743.3	225.7	10,606.0

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 AND FOREIGN CURRENCY

(Millions of Vatu)

SECTOR	2002	2003	2004	2005	2005				2006		
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Agriculture	243.4	240.7	244.6	304.2	261.5	243.4	275.1	304.2	555.9	269	287.6
Fisheries	4.8	30.9	26.6	26.9	27.5	19.8	20.3	26.9	34.5	30.5	24.2
Mining & Quarrying	-	-	11.2	0	5.7	3.4	0.0	0.0	0.0	0	42.5
Manufacturing	411.6	852.4	487.6	1117.4	882.9	942.8	1097.9	1117.4	1153.3	1115.4	1127.1
Tourism	960.2	1,313.7	1,314.6	1706.8	1,285.1	1,298.1	1523	1706.8	2114.2	2387.3	2320.4
Entertainment & Catering	157.2	163.3	205.4	58.5	207.2	201.3	151.4	58.5	116.2	123.2	124.4
Transport	589.6	588.9	667.0	625.5	682.4	677.1	591.2	625.5	893.4	894.7	1918.3
Public Utilities	396.1	9.9	7.5	6.6	7.3	7.0	6.8	6.6	6.4	6.2	6.0
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	2195.3
a) Government	2.0	5.9	0.9	8.8	0.5	2.3	1.9	8.8	5.1	9.8	0.3
b) Public Corporation	3.5	8.5	43.7	46.8	36.5	46.7	46.1	52.8	49.2	41.4	40.5
Financial Institutions	35.3	48.6	138.7	121.6	138.4	136.6	136.9	121.6	122.0	151.5	155.4
Professional & Other Services	959.9	917.1	915.7	916.4	918.8	918.6	911.1	916.4	897.7	876.4	930.4
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	5130.7
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	1305.0
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	3368.8
Miscellaneous	168.8	203.8	933.2	828.4	385.2	691.2	720.3	828.4	907.8	1232.2	1497.6
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	20,474.5
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	17798.2
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	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	21,182.5

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

TABLE 8: DISTRIBUTION OF VATU ADVANCES BY INTEREST RATES AS AT THE END OF SEPTEMBER 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	125.0	535.9	2,348.1	824.6	253.2	285.9	4,372.7
At	8.00	-	-	-	-	-	-	-
	8.50	-	239.2	-	294.7	11.8	3.2	548.9
	9.00	-	-	64.1	101.8	633.0	193.0	991.9
	9.50	-	-	132.1	21.1	442.7	69.1	665.0
	10.00	12.1	5.9	239.0	116.2	1,822.5	266.5	2,462.2
	10.50	17.0	88.8	38.2	46.0	305.5	31.3	526.8
	11.00	3.9	-	296.3	184.8	296.3	52.9	834.2
	11.50	75.6	134.2	110.1	322.6	135.9	63.3	841.7
	12.00	5.6	2.5	54.7	23.4	23.3	160.2	269.7
	12.50	13.3	25.1	178.4	201.4	473.9	594.6	1,486.7
	13.00	-	21.8	336.1	1,098.3	116.0	299.5	1,871.7
	13.50	-	-	37.8	86.4	32.2	79.0	235.4
	14.00	-	43.6	74.0	42.3	71.9	680.8	912.6
	14.50	26.0	10.3	660.2	82.6	226.7	174.2	1,180.0
	15.00	-	41.8	2.2	22.9	4.2	21.1	92.2
	15.50	1.9	6.5	7.6	13.0	14.6	12.6	56.2
	16.00	-	-	3.5	3.5	1.9	15.8	24.7
	16.50	1.6	4.4	20.6	5.1	22.7	56.5	110.9
	17.00	-	-	-	-	3.9	-	3.9
	17.50	2.6	2.3	12.2	-	-	17.2	34.3
At	18.00	-	-	18.8	0.5	3.5	42.1	64.9
Above	18.00	27.4	7.6	53.8	25.0	11.1	86.9	211.8
TOTAL		312.0	1,169.9	4,687.8	3,516.2	4,906.8	3,205.7	17,798.4

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

End Period	DEPOSIT RATES					ADVANCES RATES 2/					LOCAL
	VATU				Weighted average rate of interest for total bank deposits	Foreign Currencies (Australian Dollar) 1 month (Locally quoted)	Vatu only				INTER-BANK RATES
Savings	1 month	2-6 Months	Above 6 months	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	1.75-6.00	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	2.24r	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	0.50-2.00	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
Qtr 3	0.50-2.00	1.75-5.50	1.75-5.00	2.75-5.50	1.92	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.76	10.86	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
Qtr3	3,364.9	23.7	66.3	138.8	1,299.2	1,367.9	2,895.9	469.0

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
Qtr3	9586.7	183.8	434.5	10,205.0	217.0	9,988.0	30,640.4	9,090.7	21,549.7

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		
4-Jul-06	14 days	19/07/06	0	0	-	1,020
	28 days	02/08/06	115	115	4.90	
	63 days	06/09/06	100	100	4.89	
	91 days	04/10/06	50	50	4.92	
	Total		265	265		
18-Jul-06	14 days	02/08/06	0	0	-	
	28 days	16/08/06	180	180	4.90	
	63 days	20/09/06	140	140	4.91	
	91 days	18/10/06	50	50	4.95	
	Total		370	370		
1-Aug-06	14 days	16/08/06	50	50	4.80	
	28 days	30/08/06	100	100	4.80	
	63 days	04/10/06	65	65	4.87	
	91 days	01/11/06	50	50	4.90	
	119 days	29/11/06	119	119	5.10	
	Total		384	384		
16-Aug-06	14 days	30/08/06	0	0	-	
	28 days	13/09/06	50	50	4.90	
	63 days	18/10/06	100	100	4.90	
	91 days	15/11/06	81	81	5.00	
	119 days	13/12/06	19	19	5.10	
	Total		250	250		
30-Aug-06	14 days	13/09/06	0	0	-	
	28 days	27/09/06	0	0	-	
	63 days	01/11/06	0	0	-	
	91 days	29/11/06	63	63	5.25	
	119 days	27/12/06	90	90	5.20	
	Total		153	153		
17-Sep-06	14 days	30/08/06	0	0	-	
	28 days	13/09/06	0	0	-	
	63 days	18/10/06	100	100	5.05	
	91 days	15/11/06	80	0	-	
	119 days	13/12/06	0	0	-	
	Total		180	100		
27-Sep-06	14 days	30/08/06	0	0	-	
	28 days	13/09/06	80	80	4.90	
	63 days	18/10/06	90	90	4.95	
	91 days	15/11/06	180	180	5.18	
	119 days	13/12/06	180	100	5.12	
	Total		530	450		
1,124						
1,284						

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
Qtr3	415.1	1,863.3	2,278.4	2,164.7	1,268.5	5,711.6

TABLE 14: DOMESTIC BANKING INDUSTRY

The Core set of Financial soundness Indicators (%)

	2001	2002	2003	2005				2006		
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
Deposit - taking instruments										
1 Capital adequacy										
Regulatory capital to risk - weighted assets 1/	32.2	32.8	39.8	31.8	29.7	26.7	26.7	30.1	42.4	48.5
Regulatory Tier 1 Capital to risk-weighted assets 1/	30.9	31.6	38.7	30.6	28.5	25.6	25.6	29.0	41.3	47.3
2 Asset quality										
Nonperforming loans net of provisions to capital r/	83	11.7	19.5	35.1	47.4	53.0	71.2	66.5	29.9	33.4
Nonperforming loans to total gross loans	38	3.9	8.4	13.1	15.1	15.1	19.5	19.4	15.2	16.4
3 Earnings and profitability										
Return on assets (ROA)	07	1.1	0.8	0.9	2.0	1.0	1.1	10	1.2	1.0
Return on equity (ROE)	44	6.0	6.5	7.7	8.6	9.5	10.1	95	11.4	9.5
Interest margin to gross income	73.0	70.8	61.9	65.9	64.4	64.1	67.5	66.6	71.4	70.6
Noninterest expenses to gross income	37.1	34.1	36.2	30.0	30.7	31.3	30.4	27.9	24.3	27.5
4 Liquidity										
Liquid assets to total assets	27.9	21.9	18.1	22.1	18.8	17.5	17.2	17.8	20.5	24.2

PROFIT

Thousands of \$

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

TABLE 15: DOMESTIC BANKS – CONSOLIDATED ACCOUNTS

CONSOLIDATED CAPITAL - 1/

Thousands of Vatu

	2001	2002	2003	2005				2006		
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
TIER 1										
Paid-up capital	805,664	905,664	862,000	861,000	862,000	862,000	863,000	864,000	863,000	862,000
Disclosed reserves & retained earnings 2/	1,655,427	1,440,062	2,969,702	3,676,883	3,502,858	3,132,277	3,243,145	3,618,357	6,308,333	6,714,470
Less goodwill etc	-	-	-	-	-	-	-	-	-	-
TOTAL TIER 1 CAPITAL	2,461,091	2,345,726	3,831,702	4,537,883	4,364,858	3,994,277	4,106,145	4,482,357	7,171,333	7,576,470
TIER 2										
Asset revaluation reserves										
(1) Premises	22,778	-	-	-	-	-	-	-	-	-
General provisions for doubtful debts										
- Gross	182,272	-	-	-	-	-	-	-	-	-
- Eligible	116,588	91,972	110,451	168,069	175,392	178,633	184,517	176,700	199,386	183,095
Term subordinated debt etc										
- Gross	-	-	-	-	-	-	-	-	-	-
- Eligible	-	-	-	-	-	-	-	-	-	-
TOTAL TIER 2 CAPITAL	139,366	91,972	110,451	168,069	175,392	178,633	184,517	176,700	199,386	183,095
TOTAL TIER 1 & TIER 2	2,600,457	2,437,698	3,942,153	4,705,952	4,540,250	4,172,910	4,290,662	4,659,057	7,370,719	7,759,565
Less holdings of other banks capital instruments	-	-	-	-	-	-	-	-	-	-
CAPITAL BASE	2,600,457	2,437,698	3,942,153	4,705,952	4,540,250	4,172,910	4,290,662	4,659,057	7,370,719	7,759,565
Total risk weighted assets	9,304,039	7,430,663	9,901,757	14,824,091	15,308,273	15,611,938	16,071,125	15,481,598	17,381,250	16,009,719

ASSETS QUALITY

Thousands of Vatu

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

1/ - Including branches of foreign banks

TABLE 16: FOREIGN EXCHANGE TURNOVER OF THE DOMESTIC BANKING INDUSTRY

Foreign Exchange Turnover Against Vatu Currency (VT'000')

	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
OUTRIGHT SPOT					
Resident Dealers	135	100	146,492	542,399	138,498
Overseas Banks	27,753	19,616	22,939	133,537	62,094
Resident Customers	1,056,352	1,334,851	983,779	885,907	1,041,807
Non-Resident Customers	161,595	44,785			
Internal Transactions	38,486	17,225	58,979	550,359	14,585
Total	1,284,321	1,416,577	1,212,189	2,112,202	1,256,984

OUTRIGHT FORWARD					
Resident Dealers					
Overseas Banks				19,950	
Resident Customers	179,860	253,982	467,183	505,571	470,878
Non-Resident Customers					
Internal Transactions					
Total	179,860	253,982	467,183	525,521	470,878

SWAPS					
Resident Dealers					
Overseas Banks					
Resident Customers					
Non-Resident Customers					
Internal Transactions					
Total					
Total (FX turnover against Vatu)	1,464,181	1,670,559	1,679,372	2,637,723	1,727,862

Foreign Exchange Turnover Against USD Currency (VT'000')

OUTRIGHT SPOT					
Resident Dealers	368	1,150	13,010		2,541
Overseas Banks	532,560	471,036	573,385	390,494	573,936
Resident Customers	234,831	122,278	123,866	180,353	137,253
Non-Resident Customers	75	330	373	497,399	192
Internal Transactions					
Total	767,834	594,794	710,634	1,068,246	713,922

OUTRIGHT FORWARD					
Resident Dealers					
Overseas Banks				248,238	
Resident Customers			2,150	154,684	
Non-Resident Customers					
Internal Transactions					
Total	0	0	2,150	402,922	0

SWAPS					
Resident Dealers					
Overseas Banks					
Resident Customers					
Non-Resident Customers					
Internal Transactions					
Total					
Total (FX Turnover against USD)	767,834	594,794	712,784	1,471,168	713,922
TOTAL (FX Turnover against Vatu & USD)	2,232,015	2,265,353	2,392,156	4,108,891	2,441,784

TABLE 17: INTERNATIONAL BANK'S BALANCE SHEET

	Thousands of USD						
	2005				2006		
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
1 CASH ITEMS	91,803	79,018	66,921	58,516	65,192	59,442	58,158
1.1 Cash	2,816	1,549	454	737	874	982	1,032
1.2 Balances and CDs issued by banks	40,388	32,788	29,857	30,312	38,888	31,898	31,481
1.3 Gold and silver bullion	-	-	-	-	-	-	-
1.4 Cash items in process of collection	48,599	44,681	36,610	27,467	25,430	26,562	25,642
2 MARKETABLE SECURITIES (up to 1 yr. Original Maturity)	454	462	517	518	-	11	12
2.1 Zone A: Other public sector	-	-	-	-	-	-	-
2.2 Zone A: Bank Securities	-	-	-	-	-	-	-
2.3 Other securities	454	462	517	518	-	11	12
3 LOANS AND ADVANCES	125,252	174,129	136,174	139,085	160,714	124,411	98,816
3.1 Public sector	-	-	-	-	-	0	0
3.2 Banks	92,295	146,431	79,608	117,927	140,415	104,981	77,903
3.3 Other loans and advances	32,957	27,698	56,566	21,158	20,299	19,430	20,913
4 INVESTMENTS (over 1 year original maturity for debt instrument)	4,159	4,063	4,051	4,063	4,118	504,426	504,535
4.1 Zone A Public Sector & Bank Securities	-	-	-	-	-	-	-
4.2 Affiliated Institutions	1,698	1,567	1,581	4,019	1,547	501,732	501,729
4.3 Other securities	2,417	2,452	2,426	0	2,527	2,650	2,762
4.4 Other equities	44	44	44	44	44	44	44
5 OTHER ASSETS	94	184	158	149	63	113	124
5.1 Equipment and other fixed assets (net of accumulated depreciation)	48	1	61	62	25	26	26
5.2 Accrued interest receivable	14	114	21	68	25	35	40
5.3 Other assets	32	69	76	19	13	52	58
6 TOTAL ASSETS	221,762	257,856	207,821	202,331	230,087	688,403	661,645
TOTAL LIABILITIES							
	Thousands of USD						
	2005				2006		
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
1 DEPOSITS	186,752	224,595	145,511	174,999	205,557	563,042	504,326
1.1 Banks	-	-	-	-	11,098	10,219	10,085
1.2 Corporations	70,204	123,758	57,713	98,298	109,281	473,683	417,941
1.3 Trusts	-	-	-	-	-	-	-
1.4 Individuals	116,548	100,837	87,798	76,701	84,993	78,966	76,300
1.5 Negotiable certificates of deposits	-	-	-	-	-	-	-
1.6 Other	-	-	-	-	185	174	0
2 TERM DEPT AND OTHER BORROWINGS	20,233	18,782	48,685	13,460	10,869	10,789	12,330
2.1 Unsecured subordinated debt (over 5 years original term maturity)	-	-	-	-	-	-	-
2.2 Other notes and bonds	-	-	-	-	-	-	-
2.3 Other borrowings (including loans, overdrafts, commercial papers)	20,233	18,782	48,685	13,460	10,869	10,786	12,330
3 ACCRUED LIABILITIES	14	116	23	69	27	40	43
3.1 Accrued interest payable	12	114	21	68	25	35	39
3.2 Dividend payable	-	-	-	-	-	-	-
3.3 Other accrued expenses	2	2	2	1	2	5	4
4 OTHER LIABILITIES	544	452	579	598	333	256	587
5 LOSS RESERVES	724	703	706	697	700	714	715
5.1 General loan loss reserves	460	460	460	0	460	460	460
5.2 Other loss reserves	264	243	246	697	240	254	255
6 TOTAL LIABILITIES	208,267	244,648	195,504	189,823	217,486	574,838	518,001
7 SHAREHOLDERS EQUITY	13,495	13,208	12,317	12,508	12,601	113,565	143,644
7.1 Issued and fully paid up common stock (at par or nominal value)	9,056	9,001	9,007	8,984	8,993	111,663	141,668
7.2 Additional paid up capital in excess of par or nominal value	214	214	214	1,095	29	378	338
7.3 Unappropriated retained earnings	3,757	3,827	3,837	3,045	2,855	616	639
7.4 Current year's net income/(loss)	468	166	-741	-616	724	908	999
7.5 Perpetual on-cumulative issued and fully paid up preference share	-	-	-	-	-	-	-
8 TOTAL SHAREHOLDERS EQUITY	13,495	13,208	12,317	12,508	12,601	113,565	143,644
9 TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	221,762	257,856	207,821	202,331	230,087	688,403	661,645

TABLE 18: VANUATU GOVERNMENT FISCAL OPERATIONS

(Millions of Vatu)

ITEMS	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr 4	Qtr1	Qtr2	Qtr3
REVENUE AND GRANTS	7365.2	7258.3	7061.7	8129.7	8795.8	2420.7	2227.2	2008.2	2139.7	2350.3	2304.9	2414.9
Domestic Revenue	6682.9	6530.4	6680.3	7444.9	8213.5	2259.6	1977.7	1954.7	2021.5	2227.5	2108.9	2219.6
Tax Revenue	5793.0	5845.5	6024.6	6621.6	7342.8	2110.8	1739.7	1668.1	1824.2	2038.9	1920.4	1903.8
Non Tax Revenue	889.9	684.9	655.7	823.3	870.7	148.8	238.0	286.6	197.3	188.6	188.5	315.8
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	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	196.0	195.3
EXPENDITURE AND NET LENDING	8612.6	7958.6	7682.4	7685.8	7964.2	1831.0	1740.1	2046.2	2346.9	1905.1	2238.4	2642.7
Recurrent Expenditure	7198.6	7236.5	7239.7	7272.5	7502.6	1668.6	1656.2	1905.2	2272.6	1754.7	2032.1	2371.7
Lending minus repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurrent transfer to Gov. bodies	225.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0	60.8	150.0
Development Expenditure	1189.0	722.1	442.7	413.3	461.6	162.4	83.9	141.0	74.3	80.4	145.5	121.0
DEFICIT/SURPLUS	-1247.4	-700.3	-620.7	443.9	831.6	589.7	487.1	-38.0	-207.2	445.2	66.5	-227.8

Source : Department of Finance

TABLE 19: GOVERNMENT REVENUE CLASSIFIED BY MAJOR SOURCES

(Millions of Vatu)

ITEMS	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
TOTAL REVENUE AND GRANTS	7366.0	7308.0	7061.7	8129.7	8795.8	2420.7	2227.2	2008.2	2139.7	2350.3	2304.9	2414.9
Total Recurrent Revenue	6683.7	6565.6	6680.3	7444.9	8213.5	2259.6	1977.7	1954.7	2021.5	2227.5	2108.9	2219.6
Tax Revenue	5793.9	5773.3	6024.6	6621.6	7342.8	2110.8	1739.7	1668.1	1824.2	2038.9	1920.4	1903.8
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	1203.9	1249.1
Value Added Tax	2358.2	2236.7	2356.8	2475.3	2813.4	639.9	685.7	723.2	764.6	703.7	750.9	738.5
Business Licenses	111.1	141.4	124.6	150.0	290.6	258.9	13.2	16.7	1.8	148.8	9.2	20.2
Turnover Tax	43.1	117.0	97.9	122.8	146.3	103.0	6.4	26.7	10.2	151.3	5.9	32.4
Other	901.0	947.4	1087.0	1247.3	1526.1	512.6	366.3	321.3	325.9	411.2	437.9	458.0
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	611.0
Import duties	2287.9	2279.3	2283.4	2519.6	2412.0	551.3	626.6	544.1	690	571.0	632.4	610.6
Export duties	3.9	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.6	0.4
Other taxes	88.7	50.9	74.8	106.6	154.4	45.1	41.5	36.1	31.7	49.6	83.5	43.7
Non Tax Revenue	889.8	792.3	655.7	823.3	870.7	148.8	238.0	286.6	197.3	188.6	188.5	315.8
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	160.1
Dividends	246.2	188.6	101.3	133.2	229.0	15.0	99.5	90.1	24.4	2.0	17.0	24.0
Other	171.9	203.1	138.1	190.2	87.9	2.6	6.8	69.4	9.1	6.6	11.1	136.1
Administrative fees & Charges	447.4	386.6	379.4	467.7	527.4	126.4	123.5	119.9	157.6	172.5	152.4	148.7
Other	24.3	14.0	36.9	32.2	26.4	4.8	8.2	7.2	6.2	7.5	8	7.0
Grants from abroad	670.0	720.3	381.4	684.8	582.3	161.1	249.5	53.5	118.2	122.8	196	195.3

Source : Department of Finance

TABLE 20: GOVERNMENT EXPENDITURE CLASSIFIED BY MAJOR CATEGORY

ITEMS	Millions of Vatu											
	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3
TOTAL EXPENDITURE	8612.6	7958.6	7682.4	7685.8	7964.2	1831.0	1740.1	2046.2	2346.9	1835.1	2177.6	2492.7
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	2371.7
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	1849.8
Salaries & Wages	3734.4	3929.1	4072.2	4053.8	4222.1	902.1	984.5	1134.8	1200.7	939.2	1187.1	1374.9
Interest payments	281.4	318.7	308.2	397.7	349.0	121.9	48.2	77.0	101.9	113.8	46.2	101.9
Domestic	172.9	217.7	195.4	304.2	272.2	96.6	34.6	69.6	71.4	88.7	32.4	59.5
External	108.5	101.0	112.8	93.5	76.8	25.3	13.6	7.4	30.5	25.1	13.8	42.4
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	204.7
Provinces & Municipalities	199.3	202.7	206.8	197.1	200.5	44.8	47.4	56.4	51.9	46.3	36.1	61.7
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	65.3
Lending minus repayments	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Non-recurrent transfers to Gov.bodies	225.0	458.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	70.0	60.8	150.0
Total Development Expenditure	1189.0	722.1	442.7	413.3	461.6	162.4	83.9	141.0	74.3	80.4	145.5	121

TABLE 21: VANUATU GOVERNMENT BONDS OUTSTANDING

(Thousands of Vatu)

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

TABLE 22: EXCHANGE RATES: VATU PER UNIT OF FOREIGN CURRENCIES

Period (Yr/Mth)	End of Period Rates				Averages	
	Australian Dollar	US Dollar	ECU / Euro	Japanese Yen	Australian Dollar	US Dollar
2003						
January	76.23	129.09	139.70	1.0847	76.05	130.55
February	77.10	127.41	137.00	1.0834	76.47	128.74
March	76.97	128.18	138.40	1.0698	76.85	127.78
April	78.28	125.80	139.34	1.0500	77.56	127.37
May	79.15	121.33	144.42	1.0285	79.25	122.46
June	80.35	120.45	137.78	1.0067	80.04	120.56
July	79.43	121.63	138.25	1.0118	79.97	120.68
August	78.94	123.20	134.11	1.0498	79.46	121.94
September	80.82	119.16	138.19	1.0756	80.04	121.09
October	81.53	116.51	135.55	1.0730	81.53	117.50
November	82.39	114.04	135.79	1.0444	82.43	115.23
December	83.73	111.81	140.31	1.0442	83.04	112.52
2004						
January	83.36	109.57	135.95	1.0343	84.35	109.65
February	83.71	108.55	134.95	0.9904	84.14	108.30
March	83.79	111.19	135.30	1.0520	83.29	110.98
April	82.26	114.01	136.43	1.0364	83.58	112.24
May	81.74	114.36	140.06	1.0361	81.36	115.30
June	80.36	116.34	140.58	1.0749	80.64	115.98
July	80.96	115.75	139.48	1.0360	81.57	113.81
August	80.63	115.28	138.98	1.0489	81.15	114.31
September	81.15	113.21	139.62	1.0211	80.50	114.60
October	82.40	110.41	140.74	1.0387	81.78	111.58
November	83.65	106.79	141.74	1.0380	83.33	108.37
December	83.06	106.53	145.34	1.0328	82.58	107.62
2005						
January	83.39	107.72	140.40	1.0409	82.88	108.19
February	83.80	106.50	141.07	1.0122	83.77	107.28
March	83.31	108.09	139.69	1.0057	83.67	106.42
April	83.52	107.30	138.38	1.0111	83.27	107.68
May	83.04	109.18	136.19	1.0111	83.05	108.50
June	83.68	109.74	132.52	0.9940	83.72	109.25
July	83.68	110.48	132.71	0.9813	83.34	110.89
August	82.83	110.61	135.19	0.9945	83.46	109.67
September	83.67	110.14	132.58	0.9740	83.66	109.36
October	83.17	109.88	133.41	0.9518	83.25	110.34
November	82.45	111.69	131.64	0.9337	82.45	111.69
December	82.29	112.33	133.07	0.9534	82.73	111.35
2006						
January	83.06	110.97	134.18	0.9435	83.02	110.73
February	82.91	112.48	133.26	0.9678	82.89	111.71
March	81.85	114.49	139.32	0.9758	82.46	113.39
April	83.79	110.72	138.77	0.9699	82.93	112.73
May	83.72	109.82	141.41	0.9794	84.09	109.96
June	82.99	112.42	142.33	0.9769	82.85	111.87
July	84.23	110.38	140.15	0.9534	83.51	111.30
August	83.65	109.65	140.72	0.9365	83.94	109.00
September	82.76	110.51	140.40	0.9385	83.23	110.08

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 = Vt100.50 with effect from March 12, 1984, to SDR 1 = Vt110.0 from April 1, 1985 to SDR 1 = Vt122.0 from February

TABLE 23: SUMMARY OF BALANCE OF PAYMENTS

	2004	2005	Q304	Q404	Q105	Q205	Q305	Q405	Q106	Q206	Q306
CURRENT ACCOUNT	(2,702)	(3,964)	(771)	(826)	(325)	(1,317)	(683)	(1,639)	(486)	(1,204)	(457)
A Trade Balance	-8291	(10,095)	(1,905)	(2,497)	(1,928)	(2,876)	(2,325)	(2,966)	(2,200)	(2,431)	(2,445)
Export (fob)	4,264	4,226	1,164	1,150	1,013	927	1,118	1,168	847	1,118	907
Imports (fob)	12,555	14,321	3,069	3,647	2,941	3,803	3,443	4,134	3,047	3,549	3,352
B. Services	5,746	6,515	1532	1674	1684	1316	1811	1704	1802	1494	1855
Services Credit	12,709	14,504	3,356	3,566	3,429	3,371	3,863	3,841	3,806	3,447	3,848
Services Debit	6,963	7,989	1,824	1,892	1,745	2,055	2,052	2,137	2,004	1,953	1,993
C. Income	(1,764)	(2,475)	-708	-520	-567	-526	-632	-750	-902	-909	-508
Income Credit	3,038	3,132	774	808	672	782	825	853	766	819	986
Income debit	4,802	5,607	1,482	1,328	1,239	1,308	1,457	1,603	1,668	1,728	1,494
D. Current transfers	1,607	2,091	310	517	486	769	463	373	814	642	641
Current transfer cr.	2,726	2,864	598	796	774	910	602	578	990	822	750
Current transfer dr.	1,119	773	288	279	288	141	139	205	176	180	109
	-157	-384									
Capital & Financial Account	2,175	4,440	847	1,310	452	1,190	1,113	1,685	1,169	1,074	199
E. Capital Account	(351)	(177)	-76	-94	-33	-85	80	-139	-22	-56	-81
Capital account cr.	1,409	1,478	345	323	379	328	496	275	392	360	334
C Capital account dr.	1,760	1,655	421	417	412	413	416	414	414	416	415
F. Financial Account	2,526	4,617	923	1,404	485	1,275	1,033	1,824	1,191	30	282
Direct Investment Abroad	(85)	(84)	-21	-21	-21	-21	(21)	(21)	(21)	(21)	(21)
Direct investment in Vanuatu	1,985	1,463	517	362	240	389	44	790	976	2,497	378
Portfolio Investment Assets	23	(117)	-4	36	16	-58	-46	(29)	11	(2)	(4)
Portfolio Investment Liabilities	75	(35)	0	0	-29	0	0	-6	-61	1	0
Other Investment Assets	(150)	5,193	298	474	2,084	169	1,960	980	293	(3,264)	2,739
Other Investment Liabilities	2,340	(821)	600	1,423	(1,595)	1,056	(646)	364	391	2,240	(1,406)
Reserve Assets	(1,662)	(982)	(467)	(870)	(210)	(260)	(258)	(254)	(398)	(1,421)	(1,404)
Net errors and omissions	527	(476)	(76)	(484)	(127)	127	(430)	(46)	(683)	130	258
Memorandum items:											
Gross Official reserves	6,615	7,596	5744.9	6615	6824	7,084	7342	7596	7994	9415	10205
Net Reserves (Vatu)	6,018	6,988	5103.4	6018	6225	6483	6738	6988	7363	8801	9587
Net Reserves (USD)	53.7	63.8	44.7	55.8	58.0	59.0	61.3	62.8	65.7	78.3	86.8
Exchange rate (VT/USD) end period average	112.00	109	114.24	107.91	107.40	109.8	110	111.3	112	112.42	110.45
Projected monthly import cover.	5.5	5.8	4.9	5.5	5.7	5.9	5.6	5.8	5.9	7.0	7.7

r Means Revised

p Means Provisional

* statistics of a few companies

TABLE 24: DOMESTIC EXPORTS

	2005										
	2004	2005	Q304	Q404	Q105	Q205	Q305	Q405	Q106	Q206	Q306
Domestic exports, f.o.b.	2,934	2,932	879	845	669	708	844	711	390	757	na
Copra	446	126	70	138	64	37	25	0	0	87	na
Volume (metric tons)	15,104	9,121	2506	4402	2213	1284	822	0	0	2086	na
Unit value (vatu/ton)	29,341	22,051	27,933	31,349	28,920	28,816	30,414	0 0	0	41,707	na
Cocoa	160	181	72	52	18	5	89	69	13	99	na
Volume (metric tons)	216	1,246	481	312	223	28	591	404	90	633	na
Unit value (vatu/ton)	145,168	145,168	149,688	166,667	80,717	178,571	150,592	170,792 #	144,444	156,398	na
Beef	286	302	58	104	39	89	99	75	54	85	na
Volume (metric tons)	927	947	194	331	111	279	298	259	157	298	na
Unit value (vatu/ton)	309,160		298,969	314,199	351,351	318,996	332,215	289,575 #	343,949	285,235	na
Timber	247	203	62	48	66	18	33	86	48	74	na
Volume (Cubic meter)	na		na	na	na	na	na	na na	na	na	na
Unit value (vatu/cubic meter)	na		na	na	na	na	na	na na	na	na	na
Kava	438	477	161	158	63	148	197	69	122	196	na
Volume (metric tons)	825	685	269	280	113	227	256	89	123	167	na
Unit value (vatu/ton)	500,835		598,513	564,286	557,522	651,982	769,531	775,281 #	991,870	1,173,653	na
Coconut oil	1,026	732	299	190	148	233	214	137	72	106	na
Volume (metric tons)	17,111	12,967	4038	3176	2457	3700	4016	2794	1588	2085	na
Unit value (vatu/ton)	61,014		74,047	59,824	60,236	62,973	53,287	49,034 #	45,340	50,839	na
Other	787	911	157	155	271	178	187	275	81	110	na
Re-exports	874	1,217	285	305	342	219	274	382	370	361	na
Total	4,264	4,149	1,164	1,150	1,011	927	1,118	1,093 _	760	1,118	na

Source: Vanuatu Statistics Office

Re-exports are projected figures

TABLE 25: IMPORTS FOR HOME CONSUMPTION

	2005										
	2004	2005	Q304	Q404	Q105	Q205	Q305	Q405	Q106	Q206	Q306
Imports, c.i.f	14303	16412	3508	4125	3317	4345	3998	4752	3433	4029	na
For domestic composition	14065	16150	3449	4117	3312	4333	3812	4693	3428	4027	na
Food and live animals	2756	2863	593	969	653	807	460	943	668	740	na
Beverages and tobacco	551	437	89	153	117	118	86	116	78	79	na
Crude mtrls, excl.fuels	241	241	54	73	66	61	43	71	47	41	na
Mineral fuels	1871	1839	645	444	526	504	327	482	287	401	na
Animal, veg., and oil fats	69	73	16	24	21	12	20	20	15	19	na
Chemicals	1558	2581	359	435	462	715	655	749	276	313	na
Basic manufacturers	2056	3018	486	629	495	652	994	877	1055	1121	na
Mach. and transpt.equip.	3057	2773	825	804	587	964	519	703	564	752	na
Miscellaneous	1471	1931	312	427	308	419	617	587	385	491	na
Goods not specified	435	394	70	159	77	81	91	145	53	70	na
Imports for re-exports	238	262	59	8	5	12	186	59	5	2	na

Source: Vanuatu Statistics Office

TABLE 26: FINANCE CENTRE INSTITUTIONS: LOCAL EXPENDITURE, VALUE-ADDED, EMPLOYMENT AND TOTAL ASSETS

		(In Thousands of Vatu)														
INSTITUTIONS		RECURRENT EXPENDITURE						TAXES AND LEVIES				CAPITAL EXPENDITURE	VALUE OF TOTAL ASSETS IN VANUATU	TOTAL LOCAL EMPLOYMENT (No.)		
		Total Local Expenditure (8+12+13)	Total Wages & Salaries (3)	Rent (4)	Total (3+4+5) (6)	Other Recurrent Expenditure (7)	TOTAL (6+7) (8)	Central Government Fees (9)	Import Duties (10)	Local Government Revenue (11)	TOTAL (9+10+11) (12)			Expatriate (15)	Ni-Van (16)	TOTAL (15+16) (17)
(1)		(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Banks																
2005	Qtr1	431,035	114,727	26,173	140,900	197,510	338,410	34,045	1,898	832	36,775	55,850	42,441,002	21	298	319
	Qtr2	392,159	122,203	24,452	146,655	130,814	277,469	31,876	988	729	33,593	81,097	45,902,343	23	299	322
	Qtr3	396,257	119,672	22,108	141,780	114,634	256,414	33,712	1,148	125	34,985	104,858	45,789,969	23	299	322
	Qtr4	420,977	125,329	21,842	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	22,015	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	21,703	151,623	183,167	334,790	41,898	1,830	717	44,445	71,234	46,771,277	22	310	332
	Qtr3	451,397	123,583	21,224	144,807	212,315	357,122	41,961	263	871	43,095	51,180	45,724,082	20	299	319
Trust & Insurance Companies																
2005	Qtr1	191,322	72,898	5,061	78,043	100,663	178,706	3,527	0	78	3,605	9,011	1,792,103	13	113	126
	Qtr2	265,293	65,359	5,564	70,926	184,281	255,207	2,100	0	87	2,187	7,899	1,277,195	12	113	125
	Qtr3	222,152	65,914	5,278	71,195	142,917	214,112	2,148	55	78	2,281	5,759	1,168,035	12	113	125
	Qtr4	295,521	71,274	5,580	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	5,679	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	5,792	72,077	200,058	272,135	4,864	0	673	5,537	3,990	1,323,576	13	112	125
	Qtr3	288,502	82,848	9,069	91,920	85,388	177,308	4,535	50	99	4,684	106,510	1,141,003	16	125	141
Accounting Firms																
2005	Qtr1	120,802	93,533	7,852	104,798	8,937	113,735	3,542	7	0	3,549	3,518	464,686	26	85	111
	Qtr2	140,006	96,296	7,447	107,901	23,547	131,448	3,778	7	0	3,785	4,773	521,145	29	87	116
	Qtr3	131,531	96,358	7,711	108,539	21,001	129,540	3,365	7	0	3,372	-1,381	487,655	29	89	118
	Qtr4	125,333	99,104	7,562	110,643	12,193	122,836	4,006	7	0	4,013	-1,516	498,616	28	88	116
2006	Qtr1	126,317	98,711	8,315	111,337	7,467	118,804	3,487	7	0	3,494	4,019	562,064	28	88	116
	Qtr2	141,875	99,660	7,160	111,434	16,326	127,760	4,246	17	0	4,263	9,852	535,153	29	87	116
	Qtr3	139,053	97,572	7,119	108,651	22,412	131,063	4,831	17	0	4,848	3,142	522,049	27	93	120
Legal Firms/ offshore instns																
2005	Qtr1	153,746	30,786	2,390	33,964	7,168	41,132	111,265	240	1,053	112,558	56	291,132	9	35	44
	Qtr2	113,779	27,987	1,560	30,467	8,257	38,724	74,086	0	600	74,686	369	285,438	9	39	48
	Qtr3	65,407	28,974	1,560	31,449	13,915	45,364	19,063	0	671	19,734	309	270,680	9	40	49
	Qtr4	54,772	29,841	1,560	31,664	11,844	43,508	10,540	0	600	11,140	124	273,261	9	40	49
2006	Qtr1	156,827	28,936	2,410	32,788	9,702	42,490	112,448	470	1,300	114,218	119	346,404	9	37	46
	Qtr2	114,006	27,681	2,410	30,428	21,626	52,054	60,091	0	1,300	61,391	561	356,101	9	37	46
	Qtr3	73,663	27,916	2,410	31,128	21,626	52,754	18,807	0	1,369	20,176	733	352,111	9	37	46
GRAND TOTAL																
2005	Qtr1	896,905	311,944	41,476	357,705	314,278	671,983	152,379	2,145	1,963	156,487	68,435	44,988,923	69	531	600
	Qtr2	911,237	311,845	39,023	355,949	346,899	702,848	111,840	995	1,416	114,251	94,138	47,986,121	73	538	611
	Qtr3	815,347	310,918	36,657	352,963	292,467	645,430	58,288	1,210	874	60,372	109,545	47,716,339	73	541	614
	Qtr4	896,603	325,548	36,544	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	38,419	358,112	307,573	665,685	164,922	1,344	3,114	169,380	18,148	46,717,553	77	547	624
	Qtr2	988,012	323,543	37,065	365,562	421,177	786,739	111,099	1,847	2,690	115,636	85,637	48,986,107	73	546	619
	Qtr3	952,615	331,919	39,822	376,506	341,741	718,247	70,134	330	2,339	72,803	161,565	47,739,245	72	554	626

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

TABLE 27: TRENDS IN BUSINESS TURNOVER OF FINANCE CENTRE INSTITUTIONS

(Millions of Vatu)

End of Period	Commercial Banks														Trust/Insur. Companies				Accounting/Legal & C		Gov. foreign		Total		Total	
	Earnings on			Payments on			Net foreign exchange	Gross income	Net foreign exchange	Gross income	Net foreign exchange	Gov. exchange Receipts	Total Earnings	Total Earnings	Gov. exchange	Total Earnings	Total Earnings	Gov. exchange	Total Earnings	Total Earnings						
	Resident Assets	Non Resident Assets	Total	Resident Liabilities	Non Resident Liabilities	Total															Net foreign exchange Earnings	Net foreign exchange Earnings	Net foreign exchange Earnings	Net foreign exchange Earnings	Gov. exchange Receipts	Gov. exchange Receipts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)				
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	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	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	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	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	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	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	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	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	1924.6	760.4												
	Qtr2	1111.8	436.1	1547.9	243.3	-3.3	240.0	439.4	304.0	95.3	215.4	84.1	2067.3	676.0												
	Qtr3	977.0	525.3	1502.3	243.3	72.9	316.2	452.4	285.0	79.5	167.7	74.3	1955.0	621.8												

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

TABLE 28: SHIPPING REGISTRY

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
Qtr3	8	8	586	9.6

Source: Vanuatu Maritime Services Limited

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

TABLE 29: COMPANY REGISTRATION

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

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

PART B: Company Registration during individual Year/ Quarter

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

Source: Vanuatu Financial Services Commission

TABLE 30: COCONUT PRODUCTS AND PRICES

Period	2001	2002	2003	2004	2005	2005				2006		
						Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr1(r)	Qtr 2(r)	Qtr 3
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	3,559.0	3,516.0	6,484.0
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	3,559.0	3,516.0	6,484.0
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	3,559.0	3,516.0	6,484.0
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	3,559.0	3,516.0	6,484.0
Percentage of Hot-air to Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL VALUE (Millions of Vatu)	494.4	596.0	690.3	896.6	467.3	122.382	146.9	132.9	65.2	65.4	63.7	118.0
Average domestic Price(Vt / tonne)	24,725	22,830	27,160	26,028	21,700	23,660	21,566	21,060	20,000	18,969	18,016	18,249
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	400.3
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	388.9
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	599.1
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	585.4

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

TABLE 31: COCOA PRODUCTION FOR EXPORTS AND PRICES

Period	2001	2002	2003	2004	2005	2005				2006		
						Qtr 1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2(r)	Qtr3
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	653.0	377.6
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	58.3	35.2
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	87,504	92,470

Source: VCMB

TABLE 32: COMMERCIAL BEEF PRODUCTION

Period	2000	2001	2002	2003	2004	2005	2005				2006		
							Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
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	2,234.0
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	469.0
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	56.3
Pig Slaughter													
No. of Heads	1,511	640	985	600	864.0	na	na	185.0	211.0	250.0	196.0	204.0	202.0
Weight (Tonnes)	49	38	51	31	46.2	na	na	10.1	12.8	14.9	12.9	61.0	9.5
Percentage Change	46.1	-22.3	34.4	-38.2	47.6	na	na	na	26.9	16.4	-13.4	372.9	-84.4
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	1,024.0	877.0	2,050.0
Weight (Tonnes)	3,971	1,494	1,120	1,579	1,267.5	1,332.5	206.2	332.4	479.2	314.6	217.5	197.5	502.6
Percentage Change	93.2	-62.4	-25.1	41.0	-19.7	5.1	-45.0	61.2	44.2	-34.4	-30.9	-9.2	154.5
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	3,125.0	2,778.0	4,284.0
Weight (Tonnes)	5,734	3,028	2,531	3,127	2,983.4	3,030.1	593.1	756.3	960.9	719.8	673.8	497.5	971.6
Percentage Change	48.0	-47.2	-16.4	23.5	-4.6	1.6	-32.2	27.5	27.1	-25.1	-6.4	-26.2	95.3

Source: Vanuatu Quarantine and Inspection Services

TABLE 33: WORLD PRICES OF COMMODITIES RELEVANT TO VANUATU'S EXPORTS

Period	Commodity / Unit Prices					
	Copra	Cocoa	Coconut	Coffee	Other Milds	Beef
	US\$/ tonn	US cents / Kg	US\$/ tonn	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
Qtr3	400.3	162.3	599.1	158.1	240.0	257.4
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
July	384	167.9	583.3	142.2	231.5	253.8
August	404	162.1	606.0	162.2	246.3	259.3
September	413	157	608	170	242	259

Source: World Bank Commodity Prices

TABLE 34: SELECTED TOURISM STATISTICS

	2001	2002	2003	2004	2005	2005				2006		
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3(d)
Total Non-resident Visitor Arrivals:	105,705	99,488	100,830	98,539	125,636	32,102	26,595	35,524	31,415	41,734	34,589	39,667
Visitor arrivals	52,927	49,461	50,400	60,610	62,082	12,648	13,309	18,507	17,618	13,789	15,144	19,760
Day visitors:	52,778	50,027	50,430	37,870	63,554	19,454	13,286	17,017	13,797	27,945	19,445	19,907
Cruiseship	52,758	50,027	51,995	37,870	63,554	19,454	13,286	17,017	13,797	27,945	19,445	19,907
Air/ yachts	20	-	-	-	-	0	0	0	0	0	0	0
Air arrivals by purpose of visit:	52,928	49,462	50,400	60,610	62,082	12,648	13,309	18,507	17,618	13,789	15,144	19,760
Stop-over	1,108	611	835	1,521	1,326	393	343	370	220	80	139	212
Holiday	41,319	38,740	38,924	46,805	47,865	9,625	9,873	14,104	14,263	10,943	11,566	15,523
Visiting freinds	3,677	3,563	3,887	4,593	4,451	804	1,068	1,314	1,265	877	992	1,543
Business/ Meetings	6,557	6,544	6,746	7,685	8,411	1,797	2,025	2,719	1,870	1,888	2,447	2,482
Other Purposes	111	1	6	6	29	29	-	-	-	1	0	0
Not Stated	156	3	2	-	-	-	-	-	-	0	0	0
Air arrivals by												
Usual Country of Residence:	52,927	49,461	50,400	60,610	62,082	12,648	13,309	18,507	17,618	13,789	15,144	19,760
Australia	33,492	29,730	29,492	35,782	38,073	7,864	8,438	10,694	11,077	9,126	8,863	10,752
New Zealand	7,485	7,263	7,729	8,209	7,651	943	1,837	2,743	2,128	966	2,518	3,615
New Caledonia	3,956	4,704	5,050	6,518	6,815	1,591	1,209	2,049	1,966	1,646	1,523	2,105
Other Pacific	2,190	1,828	2,034	3,150	2,731	852	405	853	621	529	644	770
Europe	2,651	2,948	3,003	3,361	3,503	670	700	1,167	966	819	726	1,290
North America	1,400	1,438	1,625	1,930	1,625	357	345	490	433	318	444	654
Japan	789	731	571	586	583	113	136	195	139	134	130	218
Other Countries	927	803	881	1,073	1,100	258	239	316	287	251	296	356
Not Stated	37	16	15	-	1	-	-	-	1	0	0	0
Facilities at end of period:												
Hotels	29	29	29	29	29	27	23	29	29	29	29	29
Rooms	1,008	992	899	895	902	883	901	882	886	951	921	901
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	82,212
Occupancy rate	49.8%	44.2%	46.5%	51.9%	52%	46.40%	44.90%	61.30%	57.10%	50.90%	45.20%	53.10%
Beds	2,910	2,658	2,348	2,320	2,317	2,119	2,444	2,352	2,382	2,458	2,483	2,445
Bed nights offered	256,395	242,001	217,453	212,478	211,967	202,463	216,604	216,893	215,457	215,756	221,102	219,670
Occupancy rate	35.6%	32.8%	35.3%	40.9%	40.7%	39.40%	35.20%	48.50%	39.80%	36.80%	32.60%	38.20%

Source: Vanuatu Statistics Office

TABLE 35: CONSUMER PRICES BY EXPENDITURE GROUP (Quarterly)

Expenditure Group	Region	Average					2004				2005				2006		
		2001	2002	2003	2004	2005	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2 (r)	Qtr 3 (r)
Food		0.6	0.2	1.0	0.5	0.0	0.1	0.0	3.2	-1.4	-1.8	0.6	0.6	0.7	1.2	1.1	1.1
	Port Vila	0.5	0.1	1.0	0.5	0.6	0.1	0.1	3.4	-1.7	0.2	1.1	0.6	0.6	2.2	2.0	1.1
	Luganville	1.2	0.2	0.8	0.5	0.5	0.5	-0.5	2.4	-0.5	3.1	0.3	0.3	-1.6	2.5	na	na
Drinks & Tobacco		0.3	1.8	2.3	0.1	0.8	0.2	0.2	0.0	0.0	1.5	0.5	1.0	0.2	0.5	0.0	0.5
	Port Vila	0.3	1.8	2.4	0.1	0.8	0.0	0.3	0.1	0.0	-0.4	1.3	1.2	1.2	0.6	0.0	-7.0
	Luganville	0.5	1.9	1.4	0.2	1.1	0.9	-0.2	-0.1	0.0	3.7	0.9	-0.2	0.0	0.2	na	na
Clothing etc		0.4	0.1	0.2	0.2	-0.2	-0.5	-0.6	0.1	0.0	0.6	0.0	-0.1	0.1	0.0	-0.1	0.0
	Port Vila	0.4	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	1.0	-0.2	-0.2	0.0	-0.7	-6.0
	Luganville	0.4	0.5	0.1	-0.8	-0.9	-0.2	-3.5	0.8	-0.1	0.7	0.9	0.0	0.0	-3.3	na	na
Rent, Water, Electricity		1.5	-0.2	0.0	-0.4	1.4	0.0	0.1	0.2	-1.7	3.3	1.1	0.9	0.4	1.1	0.1	0.2
	Port Vila	1.3	-0.2	0.0	-0.5	0.6	-0.1	0.1	0.2	-2.1	-0.5	1.1	0.8	0.8	1.8	0.1	-6.1
	Luganville	2.4	-0.5	-0.2	0.2	1.3	0.0	0.3	0.2	0.3	1.9	3.6	1.2	-1.6	13.9	na	na
Household Supplies		-0.4	-0.2	0.1	-0.1	-0.2	-0.2	-0.1	-0.1	0.0	0.8	-1.7	0.2	0.1	0.0	0.0	0.7
	Port Vila	-0.5	-0.2	-0.1	-0.1	-0.1	-0.2	-0.1	0.0	0.0	-1.7	1.0	0.2	0.2	0.0	0.0	10.6
	Luganville	0.0	-0.2	0.7	-0.1	-0.4	-0.1	-0.2	-0.4	0.1	0	-1.9	0.3	0.0	7.4	na	na
Transport & Comm.		0.5	1.9	0.2	0.3	0.1	0.5	0.0	0.5	0.1	0.3	-0.3	0.3	0.3	0.6	1.7	2.1
	Port Vila	0.6	2.0	0.2	0.3	0.7	0.7	0.0	0.5	0.0	0.2	1.2	0.7	0.7	0.6	1.2	-4.9
	Luganville	0.3	1.0	0.4	0.2	-0.5	-0.1	0.0	0.4	0.4	-0.6	0.0	-1.3	0.1	-1.3	na	na
Recreation, Health etc		0.0	0.9	0.9	0.9	0.7	2.9	0.1	0.4	0.0	2.7	0.2	0.0	0.0	0.0	4.5	0.0
	Port Vila	0.1	1.0	0.6	0.9	0.3	3.1	0.0	0.4	0.0	0.1	1.1	0.0	0.0	0.0	0.4	5.6
	Luganville	-0.8	0.5	2.4	0.3	0.9	1.1	0.3	-0.2	0.0	2.7	0.2	0.5	0.0	-1.2	na	na
ALL GROUPS		0.6	0.6	0.7	0.2	0.4	0.4	0.0	1.2	-0.8	0.5	0.4	0.5	0.4	0.8	0.6	0.9
	Port Vila	0.5	0.6	0.8	0.4	0.5	0.4	0.1	1.2	0.0	-0.2	1.1	0.5	0.5	1.2	0.9	1.7
	Luganville	0.9	0.3	0.7	0.4	0.6	1.0	-0.3	0.9	-0.1	2.1	0.8	0.2	-0.8	3.3	na	na

Source: Vanuatu Statistics Office

TABLE 36: CONSUMER PRICES BY EXPENDITURE GROUP (Annual)

Expenditure Group	Region	End year					2004				2005				2006		
		2001	2002	2003	2004	2005	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2 (r)	Qtr 3 (r)
Food		2.4	0.6	4.0	1.9	0.0	4.5	3.4	3.8	1.9	-0.1	0.5	-2.2	0.0	3.1	3.6	3.9
	Port Vila	1.9	0.5	4.1	1.9	0.4	4.2	3.2	3.8	1.9	4.1	-0.1	-3.3	0.4	0.5	4.5	3.9
	Luganville	4.8	0.7	3.0	1.9	2.2	5.7	3.8	4.1	1.9	4.6	5.4	0.3	2.2	4.9	na	na
Drinks & Tobacco		1.2	7.3	9.1	0.4	3.1	0.4	0.4	0.2	0.4	1.7	1.9	2.9	3.1	2.1	1.7	2.3
	Port Vila	1.2	7.1	9.7	0.4	2.7	0.0	0.0	0.0	0.4	9.7	-0.3	2.7	2.7	3.3	0.2	-5.3
	Luganville	2.0	7.9	5.6	0.7	0.3	2.5	2.3	1.4	0.7	3.4	4.6	4.4	0.3	0.5	na	na
Clothing etc		1.6	0.4	1.0	-1.0	0.6	0.4	-0.4	-1.5	-1.0	0.1	0.7	0.5	0.6	0	-0.1	-0.2
	Port Vila	1.6	0.0	1.2	0.0	0.2	0.6	0.3	-0.3	0.0	1.2	0.0	0.2	0.2	0.2	-4.0	-6.1
	Luganville	1.7	1.9	0.2	-4.7	-0.7	0.2	-3.5	-5.7	-4.7	-2	2.4	1.6	-0.7	-3.1	na	na
Rent, Water, Electricity		6.1	-0.9	-0.1	-1.4	5.7	0.2	-0.1	-0.3	-1.4	1.8	2.8	3.5	5.7	3.5	2.5	2.7
	Port Vila	5.4	-0.6	0.2	-1.9	2.8	0.0	-0.4	-0.3	-1.9	0.1	-0.1	2.8	2.8	6.8	14.0	12.1
	Luganville	9.7	-2.1	-0.8	0.6	-1.3	1.1	1.4	0.1	0.6	2.5	6.0	7.3	-1.3	12.4	na	na
Household Supplies		-1.5	-0.8	0.2	-0.4	-0.7	-0.4	-0.9	-1.6	-0.4	0.6	-1.0	-0.8	-0.7	-1.5	0.3	0.9
	Port Vila	-1.8	-0.7	-0.4	-0.3	-0.6	-0.4	-0.6	-2	-0.3	-0.4	-0.1	-0.6	-0.6	-0.6	7.4	10.6
	Luganville	-0.1	-1.0	2.6	-0.5	-0.5	-0.5	-2.3	0.0	-0.5	-0.4	-2.2	-1.6	-0.5	7.3	na	na
Transport & Comm.		2.2	7.5	0.9	1.1	0.7	0.9	0.8	1.3	1.1	0.9	0.6	0.4	0.7	1.3	2.3	2.9
	Port Vila	2.3	8.2	0.7	1.2	0.8	0.9	0.8	1.3	1.2	0.7	0.0	0.8	0.8	1.4	-0.9	-4.3
	Luganville	1.3	3.9	1.5	0.7	0.9	0.7	0.7	0.4	0.7	0.2	0.2	-1.5	0.9	-0.8	na	na
Recreation, Health etc		0.0	3.8	3.4	3.4	2.8	2.6	2.5	3.4	3.4	3.1	3.3	2.8	2.8	0.2	4.5	0.0
	Port Vila	0.5	4.1	2.6	3.6	2.8	2.8	2.6	3.7	3.6	2.6	0.0	2.8	2.8	2.8	-0.8	5.6
	Luganville	-3.0	2.1	9.7	1.6	5.2	1.0	1.4	1.2	1.6	3.3	3.1	3.4	5.2	-0.9	na	na
ALL GROUPS		2.3	2.3	2.9	0.8	1.8	1.9	1.4	1.6	0.8	1.0	1.3	0.6	1.8	2.0	2.2	2.6
	Port Vila	2.0	2.4	3.0	1.8	0.1	1.8	1.4	1.6	1.8	3.0	-0.1	0.1	0.1	2.2	4.1	3.4
	Luganville	3.8	1.3	2.7	0.8	1.2	2.7	1.7	1.6	0.8	2.7	3.8	3.0	1.2	4.1	na	na

Source: Vanuatu Statistics Office