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## REFERENCE

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

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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
	(A) Duty Exemptions on replacement materials & equipment (B) Duty Exemptions on New Projects
	Insurance settlements / Loss adjustment disputes
	Future cyclone insurance cover in Vanuatu
	Banking Loans for reconstruction
	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	Monetary Policy Statement by the Governor
Q1 March 2005	Challenges to Monetary Policy Implementation, The case of Vanuatu.
Q1 March 2005	Summary of Business Survey 2005
Q1 March 2005	Monetary Policy Instruments- The case for Vanuatu
Q1 March 2005	What is Balance of Payment, How is it compiled in Vanuatu.
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**STATISTICAL ANNEX**

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**TECHNICAL NOTES**

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

**Abbreviations used are:**

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

## 1. EXECUTIVE SUMMARY

The World economy is expected to moderate somewhat from 2006 but it will continue to grow at a robust rate in 2007. The slowdown which was caused primarily by the slowing US economy is expected to have a limited impact because growths elsewhere in the world have been well sustained. In the first quarter of 2007, real GDP growth in the US has slowed to 1.3%. The Japanese economy continues to grow at a solid pace, driven by domestic demand and exports. In the euro area, growth was broad based across the region; particular improvements were noted for Germany and Italy.

Growth in emerging economies has been strong and is expected to drive world growth during in 2007. In China, the economy continues to grow at a robust rate in the first three months of 2007, with real GDP rising by 11.1 percent over the year. Growth in the rest of East Asia has remained solid, backed by firm domestic demand.

Nearer to home, the Australian and New Zealand economies continue to grow at robust rates and have positive effects on Vanuatu's economy. Australia's GDP grew at an annual rate of 6.6 percent in the first quarter, despite a lingering drought. In New Zealand, there has been a strong pick-up in domestic demand. Consumption growth has been robust due to lower petrol prices, pickup in the housing market and positive labor market conditions.

On the domestic front, domestic economic conditions have remained positive. According to recent forecasts by the Ministry of Finance and Economic Management, real GDP will rise by 4.2 percent in 2007. This growth assumption is based on forecasted growths in the Industries sector (7.5%), Services sector (4.4%) and a slight improvement from the Agriculture sector (1.6%). First quarter indicators continue to show growths in the services and industry sectors, with some improvements seen from the agriculture sector.

After having remained subdued for some time, the annual CPI rose from 1.8 percent in the previous quarter to 2.8 percent in the first quarter of 2007. The increase could be attributed to effects of the increases in import tariffs and excise on selected goods in January this year, and increase in demand driven by recent increases in government employees' salaries. Though, this may be a one-off increase, however, there could be some upward risk to future inflation because it may be possible that the effect of the tariff increase has not worked its way fully to domestic price levels. Also wage-

driven demand pressures are going to be stronger going forward.

The Vanuatu Government's finances have remained healthy. In the first quarter the Government operated a budget surplus of VT384.1 million. Total Revenue and grants collected during the reviewed quarter rose by 10.2 percent from the corresponding quarter of 2006. Total outlays have increased by 28.7 percent compared to the corresponding quarter in 2006, due principally to increases in goods and services expenditures. Reflecting the strength of its finances, the Government has retired VT120 million in bonds during January and has continued to refrain from accessing the overdraft facility with the Reserve Bank.

Total money supply growth has decelerated to 1.3 percent from 2.5 percent during the December quarter of 2006. The slow growth reflected offsetting movements in the sources of money supply. Total net foreign assets declined to offset an increase in domestic credit. The increase in domestic credit was driven by further expansion in private sector credit. Commercial Banks' liquidity continued to build up subsequent to the Monetary Policy Committee's decision to reduce the volume of RBV Notes issued in open market operation while it reviews the Bank's monetary policy process. As a result of rising system liquidity, short term market interest rates have declined during the quarter under review.

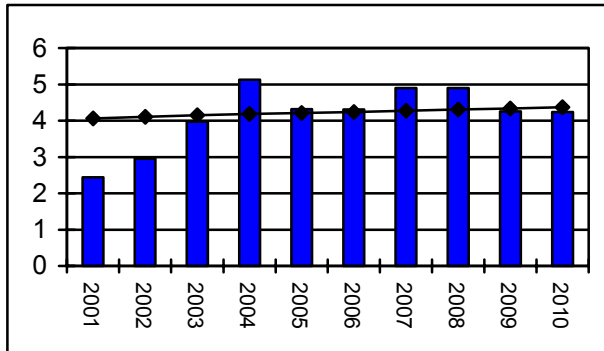
The external position of the country has remained healthy despite a reported net outflow of foreign exchange in the review quarter. During the quarter, the Bank revised the months of import cover figure for its reserves downward from 8.5 months to 7.5 months based on expectations that imports will increase throughout the year. Nevertheless, the level of official international reserves is still sufficiently higher than the minimum comfortable threshold of 4 months of import cover. The Current account deficit has increased significantly during the review period. Despite this the level of deficit financing was more than adequate.

## 2. The International Economy.

While moderating somewhat, the global economy remains overall relatively robust. While the US economy has slowed more than was expected earlier, negative impacts have been limited and growth around the world looks well sustained with inflation risk well sustained. Although events in the Middle East have continuously contributed to the pressure on oil prices, their upward trend over recent months has been mainly a consequence of strong global demand. Despite a bout of financial volatility in February - March 2007 and rising

concerns about US sub-prime mortgage market, equities and long term bond yields have remained below long term trends and risk spreads have narrowed in most markets.

Figure 1: World Real Economic Growth and Forecasts



Source: IMF World Economic Outlook, April 2007

Global growth is expected to moderate to 4.9 percent in 2007 and 2008, some 0.5 percent point slower than in 2006. In the United States, growth is expected to come to 2.2 percent in 2007 from 3.3 percent in 2006, although the economy should gather some momentum at the course of the year. Growth is expected to ease in the Euro area partly reflecting the global withdrawal of monetary accommodation and a further fiscal consolidation.

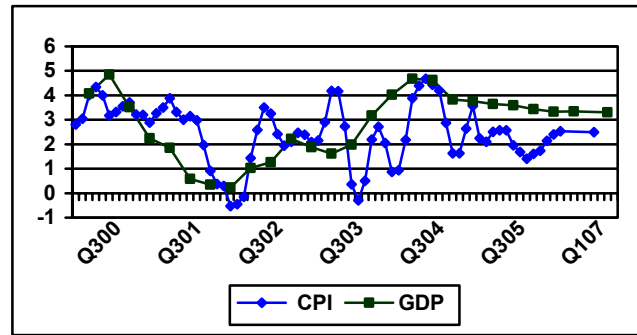
**The US Economy**

In the first quarter of 2007, real GDP growth slowed to 1.3% on a quarterly annualized basis. This stemmed mainly from a strong negative contribution of and weaker federal government spending. In addition, residential investment continued to be a substantial drag on economic growth and this restraint seems likely to diminish over 2007. In addition, at the beginning of 2007, households' balance sheets appeared to be in good shape.

Index of consumer sentiment was a shade higher at the end of 2006 than at the beginning of the year; sentiment moved up further in early 2007 to near the upper end of its range since 2003.

On balance, growth of real gross domestic product in the United States appears likely to run slightly below that of the economy's potential over the next few quarters and then to rise to a pace around that of the economy's long-run trend.

Figure 2: US GDP and CPI



Source: IMF World Economic Outlook, April 2007

GDP growth is forecast to decelerate in 2007 as the housing and manufacturing sectors continue to struggle. This will eventually curb private consumption growth. Businesses are better placed, but they are also likely to restrain their spending in the medium term. Growth will average 2.5% per year in

**Asia**

In China, GDP growth increased to an annualized rate of 11% in the first quarter of 2007 from 10.4% in the previous quarter. The government is attempting to boost the contribution of private consumption to overall growth. Annual CPI inflation rose to 3.3% in March. Investment spending growth will slow gradually, but low interest rates will support speculative borrowing, especially against a background of higher inflation, leading to a sustained asset price bubble that may pose long-term risks. The renminbi will continue to be held in a floating exchange-rate system managed primarily against the US dollar.

**Japan**

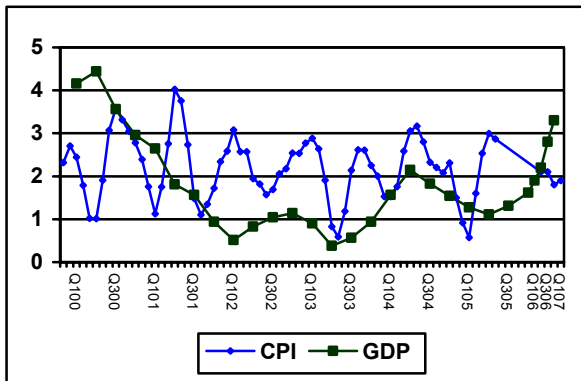
Economic activity in Japan, continue to recover steadily, while inflation has remained subdued. The overall CPI declined by 0.1% on an annual basis. After holding interest rates at zero for most of the previous seven years, the Bank of Japan has raised rates twice since last July, to 0.5%. But inflation has turned negative again, with the core measure of consumer prices (excluding food, including energy) falling by 0.3% in the 12 months to March. In its half-yearly outlook, the Bank of Japan(NoJ) slashed its inflation forecast to only 0.1% in the year to March 2008. Moreover, although GDP expanded by a respectable 2.3% in the year to the fourth quarter, most of that growth came from investment and exports. Japan's economy cannot be removed from the sick list until consumers start spending again. Japan's long era of deflation has now ended.



**Europe**

Growth was mainly driven by domestic demand in most EU countries. Inflationary developments showed a mixed picture across countries in March 2007. Currently, the European Central Bank is going through a period of exceptional clarity. Everyone knows that the ECB sees growth in the 13-country euro zone as robust, but inflationary dangers lurking over the longer term. The ECB's fear is that robust economic activity and interest rates still at levels supportive of growth will inevitably lead to higher inflation.

**Figure 3: Euro-area GDP and CPI**

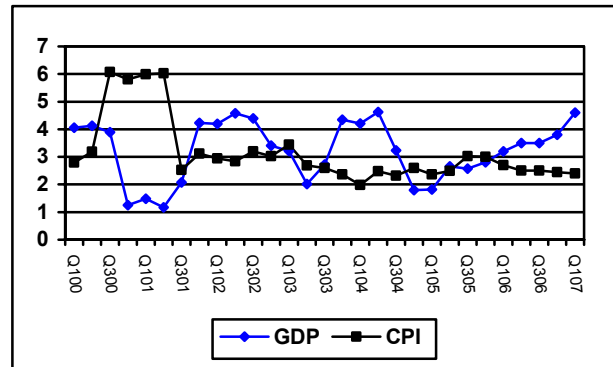


Source: The IMF World economic Outlook, April

**Australia**

Australian GDP grew at an annual rate of 6.6% in the first quarter, despite a lingering drought. The central bank left interest rates unchanged at 6.25%. Growth is expected to average 3.0% in 2007-11, down from 3.3% in 2002-06. Domestic demand will again be the main driver of growth. High employment levels, superannuation reforms and fiscal handouts are likely to keep private consumption growth strong over the forecast period. The main risks to the forecast are a fall in commodity prices that is more dramatic than expected, a downward correction in housing prices, a resurgence of inflation and an extension of the drought that is constraining agricultural output. The current account is expected to widen in 2007, owing to strong domestic demand, but will then stabilize at around 5.5% of GDP (based on IMF data).

**Figure 4: Australia CPI and GDP**



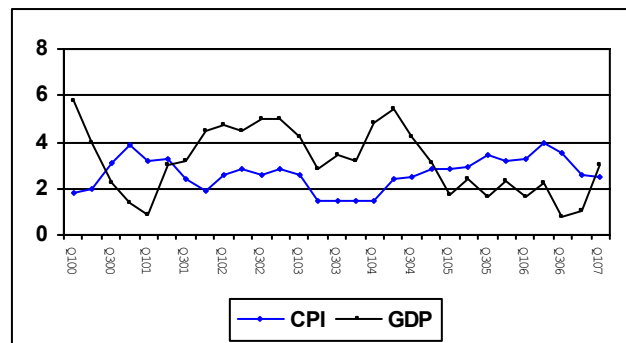
Source: Reserve Bank of Australia

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

**New Zealand**

- Recent indicators show clear evidence of a pick up in economic activity in late 2006 and early 2007. Consumer price inflation is forecast to fall from 3.4% in 2006 to just 2.2% in 2007. However, the Reserve Bank of New Zealand (the central bank) remains concerned about the medium-term outlook for inflation, and is unlikely to cut interest rates rapidly. Non-tradable inflation may remain strong. Despite continued merchandise export growth, the current-account deficit will remain high throughout the forecast period. The income balance will remain deeply in deficit, and any improvements in the merchandise trade balance will be only temporary.

**Figure 5: New Zealand CPI and GDP**

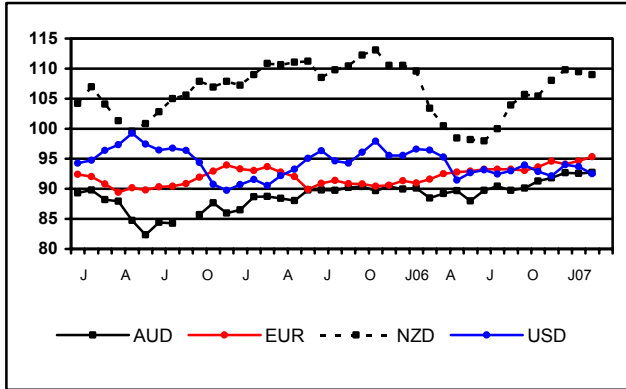


Source: Reserve Bank of New Zealand.

**Financial Markets**

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

**Figure 6: Exchange Rates**



Source: Bank of England

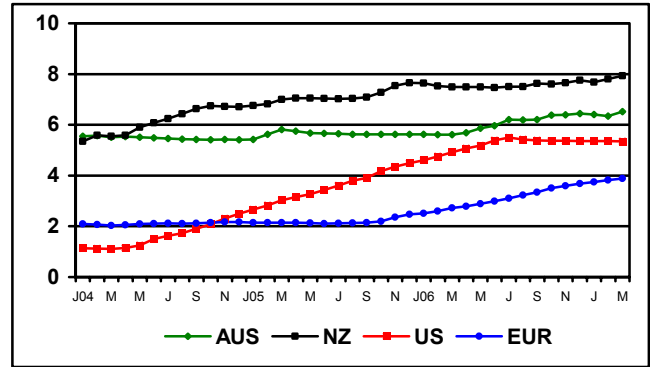
The most striking feature of the exchange rate patterns is the recovery of New Zealand Dollar. The NZD started in March 2006 at an index value of 98.46 and increased to 109.01 in March 2007. This reflects the current pick up in economic activity in New Zealand.

Most of the other currencies remained broadly stable over the period the Australian dollar appreciated in January, down in Feb and again up in March. The US dollar strengthened in Jan and then dropped in February and March. The Euro continues to appreciate gradually.

**Short Term Interest Rates**

The graph below shows the pattern for short term interest rates for some of the world economies relevant to Vanuatu, the rate shown in each case is a 3 month money market rate. Short term interest rates have seen some interesting changes over the quarter. One notable change was the Euro interest rate which recorded a sharp increase from March 2006 by 35 percent.

**Figure7: Short Term interest rates**



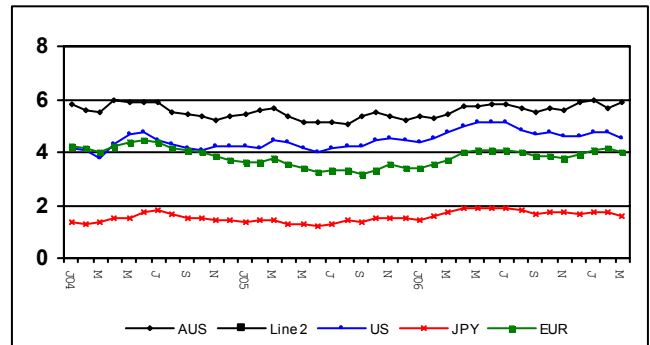
Source: Reserve Bank of Australia, Reserve Bank of New Zealand, European Central Bank, Bank of England

The US interest rates also increased from 5.18% in March last year to 5.50% in July, however began decreasing from August until March 2007. The US rates continues to follow the Fed's movement in the cash rate.

**Long term interest rates.**

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

**Figure 8: Long-Term Interest Rates**



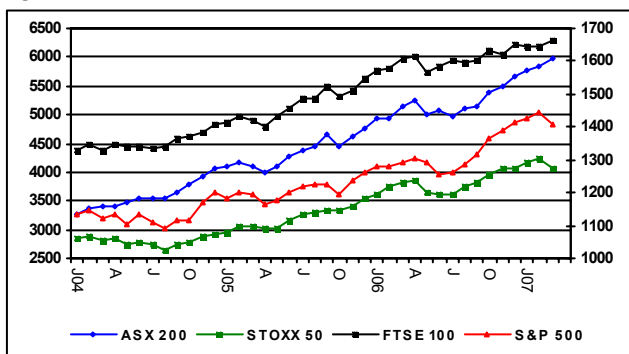
Source: Reserve Bank of Australia, Reserve Bank of New Zealand, Bank of England, European Central Bank.

The long term interest rates saw decreases for US, and Japan while Australia and Euro area had recorded an increase since March 2006. Euro was up from 3.73% to 4.02% and Australia by 5.71% to 5.88%.

**Stock Markets**

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

Figure 9: Stock Markets



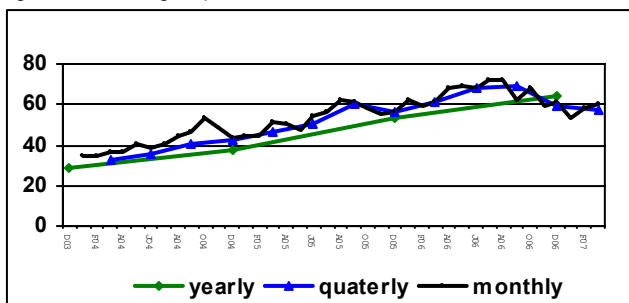
Source: Financial Times, European Central Bank, Reserve Bank of Australia.

All the stock market indices showed slight increase in March as compared to end December, except for the SP500. STOXX 50, the European stock index, was up by 5% over the year. This was likely to be of this magnitude due to the increased business confidence in Europe and fast economic recovery. The ASX 200 index, a stock market index of Australian stocks also recorded an increase over quarter and year as well. The FTSE 100 rose by 5.5% from last quarter and 5.8% over the year.

**Oil Markets**

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

Figure 10: Average Spot Price for Crude Oil



Source: World Bank Pink Sheet

The Price of oil has seen a decrease over the quarter as it closed in March at a level \$57.56 from December at a level \$59.02. Annual average prices both show decreases.

**3. DOMESTIC ECONOMIC DEVELOPMENT**

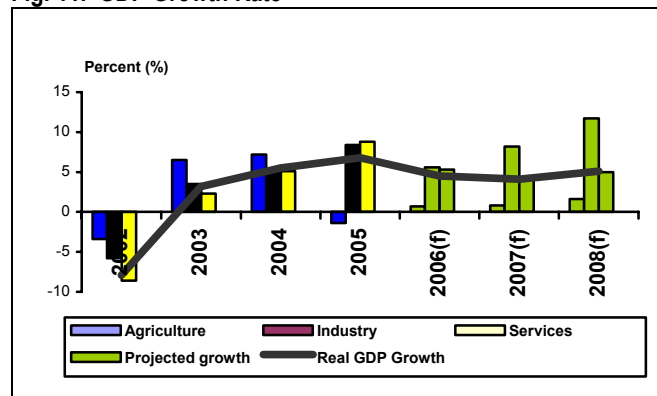
**Real Economy**

The economy continues to indicate growth mainly driven by the service and industry sector. Economic growth for 2007 as

projected by the Ministry of Finance, Department of Economic and Sector Planning has projected the economy to grow by 4.2 percent revised down from the 4.4 percent projected in the previous quarter. This growth is attributed by increases in Industry sector (7.5%) mainly from construction (14.9%), Services sector by 4.4% and a gradual growth in the Agriculture sector by 1.6 percent.

Agriculture sector has yet more room to improve in the next 3 quarters of the year although export figures have showed a decline in the first quarter of 2007. Copra is expected to improve after production slightly picked up. This pickup was attributed by the slight movement in average producer’s price and amidst the occurrence of a cyclone Becky which occurred in March, there was no damage to agricultural sector. Various legal issues concerning the export of kava between VCMB and major exporters continues to alter kava exports, although a vast portion of kava production is consumed domestically. The seasonality in cocoa production continues to contribute to this slight decline over the first quarter expected to increase in the next two quarters.

Fig. 11. GDP Growth Rate



Source: Ministry of Finance and Economic Management

Tourism figures continues to show a strong tourist inflows contributed by continuous promotion of Vanuatu as a tourist holiday destination by National Tourism Office and increase in passenger capacity on air-crafts through the Air New Zealand making flights to Port Vila; and Pekoa Airport in Luganville Santo opening to flights by Solomon Airline making the Brisbane-Pekoa-Honiara flight.

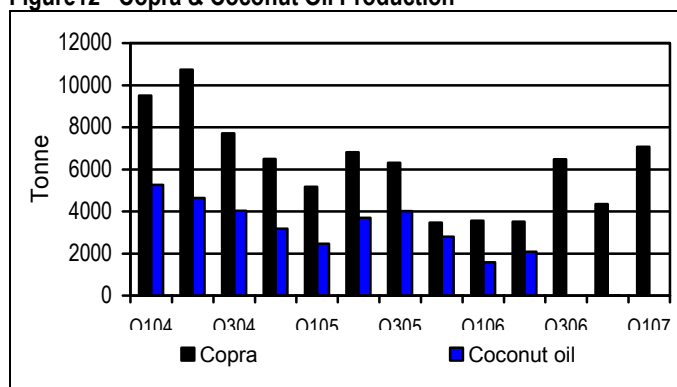
Variation in consumer prices over the previous quarter has shown increases mainly due to high utility costs and government imposing increases in import duty tax for various imported items.

**Copra and Coconut Oil**

Over the first quarter of 2007, copra production increased in from 4,357 tons in the last quarter to 7,066 tons valued at VT188 million. This is higher by 2,709 tons (VT38.1 million) from the same quarter of 2006 after producer's average price increased slightly to VT26,634 per ton over the quarter from an average domestic price of VT18,000 per ton.

Average world price for copra increased from US\$440.6 per ton to US\$498.6 per ton over the first quarter.

**Figure12 Copra & Coconut Oil Production**



Source: VCMB, National Statistics Office

Coconut oil exports decline drastically from the previous quarter which recorded 22 tons of coconut oil. The drop in coconut oil exports follows after the closure of COPV coconut oil mill in Luganville, Santo and as copra were directed to the VCPL oil mill for production of coconut oil bio-fuel and production of coconut by-products such as soap, etc. Average world price for coconut oil increased to US\$754.3 per ton from US\$671.2 per ton.

**Cocoa**

Total cocoa production for the first quarter of 2007 declined to 46 tons, received by the Vanuatu Commodities Marketing Board (VCMB) valued at VT3.9 million from 244 tons of cocoa produced in the last quarter of 2006. This decline was mainly attributed by the seasonality in cocoa production which show production declining in the first quarter whilst high production is expected in the 2<sup>nd</sup> to 3<sup>rd</sup> quarter production. This level of production is however higher by 6.7 tons than the production level recorded in the first quarter of 2006. Average domestic price for cocoa declined to VT86,161 per ton from VT94,702 per ton in the previous quarter. Average world price for cocoa increased to US\$180.3 per ton from US\$160.6 per ton in the previous quarter.

**Domestic Data**

Annual	2002	2003	2004	2005	2006
Real GDP Growth	-7.9	3.2	5.5	6.8	4.0
Annual inflation rate	2.3	2.9	0.8	1.8	1.8
<u>Production</u>					
Copra(t)	25,608	28,925	36,822	21,482	19,462
Cocoa(t)	868	1,346	865	926	1,314
Beef(t)	2,531	3,099	2,984	3,185	2,708
Coconut oil exports (t)	9,856	7,725	17,111	12,967	3,696
Kava exports (t)	601	491	828	686	575
Air arrivals(no.)	49,462	50,400	60,670	62,082	68,179
Cruise arrivals(no.)	49,447	51,995	37,870	63,554	85,922
Hotel Occ. Rate	44.20%	46.50%	51.90%	52.30%	51.5%
Energy Consumption	41,874	41,341	42,849	44,669	45,906

Quarterly	2006				2007
	Q106	Q206	Q306	Q406	Q107

Real GDP Growth	-	-	-	-	-
Inflation rate (yearly)	2.0	2.2	2.9	1.8	3.3
Inflation rate (quarterly)	0.7	0.6	0.2	0.3	2.2
<u>Production</u>					
Copra(t)	3,559	3,516	6,484	4,357	7,066
Cocoa(t)	39.3	653	378	244	46
Beef(t)	540	538	895	735	na
Coconut oil exports(t)	1,588	2,086	-	22	-
Kava exports (t)	123	167	166	119	22
Tourist arrivals(no.)	13,789	15,144	18,712	19,486	16,482
Cruise arrivals(no.)	27,945	19,445	22,506	18,625	18,626
Hotel Occ. Rate (room)	54.00%	45.50%	50.00%	57.6%	na
Energy Consumption	12,274	11,571	11,500	11,460	13,062

Source: National Statistics Office

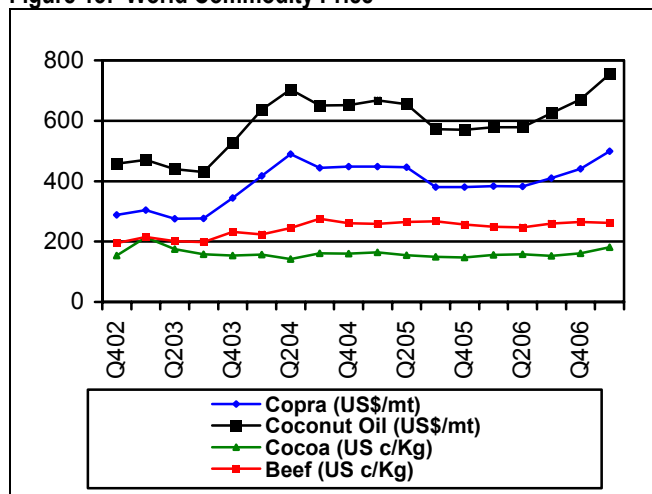
**Kava**

Kava exports over the first quarter of 2007 declined to 22 tons (valued at 32 million) from 119 tons (valued at VT160 million) exported in the previous quarter. This is lower by 101 tons from the same period of 2006. Average world price for beef declined to 261.2 US Cent/Kg from 265.0 US Cent/Kg recorded in the previous quarter.

**Beef**

Total Beef production for the three months ending March is expected to show a slight decline over the quarter. Beef production for Vanuatu Abattoir in Port Vila declined slightly by 4 percent to 305 tons. Although total figures of production is not yet available, the expected output from beef sector is expected to show no change from the same quarter of 2006. Beef export continues to perform competitively in the regional markets as Vanuatu opens is beef export to new markets.

**Figure 13: World Commodity Price**



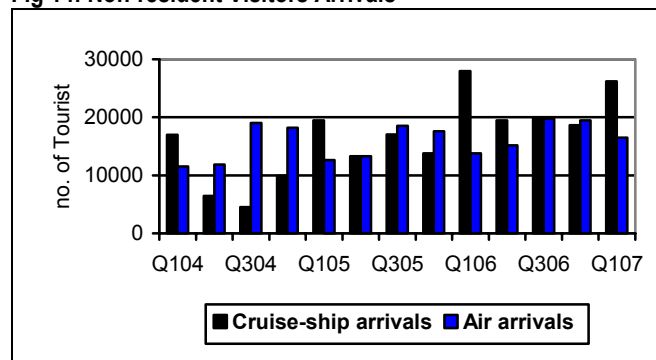
Source: World Bank Commodity Price

**Tourism**

Over the first quarter of 2007, Air arrivals declined by 15 percent from 19,486 in the previous quarter to 16,481 visitors to Vanuatu. This figure is higher than the same period of 2006 by 20 percent. Cruise-ship arrivals increased by 41 percent from 18,625 in the previous quarter to 26,215 visitors to Vanuatu. Air visitors and cruise-ship visitors showed increases of 19.5 percent and 40.8 percent over the same quarter of 2006, respectively. This continues to show the increase in inflow of tourist into the country. Visitor arrivals by country of origin continues to show an increase for the major

markets: New Zealand (63%), Japan (37%), Other Pacific Countries (30%) and North America (25%). Australia continues to remain as Vanuatu's major tourism market, mainly holiday visitors.

**Fig 14: Non-resident Visitors Arrivals**

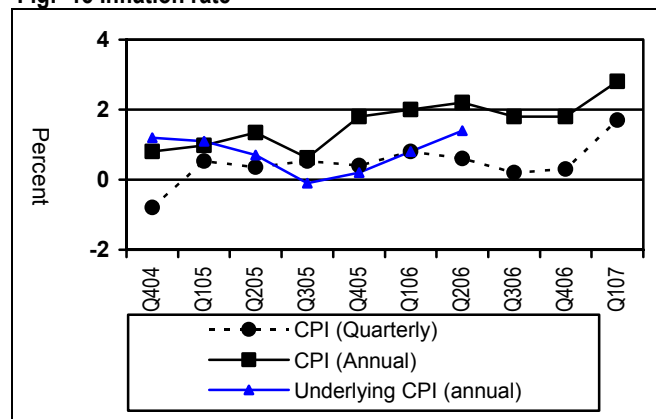


Source: National Statistic Office

**Inflation**

Increases in Consumer Price Index showed Quarterly inflation rate increased from 0.3 percent in the previous quarter to 1.7 percent over the first quarter of 2007. Annual Inflation rate increased from 1.8 percent in the previous quarter to 2.8 percent over the reviewed quarter.

**Fig: 15 Inflation rate**



Source: National Statistics Office

This increase in CPI over the quarter was attributed by the increase in the following expenditure groups: Drinks and Tobacco (6.5%), Food (3.1%), Housing Utilities (2.7%), and Transport & Communication (2.4%), whilst slight increases were shown for Recreational, Education, Health, etc (0.6%), and Household Supplies (0.3%). Clothing & Footwear, etc expenditure group showed a decline by 0.2 percent attributed by the shift in import pattern especially of clothing and footwear towards the Asian countries. The increase in prices

for Drinks & Tobacco arise from the Government imposing increases in import tax of imported Drinks and beverages effective on 1<sup>st</sup> of January 2007.

**4. FISCAL OPERATIONS**

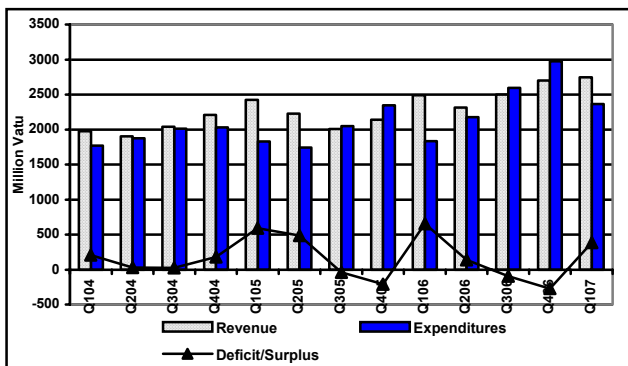
Within the fiscal strategy report for 2007 the Government had indicated that domestic economy is expected to grow by approximately 3.0 percent. Low inflation of less than 3.0 percent with the vatu remaining stable against the basket of major trading partners currencies. Specific budget policies are stable Government, maintenance of macroeconomic stability, strengthening of the capacity of the public sector, political stability and strengthening the institutions of governance.

The Vanuatu government planned to operate a balance budget, borrow domestically by means of bond roll-over and continuing to service public debts in its expenditures. Grant aid will be a major contributor to the budget with the bulk of funding going to development projects and particularly the Millennium Challenge projects.

New revenue initiatives undertaken by the Government are increases in import duties and excise taxes on some imported items, to boost domestic revenue in light of the increase in the overall budget. Improved administrative systems and strengthening of compliance in Government ministries are also expected to contribute to revenue collection couple with another positive economic growth.

The Vanuatu Government operated a budget surplus of Vt384.1 million for the first three months of 2007 compared to a higher surplus of Vt657.3 million during the corresponding quarter of 2006. Net claims on Government (NCG) with the commercial banks and the Reserve Bank of Vanuatu had improved. This improvement is attributed to the Government maintaining high deposits in its accounts.

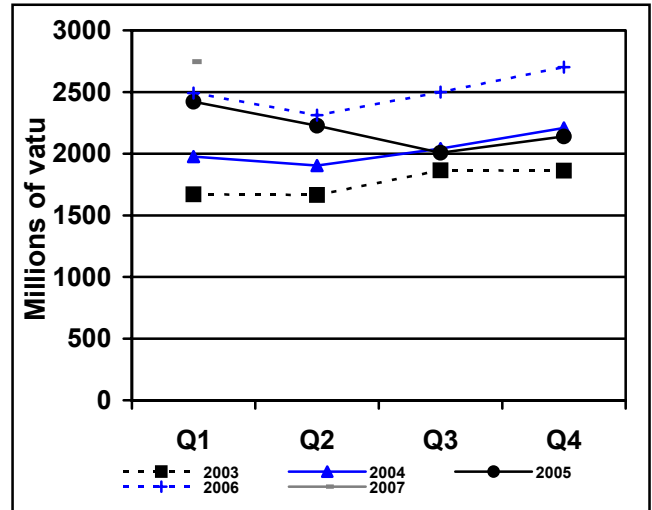
**Figure 16: Government Expenditures and Revenue.**



**Revenue**

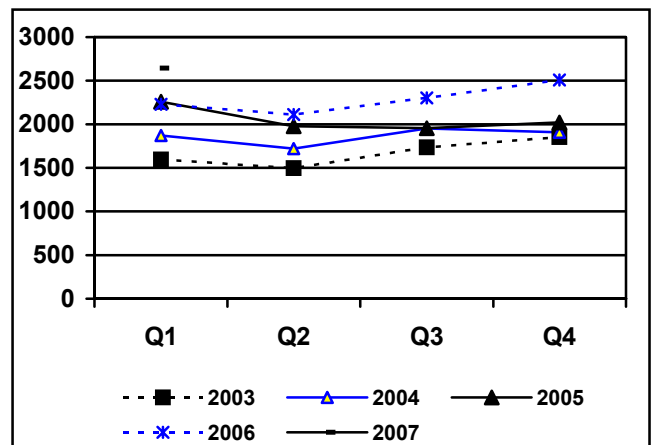
Total Revenue and grants collected for the reviewed quarter increased by 10.2 percent from the corresponding quarter of 2006. Total recurrent revenue collected for the first three months accounted for 25.1 percent of the budget. The good performance of revenue collection had resulted from compliance by Government departments and the private sector and good economic conditions.

**Figure 17: Revenue and Grants**



Revenue collection from taxes continues to dominant with 91.6 percent of total recurrent revenue. Tax revenue collected for this quarter increased by 18.6 percent from the level attained for the same quarter of 2006. Improvements can be observed in VAT collection by 22.8 percent and import duties by 22.6 percent over the corresponding quarter of 2006.

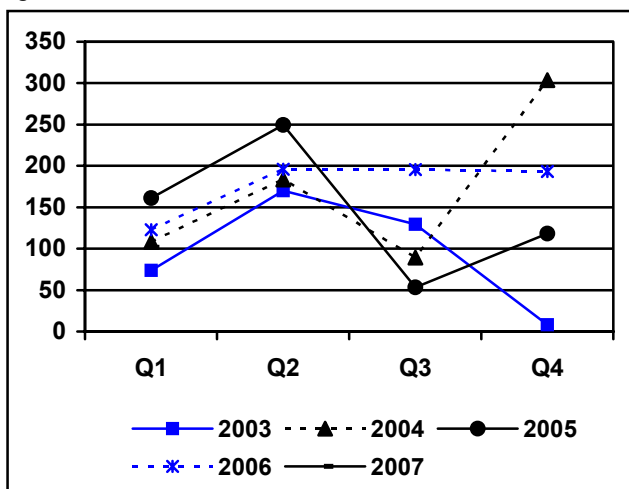
**Figure 18: Domestic Revenue**



Non tax revenue also improved from the level attained in same period of 2006 by 16.4 percent.

Total non tax revenue collected for the year fell below the quarterly allocation in budget. However, it is expected to pick up during the remaining months of the year.

Figure 19: Grants



Grants received for the review quarter totaled VT101.7 million. Grant aid received for this quarter is lower by 61.2 percent compared to the same quarter of 2006. The Government is expected to receive a large amount of grant aid this year resulting for Millennium Challenge projects.

**Expenditures**

Total outlay for the review quarter increased by 28.7 percent compared to the corresponding quarter of 2006. Noted increases were due principally to goods and services by 40.2 percent, subsidies and transfers by 25.9 percent and development expenditures by 37.5 percent.

Total recurrent expenditures to date totaled 21.0 percent of the budget, which is slightly below the allocation for the year.

By economic classification, salary and wages which accounted for 61.9 percent of total recurrent expenditures increased by 41.8 percent from the corresponding quarter of 2006. This increase is attributed to the implementation of the government remuneration tribunal decision across all sectors of the Government.

**Financing**

Continuous tight fiscal control by the Department of Finance had ensured that the Government had not undertaken any

new borrowings or even resorted to the overdraft facility with the Reserve Bank of Vanuatu. However, the Government had retired VT120 million in bond holding that matured in January.

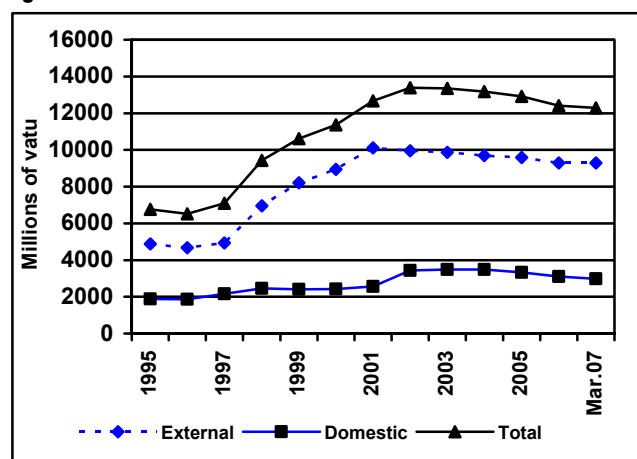
Financing of shortfall in Government cash position were undertaken from own sources as using up funds within its own deposits both from the commercial banks and the Reserve Bank of Vanuatu. Two instruments commonly utilized by the central government to finance its deficits are borrowing and resorting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

**Outstanding Government Debt**

Total outstanding external debt of the country estimated at VT12.3 billion is approximately 26.5 percent of nominal GDP. From this total, an estimated 75.7 percent consisted of external debt.

Domestic debts in terms of bond holding had decreased to VT2,982.9 million. From the total bond holding, corporate bodies have a share of 51.3 percent, the RBV 28.9 percent, commercial banks 19.7 percent, and others 0.1 percent.

Figure 20: Public Debt



Total external debt of the country stood at approximately VT9,298.0 million. The Government has not indicated in the 2007 budget to take up new debts given the high amount of domestic debt that will mature in 2008.

**5 MONETARY DEVELOPMENTS**

Broad money, expanded less rapidly by 1.3 percent during the March quarter 2007, as compared to 2.5 percent during the December quarter of 2006. The slowdown in growth reflected a contraction in the net foreign assets of the banking

system. Domestic credit on the other hand registered an expansion during the quarter. Money supply noted a year-on-year growth of 6.4 percent, yet this growth rate was slowing down as compared to the previous year's growth.

Commercial Banks liquidity<sup>1</sup> continues to build up in the system during the quarter. This buildup in liquidity follows the Monetary policy Committee's decision during their meeting in January 2007 to reduce the volume of open market operation awaiting the outcome of the current review of the monetary policy framework undertaken by the Bank. This reduction in OMO allows for competition amongst players in the OMO market therefore assist in driving down short term interest rates during the quarter. Commercial banks are furthermore responsive to the current liquidity overhang by reducing respective deposit interest rates on various maturities of fixed deposits. On the other hand lending rates have somewhat increased from the previous quarter.

The Board of Directors of the Reserve Bank during their meeting at the end of March 2007, agreed to maintain the monetary stance of the Bank by upholding the rediscount rate at 6.00 percent.

**5 ( i ) Determinants of Money Supply**

**Net Foreign Assets**

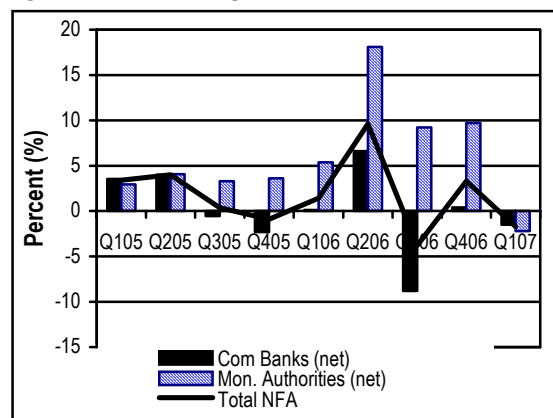
The net foreign assets of the banking systems shed 1.7 percent in the reviewed quarter. This followed a growth during the previous quarter, fuelled by substantial net foreign exchange inflows from abroad. The drop was attributable to declines in the NFA holdings of both the monetary authorities and commercial banks during the quarter. Over the year to March 2007, NFA noted an increase of 7.1 percent.

After having been expanding over the fourth consecutive quarters of 2006, the NFA of monetary authorities recorded a decline of 2.2 percent during the reviewed quarter. This decline occurred as the Reserve Bank has continued to witness net foreign exchange outflows during the first three months of 2007, as the sale of foreign exchange continue to exceed purchases. Bulks of these outflows were destined for import financing, followed by Government foreign debt service, and expenses of the Bank. Despite substantial outflows witnessed during the quarter, the country's level of official reserves were yet comfortable, provided that these reserves are sufficient to cover 8.33 months of the country's import bills as compared to a comfortable limit of 4 months. A

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

strong growth of 38.4 percent was also recorded against the same quarter of 2006

**Figure 21: Net Foreign Assets**



The NFA of Commercial Banks has also contracted by 1.5 percent during the quarter under review. This decline stemmed from a fall of 3.8 percent in their foreign assets held by overseas banks which outweighed the decline in their foreign liabilities. A share of this decline was also attributed to a fall in commercial banks liabilities to residents, with regards to resident's deposits in foreign currency. Demand deposits of residents in foreign currency declined as a reflection of import financing during the quarter. Commercial banks NFA further more noted a decline of 3.9 percent from the corresponding quarter of last year.

**Domestic Credit**

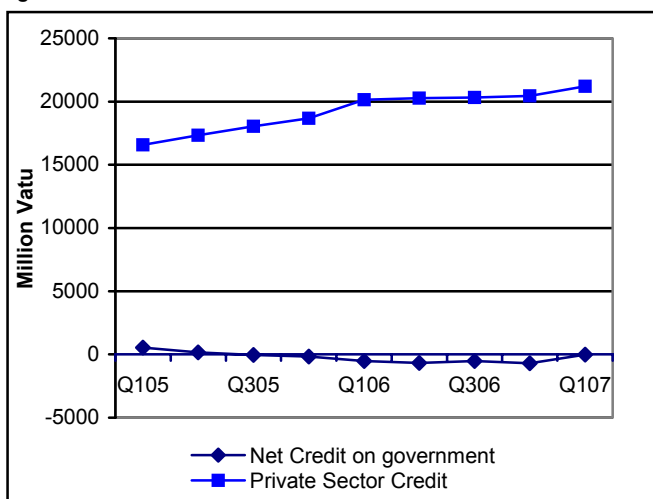
Domestic credit witnessed a further growth of 3.1 percent during the reviewed quarter. This trend fuelled from growths in private sector credit, credit to non-financial public enterprises and credit to municipalities. Net claims on the government on the other hand noted a decline during the quarter. Domestic credit in addition expanded by 4.1 percent against the level recorded over the corresponding quarter of 2006.

Net credit to the Government vis-à-vis the banking system slightly declined by 17.0 percent, during the reviewed quarter. This declined mainly stemmed from an improvement in the Government's net lending from Commercial banks, as the Government retired one of its bonds worth VT120 million in January 2007. The Government's net lending from the monetary authorities on the other hand noted a trivial increase during the quarter; this was so as Reserve bank's claims on the Government, with regards to its holdings of



government non interest bearing notes increased by VT17.9 million from the previous quarter.

Figure 22: Domestic Credit



This increase however outweighs the quarterly growth of 1.6 percent in government deposits held with the Reserve bank. This trend signified that the Government keeps accumulating its deposits with the Reserve bank to cater for its spending. Net credit to the government vis-à-vis the banking system also declined from the level recorded during the March quarter of 2006.

Private sector credit growth picked up again during this quarter, after slow down in growths was recorded over the four consecutive quarters of 2006. This trend indicated that commercial banks have enhanced their credit expansion to accommodate for loans that were in the pipeline. The growth of 3.6 percent in private sector credit stemmed from increases in credit recorded by respective categories of borrowers. Loans and advances granted to businesses went up by 2.4 percent, to individual and households, 5.4 percent, while that to other categories, 12 percent. Over the year private sector credit expanded by 5.3 percent, signifying that the economy is yet growing at a positive rate since the previous year.

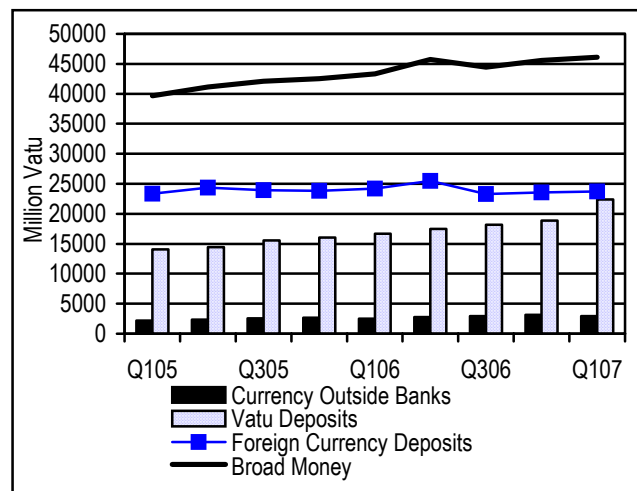
With respect to credit to various productive sectors of the economy, sectors which obtained increases in credit during the quarter were; fisheries with 19.8 percent, manufacturing (0.8%), distribution (2.3%), tourism (2.9%), and transport (11.3%). Personal loans have also recorded increases in credit, of which housing and land purchases noted an increase of 5.9 percent, while other personal loans 7.0 percent. The increase in credit to housing and loans reflected the current reduction in interest rates on housing and land loans by one commercial bank at the end of the quarter.

Of all the total credit extended during the quarter, housing and land loans grab the lion's share of total loans with 27 percent; this reflected the reduction in housing lending rates as mentioned above. Personal loans consumed the second largest share of loans by 17 percent, signifying the increasing level of personal consumption of borrowers. The third largest share was obtained by the tourism sector with almost 11 percent; this trend coincided with the increase in the number of tourism arrivals during the quarter. The fourth largest share of 10.4 percent was attained by the distribution sector.

**Components of Money Supply**

Money supply growth reached VT43,131.2 million at the end of the reviewed quarter. This growth was attributed to quasi-money growth; narrow money on the other hand recorded a slight reduction in growth.

Figure 23: Money Supply



Narrow money noted a slight decline of 0.7 percent during the quarter. This fall stemmed from offsetting movements in its components, of which a large decline in currency outside banks outweighed the growth in demand deposits. Currency outside banks fell by 7.5 percent during the quarter, subsequent to the usual high seasonal pattern at the end of the December quarter. The growth of 1.0 percent in demand deposits fuelled mainly from its denomination in local currency which increased by 6.0 percent. Demand deposits denominated in the foreign currency in contrary contracted by 3.3 percent during the quarter. The expansion in the level of demand deposits denominated in local currency reflected the domestic demand for currency to cater for the economic transaction taking place within the economy. This is moreover reflected in the pickup in private sector credit during the quarter. Demand deposits in foreign currency contracted as

residents are utilizing their deposits to accommodate for overseas trade in particular reflecting high demand for imports during the quarter. Narrow money moreover expanded by 7.3 percent from the corresponding quarter of 2006.

Quasi-money expanded further by 2.3 percent during the quarter. This expansion fuelled from increases witnessed by its components, of which time and savings deposits denominated in both the local and foreign currency grew by 2.1 percent and 2.4 percent respectively. The development indicated that residents have increased their investment in interest bearing deposits during the quarter regardless of declining interest amidst the current period of liquidity overhang in the system. The expansion in time and savings deposits denominated in foreign currency reflected attractive interest rates offered abroad. Quasi-money in addition grew by 6.0 percent from the previous year's level.

**Deposits with Commercial Banks**

Resident's total deposits (exclusive of Government deposits) deposited with commercial banks have increased during the quarter by 1.9 percent to level at VT43212.6 million. Personal deposits of individuals and joint accounts hitherto acquired the bulk share of total deposits with 45 percent; the second largest share of 42.0 percent was attained by private sector companies, partnerships and individuals relating to business enterprises. Deposits of non-financial public enterprises claimed the third largest share of deposits with almost 8.0 percent, while the fourth largest share of almost 5.0 percent was grabbed by Others, such as non-government organization, churches and other non-profit organizations. The least share of 0.1 percent was retained by the municipalities.

**Interest Rates**

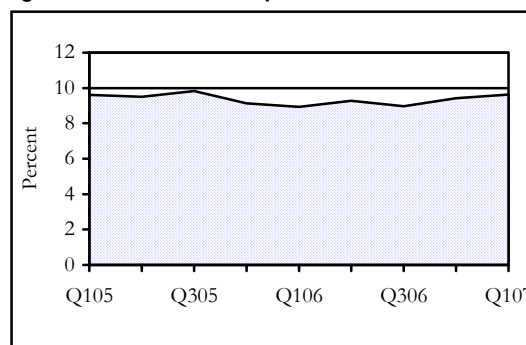
Excess liquidity of Commercial banks has continued to build up in the banking system. In order to subsidize for the cost of holding free reserves, commercial banks in general have increased their lending rates, while their fixed deposits rates have been reduced during the quarter. The weighted average rate of interest for fixed deposits declined by 0.27 basis points to 4.33 percent. Nonetheless, the weighted average rate of interest on current account deposits and savings deposits have increased by 0.33 basis points and 0.18 basis points, respectively. The aforesaid upward movements in interest rates instigated the overall weighted average rate of interest for total banks deposits to increase by 0.11 basis points to 2.00 percent during the reviewed quarter.

As shown on table 9, commercial banks in general have increased their advances interest rates on commercial and personal loans during the quarter. These upward movements in interest triggered the weighted average rate of interest for bank loans to further increase by 0.29 basis points to 11.63 percent during the quarter. The inter-bank rates were maintained at 5.50 percent.

**Interest Rates Spread**

The consequences of the upward movement in both the weighted average rate of interest for total bank deposits and total bank loans caused interest rates spread to widen further from 9.41 percent during the previous quarter to 9.63 percent in the reviewed quarter.

**Figure 24: Interest Rate Spread**



**Reserve Money**

Reserve money<sup>2</sup> noted an additional growth of 5.6 percent to that recorded over the previous quarter. In addition, a substantial growth of 47 percent was recorded over the year to March 2007. The expansion in Reserve money during the quarter was attributed largely to excess reserves which recorded a substantial increase of 47.6 percent and to a lesser extend, SRD which increase by 2.0 percent. Currency issued on the other hand noted a decline from the seasonality high level at the end of the previous quarter. The exceptionally high increase in excess reserves reflected the Monetary Policy Committee's (MPC) decision during its meeting in January 2007, to reduce the volume of new RBV notes issued awaiting a review of the monetary policy framework of the Bank.

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

Figure 25: Components of Reserve Money

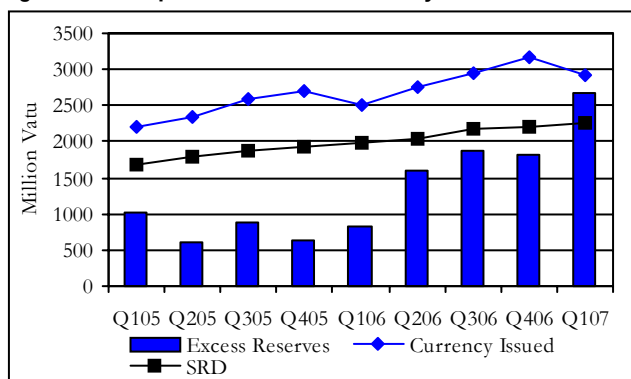
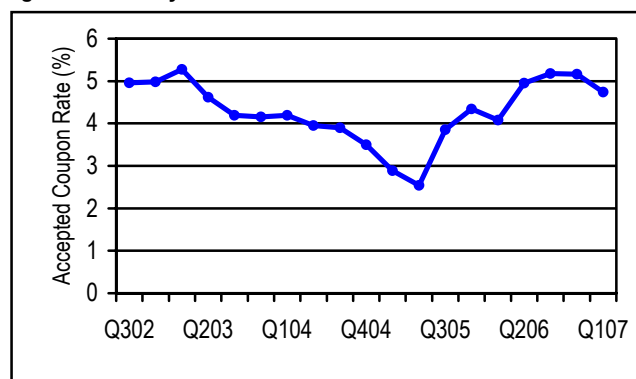


Figure 26: 91-days RBV Notes Yield



5 (ii) DOMESTIC MARKET DEVELOPMENT

Open Market Operation

The Reserve Bank has undertaken an exercise to review its monetary policy framework over the first quarter of 2007. In effect, it temporarily reduced the volume of its open market operations down to a standard VT100 per issue exclusively for the term of 14 days to 91 days. Liquidity, however, remained high in the domestic banking system during the period. This is expected to drop once the review is complete and the Bank’s monetary policy operation returns to normal.

Over the quarter, total allotment made decreased to VT1,365 million during the quarter from VT2,100 million over the previous quarter as follow: VT225 million to 14-days; VT275 million to 28-days; VT275 million to 63-days; VT295 million to 91-days; VT200 million to 119-days; and VT100 million to 182-days. The total RBV notes outstanding stood at VT1,130 million at the end of the quarter compared to VT1,659 at the end of the previous quarter.

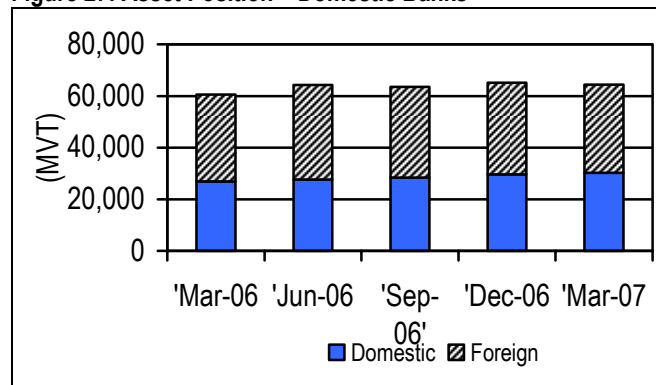
Compared to the fourth quarter of 2006, the yields on RBV notes for 91 days maturity dropped to 4.74 from 5.16 percent at the end of the previous quarter. It however remained high when compared to the first quarter of 2006 – recorded at 4.16 percent.

6 BANKING SUPERVISION

DOMESTIC BANKS

Balance Sheet

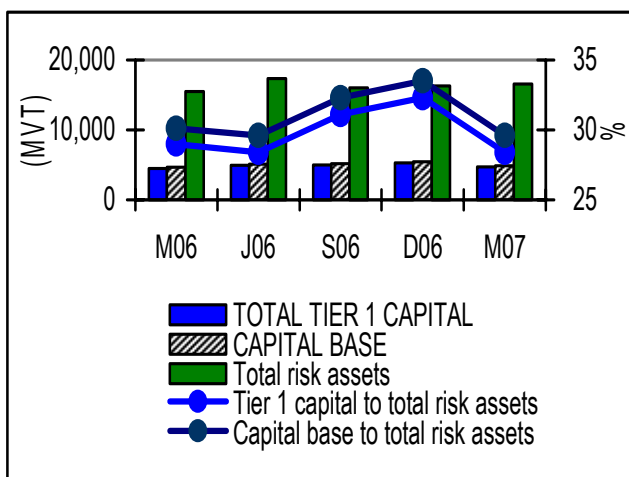
Figure 27: Asset Position – Domestic Banks



Balance sheet footings of the industry over the quarter ending March 2007 depict a slight drop of 0.97 percent to Vt64.5 billion (Vt65.1 billion: Dec-06). On the assets side, the decline was mainly attributable to a 3.3 percent drop in foreign assets to Vt34.3 billion (Vt35.4 billion: Dec-06). The decline in foreign assets was mainly attributable to a drop in balances due from banks by 3.4 percent to Vt33.2 billion (Vt34.3 billion: Dec-06) over the quarter. Domestic assets however increased slightly by 1.8 percent to Vt30.2 billion (Vt29.7 billion: Dec-06).

Liability position of the industry (excluding capital) also decreased slightly by 0.1 to Vt58.0 billion (Vt58.1 billion: Dec-06). The decrease was driven mainly by a decline in foreign liabilities by 6.4 percent to Vt12.6 billion (Vt13.5 billion: Dec-06). Domestic liabilities on the other hand increased by 1.9 percent to Vt45.4 billion (Vt44.6 billion: Dec-06).

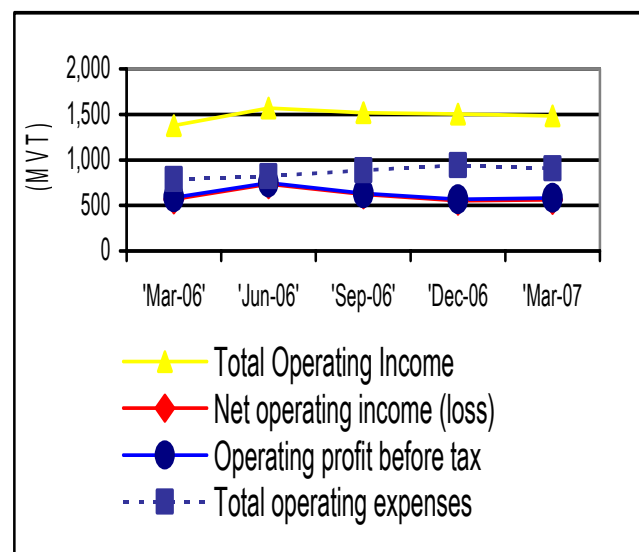
Figure 28: Capital Adequacy & Tier 1 Ratio



The industry's capital base dropped by 10.2 percent to Vt4.9 billion (Vt5.5 billion: Dec-06). The decrease was mainly attributable to a decline in disclosed reserves and retained earnings by 12.7 percent to Vt3.9 billion (Vt4.4 billion: Dec-06). Total risk assets increased by 1.6 percent to Vt16.6 billion (Vt16.3 billion: Dec-06).

As a result of a drop in the industry's capital base and an increase in its total risk assets, the industry's capital adequacy ratio dropped from 33.5 percent during the December 2006 quarter to 29.6 percent during the reviewed quarter. Tier 1 ratio also dropped from 32.3 percent (Dec-06) to 28.4 percent (Mar-07). Despite these drops, the industry continues to remain well capitalized.

Figure 29: Earnings – Domestic Banks

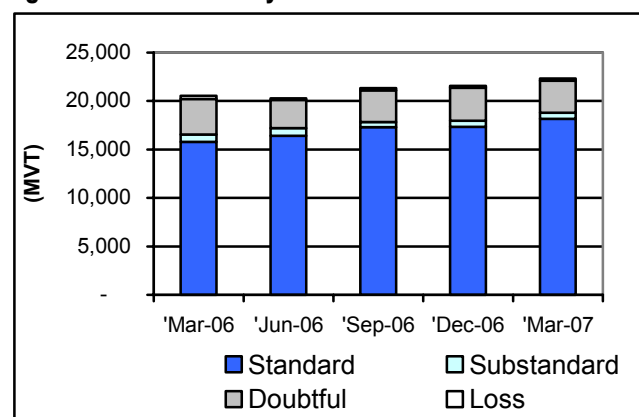


Operating profit before tax, write offs & provisions of the industry increased by 2.4 percent to Vt579.7 million (Vt565.9 million: Dec-06). The increase in operating profit was attributable to a 5.8 percent drop in operating expense to Vt434.5 million (Vt461.6 million: Dec-06), and a slight increase of 0.3 percent in net interest income to Vt568 million (Vt566.6 million: Dec-06).

While taking into account provisions of Vt24 million and a Vt6.7 million worth of bad debts written off over the reviewed quarter, net profit was reported at Vt562.4 million (Vt550.8 million: Dec-06).

Return on asset (ROA) increased from 0.88 percent (Dec-06) to 0.89 percent (Mar-07). Similarly, return of equity (ROE) increased from 8.3 percent (Dec-06) to 8.6 percent (Mar-07).

Figure 30: Asset Quality – Domestic Banks

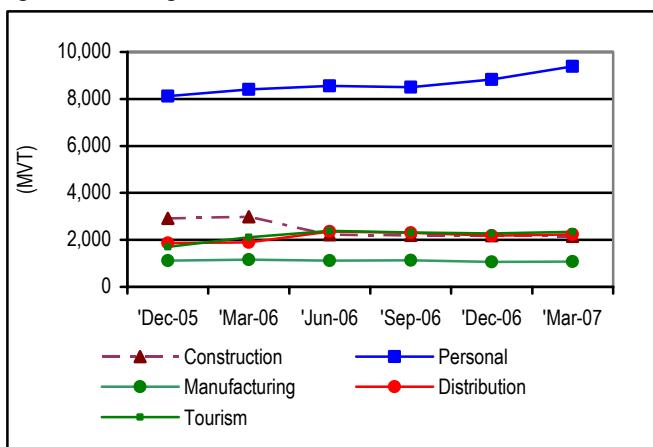


The industry's total lending increased by 3.5 percent to Vt22.3 billion over the quarter (Vt21.6 billion: Dec-06). The increase mainly relates to standard loans which grew by 4.7 percent to Vt18.2 billion (Vt17.3 billion: Dec-06). Standard loans accounted for 81.3 percent of total loans, while substandard, doubtful and loss loans accounted for 2.8 percent (Vt625 million), 14.9 percent (Vt3.3 billion) and 0.9 percent (Vt211 million) of total loans respectively.

Impaired assets (non performing loans) dropped by 1.8 percent to Vt3.5 billion (Vt3.6 billion: Dec-06). The decrease reflects the reclassification of doubtful loans to substandard and standard loans over the quarter. As a result, both substandard loans and standard loans increased by 0.4 percent and 4.7 percent respectively.

The decrease in impaired asset has led to a decline in specific provisioning by 1.8 percent to Vt896.3 million (Vt912.8 million: Dec-06), whilst general provisioning increased by 97 percent to Vt63.3 million (Vt32.1 million: Dec-06). Security held by banks also increased by 2.7 percent to Vt13.4 billion (Vt13.0 billion: Dec-06).

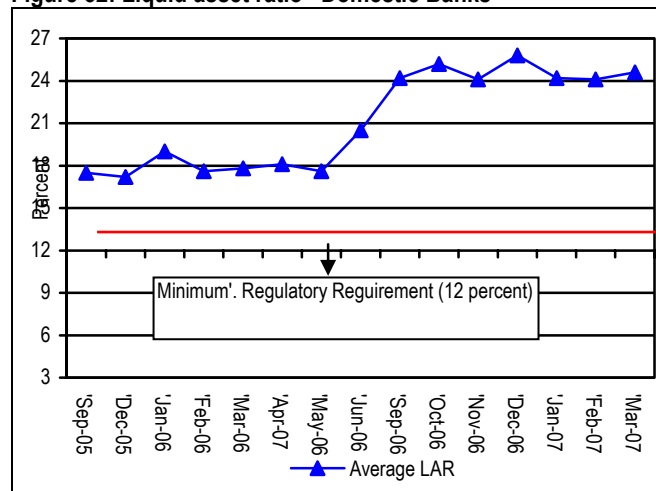
Figure 31. 5 Largest Sector Claims Domestic Banks



The industry's major sectoral lending remained to the personal sector (Vt9.3 billion) accounting for 43.9 percent of the total lending book. This is followed by the tourism sector (Vt2.3 billion) 10.9 percent, distribution sector (Vt2.2 billion) 10.4 percent, construction (Vt2.1 billion) 10.1 percent, and manufacturing (Vt1.1 billion) 5.0 percent.

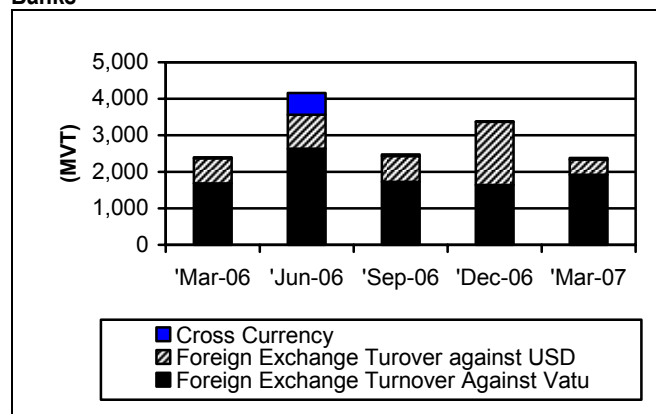
During the quarter, lending to personal recorded the highest growth of 6.3 percent followed by tourism 2.9 percent and distribution 2.3 percent. Lending to the construction and manufacturing sector also increased by 1.3 percent and 0.8 percent respectively.

Figure 32: Liquid asset ratio – Domestic Banks



Liquid asset ratio (LAR) position of the industry is maintained well above the regulatory requirement at 24.6 percent as at end March 2007.

Figure 33. Foreign Exchange Turnover Position of Domestic Banks



The industry's total foreign exchange turnover for the quarter under review declined by 29 percent to Vt2.4 billion (Vt3.3 billion: Dec-06). The decline is attributable to a decrease in foreign exchange turnover against the USD currency by 75.3 percent to Vt425.7 million (Vt1.7 billion: Dec-06). On the other hand, foreign exchange turnover against the Vatu currency and cross currency rose by 18.1 percent and 344 percent to Vt1.9 billion (Vt1.6 billion: Dec-06) and Vt41.8 million (Vt9.4 million: Dec-06) respectively.

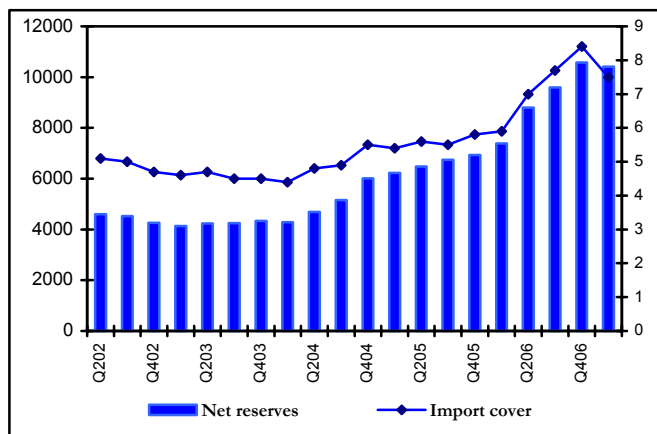
7 BALANCE OF PAYMENTS

Development in the Balance of payments for March quarter of 2007 was reflected in the reduction of official international

reserves by 145MVT from last quarter. Along this line, there was also a shift in the monthly import cover from 8.5 to 7.5 due to large import bills expected for 2007. The economy continues to expand given the magnitude of domestic activities currently ongoing and expected this year. The Reserve Bank is obliged under its policy objectives and implementations to maintain a minimum target level of 4 months of import cover. As one of the vital key indicators of monetary stability, the Bank is comfortable with the current level and continues to monitor developments.

The Current account deficit had increased significantly during the review period. Although, the trade deficit was reduced by 20 percent in addition to the surplus in services account, this could not both offset the dividends and distributed branch profits remitted abroad which stood as the main contributing factor to the deteriorating current account. Despite this level of deficit financing was more than adequate.

Figure 34: Net Reserves and months of import cover



**Merchandise trade**

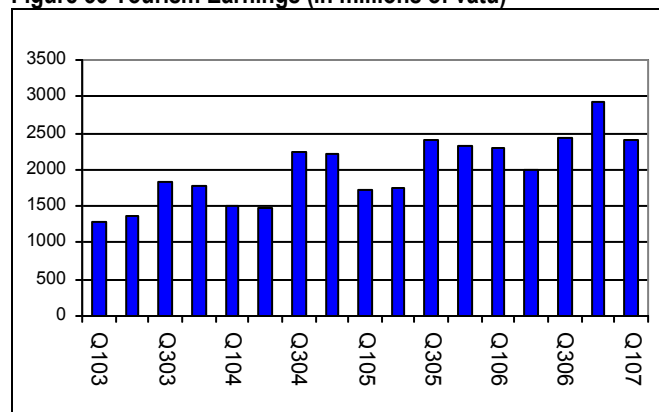
The reduction in trade deficit during the quarter was caused by large decrease in imports than exports. Imports dropped by 31% (MVT1591) and exports also down by 480% (MVT803). Exports earnings for this quarter is the lowest ever recorded since 2000 with no exports recorded for the major export commodities such as copra, cocoa and coconut oil. Kava and beef earnings were both dropped significantly by 80% and 96% respectively.

All imports items recorded a decrease except for mineral fuels which rose by 20 percent during the quarter. While imports for quarter 1 is seasonally low, it is expected to rise for the rest of the year. The effect of the public servants wage rise, MCA project goods and in addition to the appreciation of vatu against the USD all contribute in one way or rather to the upsurge.

**Services Account**

Inward travel or tourism earnings are the main source of surplus of the services account. The surplus in net services dropped by 9 percent in March quarter reflecting decreases in visitors arrival in particular those from Australia and New Zealand.

Figure 35 Tourism Earnings (in millions of vatu)



Transportation, finance and government services, all recorded increase.. It is important to note that the appreciation of the Australian dollar and depreciation of USD against the vatu do contribute to the net impacts of the services account.

**Income Account**

Movement in world interest rates has also impacted on investment income accounts of Vanuatu. Investment on AUD and NZD have yield well in March given the attractive interest rates of the two currencies and the appreciation of their exchange rates. However, loss from USSD investments contribute to the reduction in Vanuatu's income by 14%. This channelled mainly from deposits and loans.

March quarter also recorded significant dividends and distributed branch profits of foreign direct investment enterprises and had shift the income account into large deficits.

**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 was slightly low in March reflecting low cash grants, however other official transfers depicted an increase due to the significant inflow from the shipping registry in every first quarter. Payments for government was high, due to payments of subscription and

membership fees to other international organisations.

### Capital and Financial Account

Estimated capital account for this period saw a increase in project funded 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 and are usually used as source of financing to the balance of payments. In March quarter, a substantial increase in foreign direct investment was recorded both in terms of fresh investments and reinvested earnings. This stood as the main contributing factor to the expansion of the financial account. On other investment, assets and liabilities both netted off as withdrawal of foreign assets matched up the reduction of liabilities.

### Medium Term outlook

In medium term (2007/2008), the current account is expected to improve through services accounts and donor grants. 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 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 7 months of import cover at end 2007 and 6 months in 2008.

### International Investment Position

By end March 2007, Vanuatu's International Investment Position (IIP) expanded its net borrowing position to VT13214 million, from VT11780 million at end December 2006. The new position reflected a reduction in assets and expansion of liabilities, in particular Foreign direct investment.

## 8 EXCHANGE RATES

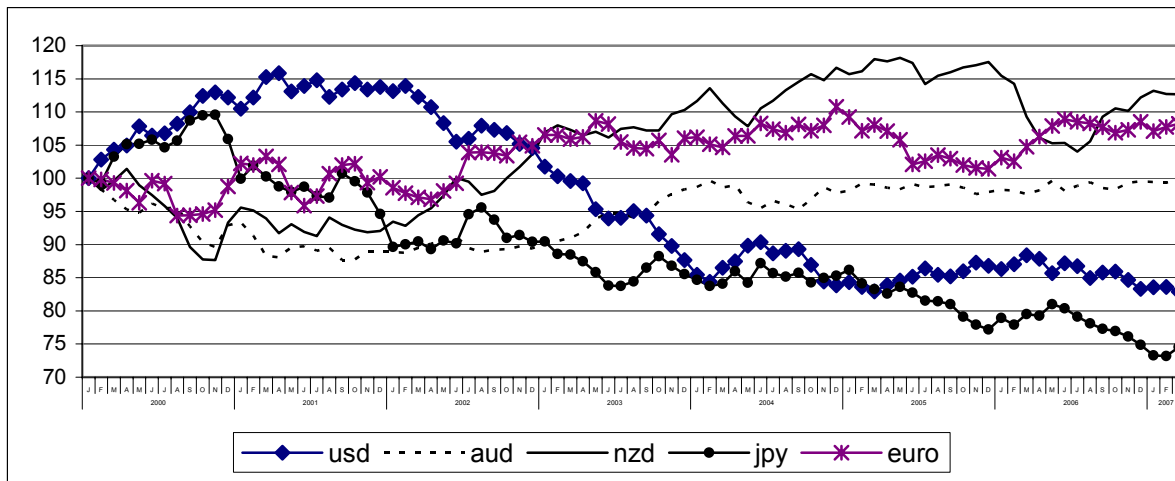
Exchange Rate Developments for March 2007 quarter continue to reflect developments in international markets While a soft landing is still the central scenario, forecast growth for the United States in 2007 has been marked down to 2.2 per cent due to a deeper than expected downturn in the housing sector. The Euro area is growing at its fastest pace in six years – largely driven by Germany. Growth is pleasingly employment and production based. The recovery in Japan is regaining pace after a mid-year pause. Growth of 2.2 per cent is expected for this year – the same as in 2006. This developments had impacts on the exchange rate between major currencies and is reflected on the vatu.

The developments at end quarters, vatu exchange rate over the month shows the Vatu loss grounds to the AUD by 0.07%, and Euro by 2.08% while it strengthen against US dollar by 1.47% and Euro by 1.34%. As compared to March last year, the vatu loss ground to AUD, NZD and Euro, except for the US dollar.

Exchange rate of vatu against major trading partners' currencies

Period	USD	GBP	AUD	JPY	NZD	EUR
Closing rate on 31.03.07	105.1	206.23	84.79	0.8903	75.14	140.13
Closing rate on 30. 12. 06	106.48	209.52	84.12	0.8952	75.09	140
Closing rate on 31.03.06	114.49	200.03	81.85	0.9758	70.15	139.32
Quarterly % Change	-1.3	-1.6	0.8	-0.6	0.1	0.1
Yearly % Change	-8.9	3.0	3.5	-9.6	6.6	0.6
Low for 3rd Quarter -2007	104.88 27/3	206.23 30/3	83.53 13/3	0.8757 27/1	73.51 9/2	138.51 23/1
High for 3rd Quarter -2007	108.12 5/1	212.63 7/2	84.95 27/3	0.9367 6/3	75.4 27/2	142.025 8/3

Exchange rate of vatu against major trading partners' currencies index 2000=100





CHRONOLOGY OF MAJOR EVENTS

NO.	BRIEF DESCRIPTION OF MAJOR EVENTS	EFFECTIVE DATE
1.	<p>The Minister of Agriculture, Marcellino Pitpite confirmed that the curriculum for Vanuatu Agriculture College has been developed based on the needs of local farmers and agriculture producers. He says one of the areas that the college will focus on is about processing produce into value-added-products for exports and local consumption. The curriculum of the college will be launched by the government on the 26<sup>th</sup> January 2007 after the inception of this project in 2003 under the funding of the Chinese government as a gift to the people of Vanuatu (<i>Source: Vanuatu Daily Post, 18<sup>th</sup> January, 2007</i>)</p>	18 <sup>th</sup> January, 2007
2.	<p>The oil tanker Maohi arrive in Santo supplying for the first time the SSP oil terminal with 400 tons of Premium unleaded and 1,000 tons of mazut. The ship has a capacity of 45,000 ton and is controlled by a Pacific Island Oil Company, Societe de Services Petroliers (SSP). SSP, a New Caledonian company, recently bought the Shell downstream activities in Vanuatu, New Caledonia and French Polynesia. And a deal was signed by SSP, on 20<sup>th</sup> December 2006, for the purchase of the Mobil Oil business in Port Vila. Maohi will stop at Santo every 45 days, supplying the SSP Santo terminal with a storage capacity of 5,000 tons. SSP is close to completing the purchase of Mobil terminal in Port Vila (storage capacity 4000 ton) (<i>Source: Vanuatu Independent 21<sup>st</sup> January 2007</i>)</p>	21 <sup>st</sup> January, 2007
3.	<p>Parliament has substantially increased import duty on alcohol, small engine cars and some basic food items. This may raise substantial additional revenue for the Government. Parliament has reduced Stamp Duty on land transfers from 5% to 2% at the same time it has effectively increased land transfer registration from 2% to 5%. These may present some planning opportunities. At the end of December the Government gazetted an Amendment Act passed in 2004 which dramatically increases the cost of land purchases. It imposes a 35% tax to the Government on new subdivision and strata title land leases; up to 18% payment to the custom owner on the sale of rural land and an annual 1 % tax on the market value of all rural titles. None of these taxes/fees existed before and there was no consultation with interested parties. Strong protests have resulted in the government reconsideration. (<i>Source: PITCO, Vanuatu Update, Jan/march 2007</i>)</p>	January 2007
4.	<p>A group of Chinese airport experts has been in Vanuatu on a fact-finding mission meeting various Government Ministries and officials. The 11-member delegation included the Ambassador for Vanuatu in China, His Excellency Lo Chi Wai. The main objective for the Chinese delegation's visit was to get first hand information on international airport development in the country following a request by the Vanuatu Government for assistance to develop an international standard airport</p>	1 <sup>st</sup> February, 2007

that would cater for bigger and wider body aircrafts. The experts were from the CMEC and Airport Group of Hainan Airline of China. Upon the meeting, the Minister for Public Utilities, Edward Nipake Natapei who revealed that it was the Government's intention to either upgrade one of the existing international airports ( Pekoa, Bauerfield or Whitegrass), or to build a completely separate international airport to be able to service bigger planes. However, with the limited resources the Vanuatu Government was seeking assistance from its partners to assist in the project and the visit by the experts from the Hainan Airline Group was timely. Other projects that were generously funded by the government of the Peoples Republic of China were the Parliament House, the USP Emalus Campus and the Agriculture College which has recently been opened. (Source: *The Vanuatu Daily Post* 1<sup>st</sup> February, 2007)

5. Unelco Suez has undertaken an ambitious program of renewable energies aiming at reaching 26% of the needs of the country by 2010. The program includes the use of coconut oil, hydroelectricity, biomass and wind energy, Unelco Company in Port Vila publicly announced yesterday. The current project consists in the construction of a 275 kW wind turbine at Devil's Point. The Turbine is manufactured in France by Vergnet Company. By 2010, a wind farm consisting of 10 such turbines will be constructed with a total capacity of 2750 kW. Jon Chaniel, Managing Director of Unelco confirmed the 1<sup>st</sup> wind power turbine will be inaugurated in early April, 2007. (Source: *The Vanuatu Daily Post*, 20<sup>th</sup> February 2007) 20<sup>th</sup> February, 2007
  
6. The European Union announced its significant move to boost the hospitality sector in the pacific region by injecting a 280 million Vatu for the consolidation of the new Vanuatu Tourism Education and Training Project at the Vanuatu Institute of Technology. The facility is undoubtedly modern, fully fitted stimulating a real-life hotel environment. Classrooms, digital instructional equipment and staff quarters cater to 12 students at a time. This institute will ultimately form part of the Australian promoted Pacific Technical College and students from all over the region will be trained here. The launching and construction were proceeding at a hectic pace. This first serious attempt to bring service industry training in hospitality sector should contribute to quality human resources development in sector so vital to the economies of the islands. (Source: *Nadkarni.D, The Island Business, March 2007*) March 2007
  
8. The Government has introduced a Telecommunications Policy Statement with a view towards promoting user and investor confidence in the sector. The Minister of Public Utilities Edward Natapei said the aim of the policy paper is to create a favorable climate for fair competition at all levels of the society and with this, has set up a Utilities Regulatory Agency to monitor rates to make sure they are affordable for the users. AusAID will provide a telecommunications consultant to help the Government side while the World Bank will provide a neutral expert to "arbitrate" between the two in negotiations. 30<sup>th</sup> March, 2007

The Policy statement will make it possible for the Government to negotiate with the current service providers (e.g. Telecommunications Vanuatu Limited) to agree on how to introduce competition into the market. In addition, Natapei said between now and June the Government is looking at negotiating with the present telecommunications companies to allow for "other players" to enter the market allowing more competition. (Source: *The Daily Post*, 30<sup>th</sup> March 2007)

TABLE 1: ASSETS AND LIABILITIES OF RESERVE BANK OF VANUATU

(Millions of Vatu)

End of Period				2005				2006				2007
	2004	2005	2006	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Foreign Assets	6614.6	7595.6	11194.9	6824.2	7084.1	7342.3	7595.6	7993.8	9415.1	10205.0	11194.9	10988.9
Foreign Exchange	6018.2	6988.5	10572.2	6225.4	6482.8	6738.2	6988.5	7383.3	8800.9	9586.7	10572.2	10410.6
RTP with IMF	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	400.4
SDR Holdings	161.8	172.6	188.2	164.3	166.8	169.6	172.6	176.1	179.7	183.8	188.2	177.9
Claims on Government	1418	1184.5	1224.7	1260.9	1235.1	1233.5	1184.5	1182.6	1196.5	1194.2	1224.7	1242.6
Claims on NFPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on Commercial Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets	433.8	483	536.5	358.2	311.1	319.9	483	427.2	420.3	408.3	536.5	559.9
<b>TOTAL ASSETS</b>	<b>8,466.4</b>	<b>9,263.1</b>	<b>12,956.1</b>	<b>8,443.3</b>	<b>8,630.3</b>	<b>8,895.7</b>	<b>9,263.1</b>	<b>9,603.6</b>	<b>11,031.9</b>	<b>11,807.5</b>	<b>12,956.1</b>	<b>12,791.4</b>
Reserve Money	5,295.1	5,937.4	7,921.8	5,294.2	5,086.1	5,659.3	5,937.4	5,694.2	6,788.8	7393.0	7921.8	8366.5
Currency outside Banks	2490.1	2690.7	3156	2208.7	2342.1	2577.6	2690.7	2504.2	2759.6	2949.9	3156	2918.6
Commercial Banks' Vault Cash	477.1	687.6	745.4	409	344.7	319.8	687.6	374	387.8	415.1	745.4	522.3
Commercial Banks Deposits with R	2327.9	2559.1	4020.4	2676.5	2399.3	2761.9	2559.1	2816	3641.4	4028.0	4020.4	4925.6
Foreign Liabilities	201.7	245	231.1	223.7	215.2	247.5	245	248.2	265.5	217.0	231.1	268.1
Government Deposits, of which	1091.4	1727.7	2175.7	1340.5	1647.4	1735.1	1727.7	2191	2232.1	2121.9	2175.7	2184.8
Contribution to RTP with IMF	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	434.5	400.4
Deposits of NFPE	0.0	0	0.0	0.0	0	0	0	0	0	0.0	0	0
RBV Notes	1068.6	585.4	1785.3	820.5	1019.1	546.2	585.4	704.4	982.7	1268.5	1785.3	1112.1
Other Liabilities	809.6	767.6	842.2	764.4	662.5	707.6	767.6	765.8	762.8	807.1	842.2	859.9
<b>TOTAL LIABILITIES</b>	<b>8,466.4</b>	<b>9,263.1</b>	<b>12,956.1</b>	<b>8,443.3</b>	<b>8,630.3</b>	<b>8,895.7</b>	<b>9,263.1</b>	<b>9,603.6</b>	<b>11,031.9</b>	<b>11,807.5</b>	<b>12,956.1</b>	<b>12,791.4</b>

TABLE 2: ASSETS AND LIABILITIES OF COMMERCIAL BANKS

(Millions of Vatu)

End of Period				2005			2006				2007
	2004	2005	2006	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Reserves	2805.0	3246.7	4765.8	2744.0	3081.7	3246.7	3190.0	4029.2	4443.1	4765.8	5447.9
Vault Cash	477.1	687.6	745.4	344.7	319.8	687.6	374.0	387.8	415.1	745.4	522.3
Deposits with RBV	2327.9	2559.1	4020.4	2399.3	2761.9	2559.1	2816.0	3641.4	4028.0	4020.4	4925.6
RBV Notes	1068.6	585.4	1785.3	1019.1	546.2	585.4	704.4	982.7	1268.5	1785.3	1112.1
Foreign Assets 1/	28060.9	29279.1	31004.8	30355.7	29733.2	29279.1	29404.2	32130.9	30640.4	31004.8	29830.1
Claims on Government	813	838	708	838	838	838	838.0	708	708.0	708	588
Claims on Municipalities	6.2	13.4	13.1	11.1	10.4	13.4	12.3	13.2	13.3	13.1	13.4
Claims on NFPE	29.4	26.5	81.4	23.3	22.1	26.5	25.2	36.5	88.3	81.4	75.7
Claims on private sector	15953	18545.4	20350.6	17217.1	17978.4	18545.4	20012.0	20073.5	20210.8	20350.6	21089.8
Inter-bank claims	-	0	0	0.0	0.0	0	0.0	0	0.0	0	0
Other Assets	1485.3	1543.4	1528.3	1425.2	1379.5	1543.4	1676.1	1384.1	1284.3	1528.3	1467.4
<b>TOTAL ASSETS</b>	<b>50221.4</b>	<b>54077.9</b>	<b>60237.3</b>	<b>53633.5</b>	<b>53589.5</b>	<b>54077.9</b>	<b>55862.2</b>	<b>59358.1</b>	<b>58656.7</b>	<b>60237.3</b>	<b>59624.4</b>
Demand Deposits	10,243.2	11,349.3	12,611.1	12616.8	11463.9	11349.3	12085.3	12796	12568.2	12611.1	12740.5
Local currency	4067.2	4733.9	5813.4	4298.3	4479.4	4733.9	5119.8	5089.6	5425.1	5813.4	6164.9
Foreign currency	6176	6615.4	6797.7	8318.5	6984.5	6615.4	6965.5	7706.4	7143.1	6797.7	6575.6
Savings Deposits	2,989.1	2,954.3	3,039.8	3045.0	3005.2	2954.3	2868.1	2944.4	2846.0	3039.8	3035.4
Local currency	2378.3	2497.1	2867.4	2501.3	2529.7	2497.1	2441.2	2526.9	2648.6	2867.4	2846.6
Foreign currency	610.8	457.2	172.4	543.7	475.5	457.2	426.9	417.5	197.4	172.4	188.8
Time Deposits	22,425.5	25,568.1	26,748.0	23166.1	25058.2	25568.1	25881.4	27214.1	26070.8	26748.0	27436.7
Local currency	6883	8815.4	10181.9	7658.1	8572	8815.4	9100.1	9870.2	10118.1	10181.9	10482.5
Foreign currency	15542.5	16752.7	16566.1	15508	16486.2	16752.7	16781.3	17343.9	15952.7	16566.1	16954.2
Foreign Liabilities	6898.6	7141.5	9372.9	7572.7	7072	7141.5	7241.0	8488.9	9090.7	9372.9	8522
Government Deposits 2/	185.1	457.3	454.2	259.7	379.8	457.3	340.0	343	300.9	454.2	461.5
Credit from RBV	-	0	0	-	0	0	0.0	0	0.0	0	0
Other Liabilities	7479.9	6607.4	8011.3	6973.2	6610.4	6607.4	7446.4	7571.7	7780.1	8011.3	7428.3
<b>TOTAL LIABILITIES</b>	<b>50221.4</b>	<b>54077.9</b>	<b>60237.3</b>	<b>53633.5</b>	<b>53589.5</b>	<b>54077.9</b>	<b>55862.2</b>	<b>59358.1</b>	<b>58656.7</b>	<b>60237.3</b>	<b>59624.4</b>

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

2/ Government deposits in Vatu and foreign currency.

r: Revised

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

(Millions of Vatu)

End of Period	2004	2005	2006	2005			2006				2007
				Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
<b>NET FOREIGN ASSETS</b>	<b>27,575.1</b>	<b>29,488.2</b>	<b>32,592.7</b>	<b>29,651.9</b>	<b>29,756.0</b>	<b>29,488.2</b>	<b>29,908.8</b>	<b>32,791.6</b>	<b>31537.7</b>	<b>32592.7</b>	<b>32028.9</b>
'Monetary Authorities	6,412.8	7,350.6	10,960.8	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6	9988.0	10960.8	10720.8
Reserve Bank of Vanuatu(a-b)	6,412.8	7,350.6	10,960.8	6,868.9	7,094.8	7,350.6	7,745.6	9,149.6	9988.0	10960.8	10720.8
'(a) Foreign Assets	6614.5	7595.6	11191.9	7084.1	7342.3	7595.6	7993.8	9415.1	10205.0	11191.9	10988.9
'(b) Foreign Liabilities	201.7	245	231.1	215.2	247.5	245	248.2	265.5	217.0	231.1	268.1
'Treasury Foreign Assets	0.0	0.0	0.0	0	0	0	0	0	0.0	0	0
'Commercial Banks (Net) 1/ (a-b)	21,162.3	22,137.6	21,631.9	22,783.0	22,661.2	22,137.6	22,163.2	23,642.0	21549.7	21631.9	21308.1
'(a) Foreign Assets	28060.9	29279.1	31004.8	30355.7	29733.2	29279.1	29404.2	32130.9	30640.4	31004.8	29830.1
'(b) Foreign Liabilities	6898.6	7141.5	9372.9	7572.7	7072	7141.5	7241	8488.9	9090.7	9372.9	8522.0
<b>DOMESTIC CREDIT</b>	<b>17,093.5</b>	<b>18,546.5</b>	<b>19,853.8</b>	<b>17,547.1</b>	<b>18,092.8</b>	<b>18,546.5</b>	<b>19,661.2</b>	<b>19,574.4</b>	<b>19913.7</b>	<b>19853.8</b>	<b>20472.8</b>
'Claims on Government (Net)	954.5	-162.5	-697.2	167.3	-43.4	-162.5	-510.4	-670.6	-520.6	-697.2	-815.7
'Claims on NFPE 2/	29.4	26.5	81.4	23.3	22.1	26.5	25.2	36.5	88.3	81.4	75.7
'Claims on Private Sector 3/	16103.4	18669.1	20456.5	17345.4	18103.7	18669.1	20134.1	20195.3	20332.7	20456.5	21199.4
'Claims on OFI 4/											
'Claims on Municipalities	6.2	13.4	13.1	11.1	10.4	13.4	12.3	13.2	13.3	13.1	13.4
<b>TOTAL LIQUIDITY</b>	<b>38,147.6</b>	<b>42,562.4</b>	<b>45,554.9</b>	<b>41,170.0</b>	<b>42,104.9</b>	<b>42,562.4</b>	<b>43,339.0</b>	<b>45,714.1</b>	<b>44434.9</b>	<b>45554.9</b>	<b>46131.2</b>
'Money	12,733.3	14,040.0	15,767.1	14,958.9	14,041.5	14,040.0	14589.5	15555.6	15518.1	15767.1	15659.1
'Currency outside Banks	2490.1	2690.7	3156	2342.1	2577.6	2690.7	2504.2	2759.6	2949.9	3156	2918.6
'Demand deposits	10,243.2	11,349.3	12,611.1	12616.8	11463.9	11349.3	12085.3	12796	12568.2	12611.1	12740.5
'Local currency	4067.2	4733.9	5813.4	4298.3	4479.4	4733.9	5119.8	5089.6	5425.1	5813.4	6164.9
'Foreign currency	6176.0	6615.4	6797.7	8318.5	6984.5	6615.4	6965.5	7706.4	7143.1	6797.7	6575.6
'Quasi-money	25,414.3	28,522.4	29,787.8	26,211.1	28,063.4	28,522.4	28749.5	30158.5	28916.8	29787.8	30472.1
'Time & Savings deposits in Vatu	9261.0	11312.5	13049.3	10159.4	11101.7	11312.5	11541.3	12397.1	12766.7	13049.3	13329.1
'Time & Savings deposits in FC	16153.3	17209.9	16738.5	16051.7	16961.7	17209.9	17208.2	17761.4	16150.1	16738.5	17143
<b>OTHER ITEMS (Net)</b>	<b>6,521.0</b>	<b>5,906.8</b>	<b>6,891.6</b>	<b>6,029.0</b>	<b>5,743.9</b>	<b>5,472.3</b>	<b>6,231.0</b>	<b>6,651.9</b>	<b>7,016.5</b>	<b>6,891.6</b>	<b>6,370.5</b>

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

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

3/ Including claims on RBV staff.

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

TABLE 4: DOMESTIC MONEY SUPPLY AND COMPONENTS

(Millions of Vatu)

End Period		2004	2005	2006	2005			2006				2007
					Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Notes	(1)	2543.9	2928.3	3415.0	2256.6	2456.60	2928.3	2664.5	2931.2	2895.9	3415.00	2954.2
Coins	(2)	0.0	450.0	486.4	430.0	440.90	450.0	213.7	216.2	469.0	486.40	486.7
Total	(3) (1+2)	2937.2	3378.3	3901.4	2686.6	2897.5	3378.3	2878.2	3147.4	3364.9	3901.4	3440.9
Cash in hand with Banks	(4)	447.1	687.6	745.4	344.7	319.80	687.6	374.0	387.8	415.1	745.40	522.3
Currency with Public in Vatu	(5) (3-4)	2490.1	2690.7	3156.0	2342.1	2577.60	2690.7	2504.2	2759.6	2949.8	3156.0	2918.6
Demand deposits of resident in Vatu (D dV)1/	(6)	4067.2	4733.9	5813.4	4298.3	4479.40	4733.9	5119.8	5089.6	5425.1	5813.40	6164.9
M1 (Narrow Measure)	(7) (5+6)	6557.3	7424.6	8969.4	6640.4	7057.0	7424.6	7624.0	7849.2	8374.9	8969.4	9083.5
Demand deposits of residents in FC (DdF)2/	(8)	6176.0	6615.4	6797.7	8318.5	6984.50	6615.4	6965.5	7706.4	7143.1	6797.70	6575.60
M2	(9) (7+8)	12733.3	14040.0	15767.1	14958.9	14041.5	14040.0	14589.5	15555.6	15518.0	15767.1	15659.1
Savings & time deposits of residents in Vatu (T dV)	(10)	9261.0	11312.5	13049.3	10159.4	11101.70	11312.5	11541.3	12397.1	12766.7	13049.30	13329.1
MV (Vatu liquidity)	(11) (7+10)	15818.3	18737.1	22018.7	16799.8	18158.7	18737.1	19165.3	20246.3	21141.6	22018.7	22412.6
M3	(12) (9+10)	21994.3	25352.5	28816.4	25118.3	25143.2	25352.5	26130.8	27952.7	28284.7	28816.4	28988.2
Savings & time deposits of residents in FC (TdF)	(13)	16153.3	17209.9	16738.5	16051.7	16961.70	17209.9	17208.2	17761.4	16150.2	16738.50	17143.00
Mf (Foreign currency liquidity)	(14) (8+13)	22329.3	23825.3	23536.2	24370.2	23946.2	23825.3	24173.7	25467.8	23293.3	23536.2	23718.6
M4 (Broad Measures)	(15) 12+13	38147.6	42562.4	45554.9	41170.0	42104.9	42562.4	43339.0	45714.1	44434.9	45554.9	46131.2

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)				
<b>2004</b>	4,067.2	2,378.3	6,883.0	13,328.5	6,176.0	610.8	15,542.5	22,329.3	37.4	62.6	100.0	185.1
<b>2005</b>	4,733.9	2,497.1	8,815.4	16,046.4	6,615.4	457.2	16,752.7	23,825.3	40.2	59.8	100.0	457.3
<b>2006</b>	5,813.4	2,867.4	10,181.9	18,862.7	6,797.7	172.4	16,566.1	23,536.2	44.5	55.5	100.0	454.2
<b>2005</b>												
Qtr 2	4,298.3	2,501.3	7,658.1	14,457.7	8,318.5	543.7	15,508.0	24,370.2	37.2	62.8	100.0	259.7
Qtr 3	4,479.4	2,529.7	8,572.0	15,581.1	6,984.5	475.5	16,486.2	23,946.2	39.4	60.6	100.0	379.8
Qtr 4	4,733.9	2,497.1	8,815.4	16,046.4	6,615.4	457.2	16,752.7	23,825.3	40.2	59.8	100.0	457.3
<b>2006</b>												
Qtr 1	5,119.8	2,441.2	9,100.0	16,661.0	6,965.5	426.9	16,781.4	24,173.8	40.8	59.2	100.0	340.0
Qtr 2	5,089.6	2,526.9	9,870.2	17,486.7	7,706.4	417.5	17,343.9	25,467.8	40.7	59.3	100.0	343.0
Qtr 3	5,425.1	2,648.6	10,118.1	18,191.8	7,143.1	197.4	15,952.7	23,293.2	43.9	56.1	100.0	300.9
Qtr 4	5,813.4	2,867.4	10,181.9	18,862.7	6,797.7	172.4	16,566.1	23,536.2	44.5	55.5	100.0	454.2
<b>2007</b>												
Qtr 1	6,164.9	2,846.6	10,482.5	19,494.0	6,575.6	188.8	16,954.2	23,718.6	45.1	54.9	100.0	461.5

1/ Excludes deposits of the Vanuatu Government.

2/ Government deposits in Vatu and Foreign currencies.



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

(Millions of Vatu)

\ MATURITY \ PERIOD END OF\ PERIOD \	Up to and Inclusive of 7 days	Over 7 days and up to 1 Month	1 to 2 Months	2 to 3 Months	3 to 6 Months	6 to 12 Months	Over one Year	Total 2/
<b>2002</b>	189.9	1,062.3	459.7	601.5	458.9	447.2	568.0	3,787.5
<b>2003</b>	350.5	1,377.5	537.5	644.8	1,091.2	962.1	691.3	5,654.9
<b>2004</b>	525.2	1,306.1	780.2	554.2	961.0	1,755.6	1,056.7	6,939.0
<b>2005</b>	191.1	2,488.1	1,106.8	774.4	1,267.8	2,409.1	774.1	9,011.4
<b>2006</b>	452.9	2,660.6	903.4	665.1	1,706.5	3,911.3	75.8	10,375.6
<b>2005</b>								
Qtr 1	623.2	1,176.2	920.3	670.5	1,437.7	1,818.7	644.0	7,290.6
Qtr 2	813.1	2,054.7	635.1	705.8	923.5	1,497.8	1,099.9	7,729.9
Qtr 3	650.4	1,630.8	1,496.7	1,171.8	1,201.7	2,026.6	574.7	8,752.7
Qtr 4	191.1	2,488.1	1,106.8	774.4	1,267.8	2,409.1	774.1	9,011.4
<b>2006</b>								
Qtr 1	344.5	1,097.5	936.1	742.4	1,531.2	2,832.2	718.2	8,202.1
Qtr 2	443.3	2,213.9	1,032.0	1,162.6	1,486.5	2,884.2	586.9	9,809.4
Qtr 3	382.8	2,331.3	1,583.3	662.8	1,676.8	3,743.3	225.7	10,606.0
Qtr 4	452.9	2,660.6	903.4	665.1	1,706.5	3,911.3	75.8	10,375.6
<b>2007</b>								
Qtr 1	610.3	3,068.1	1,483.7	1,080.5	1,596.8	3,785.6	56.8	11,681.8

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

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	(Millions of Vatu)										
	2004	2005	2006	2005			2006				2007
				Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Agriculture	244.6	304.2	400.2	243.4	275.1	304.2	555.9	269	287.6	400.2	359.4
Fisheries	26.6	26.9	23.2	19.8	20.3	26.9	34.5	30.5	24.2	23.2	27.8
Mining & Quarrying	11.2	0	46.4	3.4	0.0	0.0	0.0	0	42.5	46.4	46
Manufacturing	487.6	1117.4	1,069.3	942.8	1097.9	1117.4	1153.3	1115.4	1127.1	1069.3	1077.9
Tourism	1,314.6	1706.8	2,271.7	1,298.1	1523	1706.8	2114.2	2387.3	2320.4	2271.7	2338.1
Entertainment & Catering	205.4	58.5	48.3	201.3	151.4	58.5	116.2	123.2	124.4	48.3	48.3
Transport	667.0	625.5	842.1	677.1	591.2	625.5	893.4	894.7	1918.3	842.1	937.3
Public Utilities	7.5	6.6	5.7	7.0	6.8	6.6	6.4	6.2	6.0	5.7	5.5
Construction	2,710.0	2917.6	2,180.1	2,946.4	2882.1	2917.6	2987.3	2215.9	2195.3	2180.1	2150.9
a) Government	0.9	8.8	5.3	2.3	1.9	8.8	5.1	9.8	0.3	5.3	0.2
b) Public Corporation	43.7	52.8	34.9	46.7	46.1	52.8	49.2	41.4	40.5	34.9	37
Financial Institutions	138.7	121.6	154.3	136.6	136.9	121.6	122.0	151.5	155.4	154.3	142.1
Professional & Other Services	915.7	916.4	953.8	918.6	911.1	916.4	897.7	876.4	930.4	953.8	942.4
Housing & Land Purchases	3,592.7	4386.5	5,453.8	4,073.2	4168.9	4386.5	4522.7	4955.7	5130.7	5453.8	5774.1
Distribution	1,600.6	1862.9	2,179.4	1,725.0	1844.2	1862.9	1893.1	2350.5	1305.0	2179.4	2229.6
Personal: Others	3,147.3	3736.5	3,377.4	3,404.5	3677.1	3736.5	3880.4	3605.8	3368.8	3377.4	3611
Miscellaneous	933.2	828.4	1,602.8	691.2	720.3	828.4	907.8	1232.2	1497.6	1602.8	1644.8
<b>TOTAL</b>	<b>16,047.3</b>	<b>18,677.4</b>	<b>20,648.7</b>	<b>17,337.4</b>	<b>18,054.3</b>	<b>18,677.4</b>	<b>20,139.2</b>	<b>20,265.5</b>	<b>20,474.5</b>	<b>20,648.7</b>	<b>21,372.4</b>
Of which: Vatu	14,503.1	16886.2	18,063.0	15,663.2	16228.2	16886.2	17651.5	17469.5	17798.2	18063	18722.2
Private shares & Bonds	-	-	-	-	-	-	-	-	-	-	-
Government Bonds	813.0	838.0	708.0	838.0	838.0	838.0	838.0	708	708	708	588
Claims on Non-reporting banks /1	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>16,860.3</b>	<b>19,515.4</b>	<b>21,356.7</b>	<b>18,175.4</b>	<b>18,892.3</b>	<b>19,515.4</b>	<b>20,977.2</b>	<b>20,973.5</b>	<b>21,182.5</b>	<b>21,356.7</b>	<b>21,960.4</b>

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

TABLE 8: DISTRIBUTION OF VATU ADVANCES BY INTEREST RATES AS AT THE END OF MARCH 2007

(Millions of Vatu)

\ SECTOR \ RATE OF INTEREST % \		Agriculture & Fisheries	Mininig & Manufacturing	Other Productive Sectors	Distribution, Trade & Other Sectors	Housing & and Purchase for Owner Occupation (Personal)	Other Personal	Total
1)		2)	3)	4)	5)	6)	7)	8)
Below	8.00	102.1	527.9	1,471.4	818.5	312.2	300.5	3,532.6
At	8.00	-	-	-	-	-	-	-
	8.50	-	217.8	20.0	251.8	308.5	2.0	800.1
	9.00	-	7.5	306.0	193.4	2,447.2	297.1	3,251.2
	9.50	-	-	186.4	19.3	219.9	96.9	522.5
	10.00	11.5	5.8	97.2	52.7	317.9	172.7	657.8
	10.50	16.9	92.5	13.3	43.0	278.5	22.3	466.5
	11.00	-	2.1	298.4	180.0	399.1	67.9	947.5
	11.50	69.2	127.9	179.0	218.2	117.9	62.6	774.8
	12.00	5.3	-	50.7	20.8	24.3	83.2	184.3
	12.50	13.3	13.5	81.6	95.1	466.8	551.2	1,221.5
	13.00	-	21.2	328.9	56.4	104.9	285.3	796.7
	13.50	-	0.5	28.7	94.4	33.7	70.2	227.5
	14.00	-	31.0	57.2	38.9	66.9	48.7	242.7
	14.50	28.0	9.4	682.9	107.8	290.2	180.8	1,299.1
	15.00	-	40.4	1.7	1,027.4	3.9	17.7	1,091.1
	15.50	1.8	5.7	66.1	14.2	14.7	6.5	109.0
	16.00	-	-	5.2	2.7	4.1	11.9	23.9
	16.50	1.9	2.1	19.1	4.4	30.8	82.7	141.0
	17.00	-	-	-	-	3.5	-	3.5
	17.50	2.6	4.3	9.4	-	0.3	20.3	36.9
At	18.00	-	-	10.6	0.5	12.5	45.1	68.7
Above	18.00	28.5	14.0	49.8	1,220.1	16.7	994.2	2,323.3
<b>TOTAL</b>		<b>281.1</b>	<b>1,123.6</b>	<b>3,963.5</b>	<b>4,459.6</b>	<b>5,474.5</b>	<b>3,419.8</b>	<b>18,722.1</b>

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

End Period	DEPOSIT RATES							ADVANCES RATES 2/				
	VATU						Foreign Currencies (Australian Dollar)	Vatu only				LOCAL INTER-BANK RATES
	Savings	1 month	2-6 Months	Above 6 months	Weighted average rate of interest for Fixed deposits	Weighted average rate of interest for total bank deposits	1 month (Locally quoted)	Commercial	Personal	Housing	Weighted average rate of interest for bank loans	Call or Overnight
<b>2003</b>	0.50-2.00	1.50-6.00	1.50-6.00	1.75-6.00	5.02	2.18	3.55-4.425	6.50-16.00	9.75-25.00	5.90-18.50	11.73	5.50
<b>2004</b>	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.55	5.42	2.40	3.55-4.55	8.50-16.00	12.00-25.00	5.90-14.75	11.59	5.50
<b>2005</b>	0.50-2.00	2.00-6.50	2.00-7.00	2.25-7.00	4.85	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
<b>2006</b>	0.50-2.00	1.75-4.20	1.75-4.50	2.75-4.75	4.60	1.89	3.50-5.45	8.25-16.00	12.00-25.00	8.25-14.75	11.30	5.50
<b>2005</b>												
Qtr 1	0.50-2.00	2.00-5.00	2.00-6.00	2.75-7.00	5.05	2.24 r	3.55-4.55	8.00-16.00	12.00-25.00	5.90-14.75	11.74	5.50
Qtr 2	0.50-2.00	2.00-5.00	2.00-5.75	2.25-7.00	4.58	2.14	3.55-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.65	5.50
Qtr 3	0.50-2.00	2.00-5.00	2.00-5.75	2.25-7.00	4.47	2.12	3.55-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.96	5.50
Qtr 4	0.50-2.00	2.00-6.50	2.00-7.00	2.75-7.00	4.85	2.25	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.37	5.50
<b>2006</b>												
Qtr 1	0.50-2.00	2.00-6.50	2.00-7.00	2.75-6.5	5.25	2.28	3.50-4.55	8.25-16.00	12.00-25.50	8.25-14.75	11.20	5.50
Qtr 2	0.50-2.00	2.00-6.00	2.00-6.50	2.75-6.50	5.20	2.38	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	11.65	5.50
Qtr 3	0.50-2.00	1.75-5.50	1.75-5.00	2.75-5.50	4.71	1.92	3.50-4.55	8.25-16.00	12.00-25.00	8.25-14.75	10.86	5.50
Qtr 4	0.50-2.00	1.75-4.20	1.75-4.50	2.75-4.75	4.60	1.89	3.50-5.45	8.25-16.00	12.00-25.00	8.25-14.75	11.34	5.50
<b>2007</b>												
Qtr 1	0.50-2.00	1.25-3.75	1.25-4.25	2.25-4.25	4.33	2.00	3.50-5.50	11.00-18.50	14.50-25.00	8.25-14.75	11.63	5.50

Source: Local Commercial banks returns:

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

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

r: Revised

TABLE 10: DENOMINATIONS OF CURRENCY ON ISSUE

( Millions of Vatu )

End Period	Total Notes & Coins	N	O	T	E	S	Total	Coins
		VT100	VT200	VT500	VT1,000	VT5,000		
<b>2004</b>	2,967.2	23.7	63.6	131.6	1,140.5	1,184.5	2,543.9	423.3
<b>2005</b>	3,378.3	23.7	68.0	141.5	1,342.6	1,352.5	2,928.3	450.0
<b>2006</b>	3,901.4	23.7	68.8	155.6	1,605.3	1,561.7	3,415.1	486.3
<b>2005</b>								
Qtr1	2,617.6	23.7	58.3	119.8	1,007.8	984.5	2,194.1	423.5
Qtr2	2,686.8	23.7	59.0	121.5	1,029.5	1,023.0	2,256.7	430.1
Qtr3	2,897.5	23.7	65.6	131.5	1,134.8	1,101.0	2,456.6	440.9
Qtr4	3,378.3	23.7	68.0	141.5	1,342.6	1,352.5	2,928.3	450.0
<b>2006</b>								
Qtr1	2,878.2	23.7	61.7	128.6	1,102.8	1,113.8	2,430.6	447.6
Qtr2	3,147.3	23.7	65.4	137.1	1,224.6	1,239.9	2,690.7	456.6
Qtr3	3,364.9	23.7	66.3	138.8	1,299.2	1,367.9	2,895.9	469.0
Qtr4	3,901.4	23.7	68.8	155.6	1,605.3	1,561.7	3,415.1	486.3
<b>2007</b>								
Qtr1	3,441.0	27.5	69.9	147.7	1,243.5	1,465.6	2,954.2	486.8

TABLE 11: NET OFFICIAL RESERVES

(Millions of Vatu)

End of Period	1. Net Official Reserves						2. Net Foreign Assets of Commercial Banks		
	Foreign Exchange of RBV	Special Drawing Rights	Reserve Position in IMF	Total Holdings	Foreign Liabilities	Net Position	Foreign Assets	Foreign Liabilities	Net Position
	(1)	(2)	(3)	(4) (1+2+3)	(5)	(6) (4-5)	(7)	(8)	(9) (7-8)
<b>2004</b>	6018.2	161.8	434.5	6,614.5	201.7	6,412.8	28,060.9	6,898.6	21,162.3
<b>2005</b>	6988.5	172.6	434.5	7,595.6	245.0	7,350.6	29,279.1	7,141.5	22,137.6
<b>2006</b>	10572.2	188.2	434.5	11,194.9	231.1	10,963.8	31,004.8	9,372.9	21,631.9
<b>2005</b>									
Qtr1	6225.4	164.3	434.5	6,824.2	223.7	6,600.5	28,896.8	6,988.6	21,908.2
Qtr2	6482.8	166.8	434.5	7,084.1	215.2	6,868.9	30,355.7	7,572.7	22,783.0
Qtr3	6738.2	169.6	434.5	7,342.3	247.5	7,094.8	29,733.2	7,072.0	22,661.2
Qtr4	6988.5	172.6	434.5	7,595.6	245.0	7,350.6	29,279.1	7,141.5	22,137.6
<b>2006</b>									
Qtr1	7383.3	176.1	434.5	7,993.9	248.2	7,745.7	29,404.2	7,241.0	22,163.2
Qtr2	8800.9	179.7	434.5	9,415.1	265.5	9,149.6	32,130.9	8,488.9	23,642.0
Qtr3	9586.7	183.8	434.5	10,205.0	217.0	9,988.0	30,640.4	9,090.7	21,549.7
Qtr4	10572.2	188.2	434.5	11,194.9	231.1	10,963.8	31,004.8	9,372.9	21,631.9
<b>2007</b>									
Qtr1	10410.6	177.9	400.4	10,988.9	268.1	10,720.8	29,830.1	8,522.0	21,308.1

TABLE 12: RESERVE BANK NOTES ISSUED IN PRIMARY MARKET

Date of Issue	Period of Original Maturity	Date of Maturity	Amount Issued (Million VT)			Weighted Average Yield of Accepted Tenders	Notes Outstanding (Million Vatu) 1/
			Float	Received	Accepted		
3-Jan-07	14 days	17-Jan-07	50	50	50	5.21	
	28 days	31-Jan-07	100	100	100	5.21	
	63 days	7-Mar-07	100	100	100	5.18	
	91 days	4-Apr-07	100	100	100	5.18	
	119 days	2-May-07	100	140	100	5.14	
	182 days	30-Jun-00	50	100	50	5.15	
	<b>Total</b>		<b>500</b>	<b>590</b>	<b>500</b>		
17-Jan-07	14 days	31-Jan-07	50	50	50	5.24	
	28 days	14-Feb-07	100	50	50	5.24	
	63 days	21-Mar-07	100	50	50	5.11	
	91 days	18-Apr-07	100	65	65	5.18	
	119 days	16-May-07	100	100	100	5.14	
	182 days	18-Jul-07	50	50	50	5.15	1,855
	<b>Total</b>		<b>500</b>	<b>365</b>	<b>365</b>		
31-Jan-07	14 days	14-Feb-07	25	50	25	5.18	
	28 days	28-Feb-07	25	50	25	5.18	
	63 days	4-Apr-07	25	75	25	5.1	
	91 days	2-May-07	25	75	25	5.14	
	119 days	30-May-07					
	182 days	1-Aug-07					
	<b>Total</b>		<b>100</b>	<b>250</b>	<b>100</b>		
14-Feb-07	14 days	28-Feb-07	25	50	25	5.21	
	28 days	14-Mar-07	25	50	25	5.21	
	63 days	18-Apr-07	25	75	25	4.95	
	91 days	16-May-07	25	75	25	5.03	
	119 days	13-Jun-07					
	182 days	15-Aug-07					
	<b>Total</b>		<b>100</b>	<b>250</b>	<b>100</b>		
28-Feb-07	14 days	14-Mar-07	25	25	25	4.98	
	28 days	28-Mar-07	25	25	25	4.98	
	63 days	2-May-07	25	25	25	4.98	
	91 days	30-May-07	25	25	25	4.98	
	119 days	27-Jun-07					
	182 days	29-Aug-07					
	<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>		1,565
14-Mar-07	14 days	28-Mar-07	25	75	25	4.89	
	28 days	11-Apr-07	25	75	25	4.89	
	63 days	16-May-07	25	75	25	4.87	
	91 days	13-Jun-07	25	250	25	4.75	
	119 days	11-Jul-07					
	182 days	12-Sep-07					
	<b>Total</b>		<b>100</b>	<b>475</b>	<b>100</b>		
28-Mar-07	14 days	11-Apr-07	25	75	25	4.75	
	28 days	25-Apr-07	25	75	25	4.75	
	63 days	30-May-07	25	75	25	4.75	
	91 days	27-Jun-07	25	75	25	4.74	
	119 days	25-Jul-07					
	182 days	26-Sep-07					
	<b>Total</b>		<b>100</b>	<b>300</b>	<b>100</b>		1,130

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

TABLE 13: COMMERCIAL BANKS' LIQUIDITY

End of Period	Liquid Assets			Statutory Reserve Deposits (SRD)	RBV Notes	Total
	Vault Cash	Deposits with RBV (Excess Reserves)	Total			
	(1)	(2)	(1+2) (3)	(4)	(5)	(3+4+5) (6)
<b>2003</b>	450.8	772.4	1,223.2	1,497.0	99.1	2,819.3
<b>2004</b>	477.1	703.8	1,180.9	1,624.1	1,068.6	3,873.6
<b>2005</b>	687.6	624.1	1,311.7	1,935.0	585.4	3,832.1
<b>2006</b>	745.4	4,020.4	4,765.8	2,210.9	1,809.0	8,785.7
<b>2005</b>						
Qtr1	409.0	1,007.7	1,416.7	1,668.8	820.5	3,906.0
Qtr2	344.7	609.7	954.4	1,789.6	1,019.5	3,763.5
Qtr3	319.8	891.6	1,211.4	1,870.3	546.2	3,627.9
Qtr4	687.6	624.1	1,311.7	1,935.0	585.4	3,832.1
<b>2006</b>						
Qtr1	374.0	831.1	1,205.1	1,984.9	704.4	3,894.4
Qtr2	387.8	1,598.6	1,986.4	2,042.8	982.7	5,011.9
Qtr3	415.1	1,863.3	2,278.4	2,164.7	1,268.5	5,711.6
Qtr4	745.4	1,809.5	2,554.9	2,210.9	1,809.0	6,574.8
<b>2007</b>						
Qtr1	522.3	2,671.5	3,193.8	2,254.1	1,112.1	6,560.0



TABLE 14. DOMESTIC BANKS

CONSOLIDATED CAPITAL - 1/

Thousands of Vatu

	2002	2003	2004	2005	2006				2007
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>TIER 1</b>									
Paid-up capital	905,664	862,000	860,000	863,000	864,000	863,000	862,000	860,000	859,000
Disclosed reserves & retained earnings 2/ Less goodwill etc	1,440,062	2,969,702	4,087,961	3,243,145	3,618,357	4,073,333	4,118,470	4,410,480	3,851,245
<b>TOTAL TIER 1 CAPITAL</b>	<b>2,345,726</b>	<b>3,831,702</b>	<b>4,947,961</b>	<b>4,106,145</b>	<b>4,482,357</b>	<b>4,936,333</b>	<b>4,980,470</b>	<b>5,270,480</b>	<b>4,710,245</b>
<b>TIER 2</b>									
Asset revaluation reserves (1) Premises	-	-	-	-	-	-	-	-	-
General provisions for doubtful debts									
- Gross	-	-	-	-	-	-	-	-	-
- Eligible	91,972	110,451	169,185	184,517	176,700	199,386	183,095	188,074	190,325
Term subordinated debt etc									
- Gross	-	-	-	-	-	-	-	-	-
- Eligible	-	-	-	-	-	-	-	-	-
<b>TOTAL TIER 2 CAPITAL</b>	<b>91,972</b>	<b>110,451</b>	<b>169,185</b>	<b>184,517</b>	<b>176,700</b>	<b>199,386</b>	<b>183,095</b>	<b>188,074</b>	<b>190,325</b>
<b>TOTAL TIER 1 &amp; TIER 2</b>	<b>2,437,698</b>	<b>3,942,153</b>	<b>5,117,146</b>	<b>4,290,662</b>	<b>4,659,057</b>	<b>5,135,719</b>	<b>5,163,565</b>	<b>5,458,554</b>	<b>4,900,570</b>
Less holdings of other banks capital instruments	-	-	-	-	-	-	-	-	-
<b>CAPITAL BASE</b>	<b>2,437,698</b>	<b>3,942,153</b>	<b>5,117,146</b>	<b>4,290,662</b>	<b>4,659,057</b>	<b>5,135,719</b>	<b>5,163,565</b>	<b>5,458,554</b>	<b>4,900,570</b>
Total risk weighted assets	7,430,663	9,901,757	14,630,348	16,071,125	15,481,598	17,381,250	16,009,719	16,306,710	16,565,827

1/ - Excluding branches of foreign banks

2/ - Revised

ASSETS QUALITY

Thousands of Vatu

	2002	2003	2005	2005	2006				2007
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>1 Asset Quality</b>									
Standard - 2/ Qtr 1- 2006	11,492,229	11,166,575	13,587,061	14,685,463	15,774,046	16,396,620	17,314,287	17,335,643	18,150,413
Substandard	9,510,981	2,619,707	845,805	981,078	784,273	816,936	530,990	622,548	625,140
Doubtful (D)	260,135	1,039,438	2,012,945	3,467,345	3,658,326	2,901,010	3,273,993	3,397,540	3,332,367
Loss (L)	246,965	230,530	193,618	319,946	316,066	176,242	222,875	210,006	211,018
<b>Total lending assets</b>	<b>12,951,310</b>	<b>15,056,250</b>	<b>16,639,429</b>	<b>19,453,832</b>	<b>20,532,711</b>	<b>20,290,808</b>	<b>21,342,145</b>	<b>21,565,737</b>	<b>22,318,938</b>
<b>Total risk weighted assets 1/</b>	<b>13,881,663</b>	<b>15,147,757</b>	<b>20,979,348</b>	<b>22,795,125</b>	<b>23,715,598</b>	<b>27,244,250</b>	<b>23,935,719</b>	<b>24,437,710</b>	<b>24,603,827</b>
Restructured items	99,726	185,918	40,418	75,592	73,923	75,405	91,244	99,019	88,696
Non-accrual items (D + L) 3/	507,100	1,269,968	2,206,563	3,787,291	3,974,392	3,077,252	3,496,868	3,607,546	3,543,385
<b>2 Provisioning</b>									
Provisions (specific)	220,985	502,079	592,102	733,470	878,508	872,436	905,376	912,781	896,342
Provisions (general)	175,650	37,549	43,185	15,517	40,700	33,386	29,095	32,142	63,325
Security	5,426,626	10,759,087	10,789,480	12,350,070	12,611,147	11,476,603	12,500,073	13,048,090	13,398,205

1/ - Including branches of foreign banks

2/ - Revised

3/ - Impaired assets

TABLE 15. INTERNATIONAL BANKS - BALANCE SHEET

TOTAL ASSETS								
	Thousands of USD							
				2006			2007	
	2003	2004	2005	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>1 CASH ITEMS</b>	<b>96,094</b>	<b>103,551</b>	<b>58,516</b>	<b>65,192</b>	<b>59,442</b>	<b>58,158</b>	<b>66,852</b>	<b>84,185</b>
1.1 Cash	614	5,236	737	874	982	1,032	802	728
1.2 Balances and CDs issued by banks	52,103	46,291	30,312	38,888	31,898	31,481	39,606	56,513
1.3 Gold and silver bullion	324	-	-	-	-	-	-	-
1.4 Cash items in process of collection	43,053	52,024	27,467	25,430	26,562	25,645	26,444	26,944
<b>2 MARKETABLE SECURITIES (up to 1 yr. Original Maturity)</b>	<b>1,508</b>	<b>711</b>	<b>518</b>	<b>-</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
2.1 Zone A: Other public sector	95	-	-	-	-	-	-	-
2.2 Zone A: Bank Securities	274	-	-	-	-	-	-	-
2.3 Other securities	1,139	711	518	-	11	12	12	12
<b>3 LOANS AND ADVANCES</b>	<b>285,290</b>	<b>169,682</b>	<b>139,085</b>	<b>160,714</b>	<b>124,411</b>	<b>98,816</b>	<b>103,701</b>	<b>63,075</b>
3.1 Public sector	3,750	-	-	-	0	0	0	0
3.2 Banks	133,883	130,294	117,927	140,415	104,981	77,903	79,331	34,505
3.3 Other loans and advances	147,657	39,388	21,158	20,299	19,430	20,913	24,370	28,570
<b>4 INVESTMENTS (over 1 year original maturity for debt instrument)</b>	<b>10,175</b>	<b>8,965</b>	<b>4,063</b>	<b>4,118</b>	<b>504,426</b>	<b>504,535</b>	<b>501,840</b>	<b>504,773</b>
4.1 Zone A Public Sector & Bank Securities	1,071	-	-	-	-	-	-	-
4.2 Affiliated Institutions	4,404	1,780	4,019	1,547	501,732	501,729	501,796	501,916
4.3 Other securities	4,656	7,141	0	2,527	2,650	2,762	0	2,813
4.4 Other equities	44	44	44	44	44	44	44	44
<b>5 OTHER ASSETS</b>	<b>1,910</b>	<b>101</b>	<b>149</b>	<b>63</b>	<b>113</b>	<b>124</b>	<b>155</b>	<b>92</b>
5.1 Equipment and other fixed assets (net of accumulated depreciation)	69	56	62	25	26	26	26	27
5.2 Accrued interest receivable	141	26	68	25	35	40	57	8
5.3 Other assets	1,700	19	19	13	52	58	72	57
<b>6 TOTAL ASSETS</b>	<b>394,977</b>	<b>283,010</b>	<b>202,331</b>	<b>230,087</b>	<b>688,403</b>	<b>661,645</b>	<b>672,560</b>	<b>652,137</b>
TOTAL LIABILITIES								
	Thousands of USD							
				2006			2007	
	Qtr4	Qtr4	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>1 DEPOSITS</b>	<b>295,408</b>	<b>236,171</b>	<b>174,999</b>	<b>205,557</b>	<b>563,042</b>	<b>504,326</b>	<b>512,382</b>	<b>491,662</b>
1.1 Banks	52,813	17,948	-	11,098	10,219	10,085	10,102	10,006
1.2 Corporations	136,456	89,849	98,298	109,281	473,683	417,941	420,790	377,698
1.3 Trusts	-	-	-	-	-	-	-	-
1.4 Individuals	106,139	128,374	76,701	84,993	78,966	76,300	81,490	101,675
1.5 Negotiable certificates of deposits	-	-	-	-	-	-	-	-
1.6 Other	-	-	-	185	174	0	0	2,283
<b>2 TERM DEPT AND OTHER BORROWINGS</b>	<b>34,537</b>	<b>29,067</b>	<b>13,460</b>	<b>10,869</b>	<b>10,789</b>	<b>12,330</b>	<b>15,563</b>	<b>15,562</b>
2.1 Unsecured subordinated debt (over 5 years original term maturity)	-	-	-	-	-	-	-	-
2.2 Other notes and bonds	-	-	-	-	-	-	-	-
2.3 Other borrowings (including loans, overdrafts, commercial papers)	34,537	29,067	13,460	10,869	10,786	12,330	15,563	15,562
<b>3 ACCRUED LIABILITIES</b>	<b>893</b>	<b>31</b>	<b>69</b>	<b>27</b>	<b>40</b>	<b>43</b>	<b>64</b>	<b>12</b>
3.1 Accrued interest payable	815	25	68	25	35	39	56	6
3.2 Dividend payable	-	-	-	-	-	-	-	-
3.3 Other accrued expenses	78	6	1	2	5	4	8	6
<b>4 OTHER LIABILITIES</b>	<b>1,406</b>	<b>1,559</b>	<b>598</b>	<b>333</b>	<b>256</b>	<b>587</b>	<b>298</b>	<b>369</b>
<b>5 LOSS RESERVES</b>	<b>2,111</b>	<b>460</b>	<b>697</b>	<b>700</b>	<b>714</b>	<b>715</b>	<b>724</b>	<b>725</b>
5.1 General loan loss reserves	1,860	460	0	460	460	460	460	460
5.2 Other loss reserves	251	-	697	240	254	255	264	265
<b>6 TOTAL LIABILITIES</b>	<b>334,355</b>	<b>267,288</b>	<b>189,823</b>	<b>217,486</b>	<b>574,838</b>	<b>518,001</b>	<b>529,031</b>	<b>508,330</b>
<b>7 SHAREHOLDERS EQUITY</b>	<b>60,622</b>	<b>15,722</b>	<b>12,508</b>	<b>12,601</b>	<b>113,565</b>	<b>143,644</b>	<b>143,529</b>	<b>143,807</b>
7.1 Issued and fully paid up common stock (at par or nominal value)	22,537	9,984	8,984	8,993	11,625	11,630	11,155	11,656
7.2 Additional paid up capital in excess of par or nominal value	1,388	214	1,095	29	100,378	130,338	130,338	132,293
7.3 Unappropriated retained earnings	27,984	3,897	3,045	2,855	619	661	661	-372
7.4 Current year's net income/(loss)	5,337	1,627	-616	724	943	1,015	1,375	230
7.5 Perpetual on-cumulative issued and fully paid up preference share	3,376	-	-	-	-	-	-	-
<b>8 TOTAL SHAREHOLDERS EQUITY</b>	<b>60,622</b>	<b>15,722</b>	<b>12,508</b>	<b>12,601</b>	<b>113,565</b>	<b>143,644</b>	<b>143,529</b>	<b>143,807</b>
<b>9 TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>394,977</b>	<b>283,010</b>	<b>202,331</b>	<b>230,087</b>	<b>688,403</b>	<b>661,645</b>	<b>672,560</b>	<b>652,137</b>

TABLE 16. DOMESTIC BANKING INDUSTRY FOREIGN EXCHANGE TURNOVER AGAINST VATU CURRENCY (VT'000')

	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07
<b>OUTRIGHT SPOT</b>							
Resident Dealers	135	100	146,492	542,399	138,498		79,100
Overseas Banks	27,753	19,616	22,939	133,537	62,094	254,930	135,792
Resident Customers	1,056,352	1,334,851	983,779	885,907	1,041,807	825,718	1,013,431
Non-Resident Customers	161,595	44,785					
Internal Transactions	38,486	17,225	58,979	550,359	14,585		
<b>Total</b>	<b>1,284,321</b>	<b>1,416,577</b>	<b>1,212,189</b>	<b>2,112,202</b>	<b>1,256,984</b>	<b>1,080,648</b>	<b>1,228,323</b>
<b>OUTRIGHT FORWARD</b>							
Resident Dealers							
Overseas Banks				19,950			
Resident Customers	179,860	253,982	467,183	505,571	470,878	536,727	705,300
Non-Resident Customers							
Internal Transactions							
<b>Total</b>	<b>179,860</b>	<b>253,982</b>	<b>467,183</b>	<b>525,521</b>	<b>470,878</b>	<b>536,727</b>	<b>705,300</b>
<b>SWAPS</b>							
Resident Dealers							
Overseas Banks							
Resident Customers							
Non-Resident Customers							
Internal Transactions							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (FX turnover against Vatu)</b>	<b>1,464,181</b>	<b>1,670,559</b>	<b>1,679,372</b>	<b>2,637,723</b>	<b>1,727,862</b>	<b>1,617,375</b>	<b>1,933,623</b>

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

<b>OUTRIGHT SPOT</b>							
Resident Dealers	368	1,150	13,010		2,541	1,665	2,765
Overseas Banks	532,560	471,036	573,385	390,494	573,936	441,659	410,375
Resident Customers	234,831	122,278	123,866	180,353	137,253	647,110	115,183
Non-Resident Customers	75	330	373	497,399	192	483	440
Internal Transactions							
<b>Total</b>	<b>767,834</b>	<b>594,794</b>	<b>710,634</b>	<b>1,068,246</b>	<b>713,922</b>	<b>1,390,917</b>	<b>528,763</b>
<b>OUTRIGHT FORWARD</b>							
Resident Dealers							
Overseas Banks				248,238		333,500	
Resident Customers			2,150	154,684			
Non-Resident Customers							
Internal Transactions							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,150</b>	<b>402,922</b>	<b>0</b>	<b>333,500</b>	<b>0</b>
<b>SWAPS</b>							
Resident Dealers							
Overseas Banks							
Resident Customers							
Non-Resident Customers							
Internal Transactions							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (FX Turnover against USD)</b>	<b>767,834</b>	<b>594,794</b>	<b>712,784</b>	<b>1,471,168</b>	<b>713,922</b>	<b>1,724,417</b>	<b>528,763</b>
<b>TOTAL (FX Turnover against Vatu &amp; USD)</b>	<b>2,232,015</b>	<b>2,265,353</b>	<b>2,392,156</b>	<b>4,108,891</b>	<b>2,441,784</b>	<b>3,341,792</b>	<b>2,462,386</b>

TABLE 17: THE CORE SET OF FINANCIAL SOUNDNESS INDICATORS OF THE DOMESTIC BANKING INDUSTRY(%)

	2002	2003	2004	2005	2006				2007
					Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>Deposit - taking instruments</b>									
<b>1 Capital adequacy</b>									
Regulatory capital to risk - weighted assets 1/	32.8	39.8	35.0	26.7	30.1	29.6	32.3	33.5	29.6
Regulatory Tier 1 Capital to risk-weighted assets 1/	31.6	38.7	33.8r	25.6	29.0	28.4	31.1	32.3	28.4
<b>2 Asset quality</b>									
Nonperforming loans net of provisions to capital r/	11.7	19.5	31.6	71.2	66.5	42.9	50.2	49.4	54.0
Nonperforming loans to total gross loans	3.9	8.4	13.3	19.5	19.4	15.2	16.4	16.7	15.9
<b>3 Earnings and profitability</b>									
Return on assets (ROA)	1.1	0.8	0.9	1.1	1.0	1.2	1.0	0.9	0.9
Return on equity (ROE)	6.0	6.5	7.2	10.1	9.5	11.4	9.5	8.3	8.6
Interest margin to gross income	70.8	61.9	62.6	67.5	66.6	71.4	70.6	69.4	69.9
Noninterest expenses to gross income	34.1	36.2	35.6	30.4	27.9	24.3	27.5	30.7	29.2
<b>4 Liquidity</b>									
Liquid assets to total assets	21.9	18.1	23.4	17.2	17.8	20.5	24.2	25.8	24.6

1/ - Excluding branches of foreign banks  
r/ - Revised

**PROFIT**

Thousands of Vatu

	2002	2003	2004		2006				2007
			Qtr4	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>1 Income</b>									
Interest Income	687,505	673,526	772,775	951,810	917,459	1,118,806	1,072,416	1,044,965	1,039,365
Non-Interest Income	283,392	414,979	460,925	457,583	459,846	448,899	446,395	460,957	446,202
<b>Total Operating Income</b>	<b>970,897</b>	<b>1,088,505</b>	<b>1,233,700</b>	<b>1,409,393</b>	<b>1,377,305</b>	<b>1,567,705</b>	<b>1,518,811</b>	<b>1,505,922</b>	<b>1,485,567</b>
<b>2 Expenses</b>									
Interest Expense	298,548	275,759	330,158	388,738	403,799	440,002	467,104	478,397	471,375
Operating Expenses (Excluding bad debts & provisions charges)	331,550	393,738	439,232	427,854	384,014	380,505	418,252	461,624	434,497
<b>Total Operating Expenses</b>	<b>630,098</b>	<b>669,497</b>	<b>769,390</b>	<b>816,592</b>	<b>787,813</b>	<b>820,507</b>	<b>885,356</b>	<b>940,021</b>	<b>905,872</b>
<b>Net Interest Income</b>	<b>388,957</b>	<b>397,767</b>	<b>442,617</b>	<b>563,072</b>	<b>513,660</b>	<b>678,804</b>	<b>605,312</b>	<b>566,568</b>	<b>567,990</b>
<b>3 Profit and Loss Statement</b>									
<b>Operating Profit before tax, write-offs &amp; provisions</b>	<b>340,799</b>	<b>419,008</b>	<b>464,310</b>	<b>592,801</b>	<b>589,492</b>	<b>747,198</b>	<b>633,455</b>	<b>565,901</b>	<b>579,695</b>
Provisions	26,268	33,197	29,409	7,142	30,522	17,884	20,762	22,635	23,992
Extraordinary Items	-	-	-	-	-	-	-	-	-
Bad debts written - off	6,211	4,410	5,887	-1,336	-9,762	-2,539	-12,588	-7,488	-6,654
Bad debts recovered	-	-	-	-	-	-	-	-	-
<b>Net Operating Profit</b>	<b>308,320</b>	<b>381,401</b>	<b>429,014</b>	<b>586,995</b>	<b>568,732</b>	<b>731,853</b>	<b>625,281</b>	<b>550,754</b>	<b>562,357</b>

TABLE 18: Vanuatu Government Fiscal Operations

(Millions of Vatu)

ITEMS	2002	2003	2004	2005	2006	2006				2007
						Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>REVENUE AND GRANTS</b>	<b>7258.3</b>	<b>7061.7</b>	<b>8129.7</b>	<b>8795.8</b>	<b>10008.6</b>	<b>2492.2</b>	<b>2313.7</b>	<b>2499.9</b>	<b>2702.8</b>	<b>2745.8</b>
Domestic Revenue	6530.4	6680.3	7444.9	8213.5	9157.3	2229.9	2113.0	2304.6	2509.8	2644.1
Tax Revenue	5845.5	6024.6	6621.6	7342.8	8125.7	2040.0	1920.4	1985.5	2179.8	2423.0
Non Tax Revenue	684.9	655.7	823.3	870.7	1031.6	189.9	192.6	319.1	330.0	221.1
Sales of fixed capital assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Grants from abroad	727.9	381.4	684.8	582.3	851.3	262.3	200.7	195.3	193.0	101.7
<b>EXPENDITURE AND NET LENDING</b>	<b>7958.6</b>	<b>7682.4</b>	<b>7685.8</b>	<b>7964.2</b>	<b>9581.4</b>	<b>1834.9</b>	<b>2175.6</b>	<b>2595.6</b>	<b>2975.3</b>	<b>2361.7</b>
Recurrent Expenditure	7236.5	7239.7	7272.5	7502.6	8555.5	1684.5	1968.9	2224.4	2677.7	2251.1
Lending minus repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurrent transfer to Gov. bodies	0.0	0.0	0.0	0.0	335.8	70.0	60.8	150.0	55.0	0.0
Development Expenditure	722.1	442.7	413.3	461.6	690.1	80.4	145.9	221.2	242.6	110.6
<b>DEFICIT/SURPLUS</b>	<b>-700.3</b>	<b>-620.7</b>	<b>443.9</b>	<b>831.6</b>	<b>427.2</b>	<b>657.3</b>	<b>138.1</b>	<b>-95.7</b>	<b>-272.5</b>	<b>384.1</b>

TABLE 19: GOVERNMENT REVENUE CLASSIFIED BY MAJOR SOURCES

(Millions of Vatu)

ITEMS	1997	1999	2000	2001	2002	2003	2004	2005	2006	2006				2007
										Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>TOTAL REVENUE AND GRANTS</b>	<b>6860.0</b>	<b>8357.8</b>	<b>7423.1</b>	<b>7366.0</b>	<b>7308.0</b>	<b>7061.7</b>	<b>8129.7</b>	<b>8795.8</b>	<b>10008.6</b>	<b>2492.2</b>	<b>2313.7</b>	<b>2499.9</b>	<b>2702.8</b>	<b>2745.8</b>
<b>Total Recurrent Revenue</b>	<b>6207.0</b>	<b>6922.1</b>	<b>7023.9</b>	<b>6683.7</b>	<b>6565.6</b>	<b>6680.3</b>	<b>7444.9</b>	<b>8213.5</b>	<b>9157.3</b>	<b>2229.9</b>	<b>2113.0</b>	<b>2304.6</b>	<b>2509.8</b>	<b>2644.1</b>
Tax Revenue	5718.0	5854.6	5901.4	5793.9	5773.3	6024.6	6621.6	7342.8	8125.7	2040.0	1920.4	1985.5	2179.8	2423.0
Taxes on Use of Goods	2186.0	3332.9	3441.0	3413.4	3442.5	3666.3	3995.4	4776.4	5232.3	1416.1	1203.9	1325.3	1287.0	1605.9
Value Added Tax	0.0	2301.7	2465.4	2358.2	2236.7	2356.8	2475.3	2813.4	3101.3	703.7	750.9	814.1	832.6	864.7
Business Licenses	543.0	124.1	135.7	111.1	141.4	124.6	150.0	290.6	181.7	148.8	9.2	20.2	3.5	166.7
Turnover Tax	468.0	43.3	44.6	43.1	117.0	97.9	122.8	146.3	197.1	151.3	5.9	32.4	7.5	155.5
Other	1175.0	863.8	795.3	901.0	947.4	1087.0	1247.3	1526.1	1752.2	412.3	437.9	458.6	443.4	419.0
Tax on International Trade	3345.0	2474.5	2384.5	2291.8	2279.9	2283.5	2519.6	2412.0	2681.6	574.3	633.0	616.5	857.8	707.2
Import duties	3247.0	2472.5	2384.2	2287.9	2279.3	2283.4	2519.6	2412.0	2675.8	571.0	632.4	616.1	856.3	700.1
Export duties	98.0	2.0	0.3	3.9	0.6	0.1	0.0	0.0	5.8	3.3	0.6	0.4	1.5	7.1
Other taxes	187.0	47.2	75.9	88.7	50.9	74.8	106.6	154.4	211.8	49.6	83.5	43.7	35.0	109.9
<b>Non Tax Revenue</b>	<b>489.0</b>	<b>1067.5</b>	<b>1122.5</b>	<b>889.8</b>	<b>792.3</b>	<b>655.7</b>	<b>823.3</b>	<b>870.7</b>	<b>1031.6</b>	<b>189.9</b>	<b>192.6</b>	<b>319.1</b>	<b>330.0</b>	<b>221.1</b>
Property income: of which	41.0	431.4	633.3	418.1	391.7	239.4	323.4	316.9	363.4	9.0	28.1	160.7	165.6	40.1
Dividends	-142.0	249.2	402.0	246.2	188.6	101.3	133.2	229.0	199.2	2.0	17.0	24.0	156.2	35.0
Other	183.0	182.2	231.3	171.9	203.1	138.1	190.2	87.9	164.2	7.0	11.1	136.7	9.4	5.1
<b>Administrative fees &amp; Charges</b>	<b>420.0</b>	<b>617.2</b>	<b>473.7</b>	<b>447.4</b>	<b>386.6</b>	<b>379.4</b>	<b>467.7</b>	<b>527.4</b>	<b>634.8</b>	<b>173.0</b>	<b>152.8</b>	<b>150.3</b>	<b>158.7</b>	<b>173.3</b>
Other	28.0	18.9	15.5	24.3	14.0	36.9	32.2	26.4	33.4	7.9	11.7	8.1	5.7	7.7
		30.8	21.6	12.3	22.1	0.0	0.0	0.0						
<b>Grants from abroad</b>	<b>653.0</b>	<b>1404.9</b>	<b>377.6</b>	<b>670.0</b>	<b>720.3</b>	<b>381.4</b>	<b>684.8</b>	<b>582.3</b>	<b>851.3</b>	<b>262.3</b>	<b>200.7</b>	<b>195.3</b>	<b>193.0</b>	<b>101.7</b>

Source : Department of Finance

TABLE 20: GOVERNMENT EXPENDITURE CLASSIFIED BY MAJOR CATEGORY

Millions of Vatu)

ITEMS	2001	2002	2003	2004	2005	2006	2006				2007
							Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>TOTAL EXPENDITURE</b>	<b>8612.6</b>	<b>7958.6</b>	<b>7682.4</b>	<b>7685.8</b>	<b>7964.2</b>	<b>9581.4</b>	<b>1834.9</b>	<b>2175.6</b>	<b>2595.6</b>	<b>2975.3</b>	<b>2361.7</b>
Total Recurrent Expenditure	7198.6	7236.5	7239.7	7272.5	7502.6	8555.5	1684.5	1968.9	2224.4	2677.7	2251.1
Goods and services: of which	5592.4	5834.3	5683.3	5580.9	5942.9	7021.5	1289.2	1621.9	1852.7	2257.7	1808.1
Salaries & Wages	3734.4	3929.1	4072.2	4053.8	4222.1	5168.5	939.2	1185.1	1375.9	1668.3	1331.8
Interest payments	281.4	318.7	308.2	397.7	349.0	337.9	113.8	46.2	101.9	76.0	105.7
Domestic	172.9	217.7	195.4	304.2	272.2	243.2	88.7	32.4	59.5	62.6	82.1
External	108.5	101.0	112.8	93.5	76.8	94.7	25.1	13.8	42.4	13.4	23.6
Subsidies and transfers: of which	1141.0	1004.0	1118.1	1163.1	883.3	939.9	234.4	259.4	204.5	241.6	295.1
Provinces & Municipalities	199.3	202.7	206.8	197.1	200.5	190.1	46.3	36.1	61.7	46.0	46.1
Acquisition of fixed capital assets	183.8	79.5	85.9	159.3	327.4	256.2	47.1	41.4	65.3	102.4	42.2
Lending minus repayments	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	335.8	70.0	60.8	150.0	55.0	0.0
Total Development Expenditure	1189.0	722.1	442.7	413.3	461.6	690.1	80.4	145.9	221.2	242.6	110.6

Source : Department of Finance

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
	Qtr4	862,500	708,000	1,530,000	2,450	3,102,950
2007	Qtr1	862,500	588,000	1,530,000	2,450	2,982,950

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

EXCHANGE RATES: VATU PER UNIT OF FOREIGN CURRENCIES						
Period (Yr/Mth)	End of Period Rates				Averages	
	Australian Dollar	US Dollar	ECU / Euro	Japanese Yen	Australian Dollar	US Dollar
1995	84.82	113.74	145.42	1.1060	83.45	113.02
1996	88.27	110.77	137.69	0.9549	87.01	111.62
1997	81.11	124.31	137.37	0.9568	86.11	115.90
1998	79.67	129.78	151.56	1.1280	80.17	127.52
1999	83.19	128.89	130.54	1.1280	82.94	129.08
2000	79.82	142.80	132.93	1.2499	80.09	138.29
<b>2001</b>	<b>75.00</b>	<b>146.74</b>	<b>129.67</b>	<b>1.1181</b>	<b>75.47</b>	<b>145.72</b>
March	74.07	149.80	132.24	1.2111	74.51	147.93
June	74.41	146.80	124.80	1.2000	75.79	146.16
September	72.58	148.77	136.62	1.2426	74.05	145.47
December	75.00	146.74	129.67	1.1181	75.15	146.02
<b>2002</b>	<b>75.21</b>	<b>133.17</b>	<b>139.66</b>	<b>1.1239</b>	<b>75.68</b>	<b>139.12</b>
March	75.85	143.58	125.33	1.0817	75.58	144.07
June	76.11	134.90	133.31	1.1275	77.03	134.40
September	75.10	138.18	135.57	1.1265	75.40	137.72
December	75.21	133.17	139.66	1.1239	75.52	134.17
<b>2003</b>	<b>83.73</b>	<b>111.81</b>	<b>140.31</b>	<b>1.0442</b>	<b>79.39</b>	<b>122.20</b>
March	76.97	128.18	138.40	1.0698	76.85	127.78
June	80.35	120.45	137.78	1.0067	80.04	120.56
September	80.82	119.16	138.19	1.0756	80.04	121.09
December	83.73	111.81	140.31	1.0442	83.04	112.52
<b>2004</b>	<b>83.06</b>	<b>106.53</b>	<b>145.34</b>	<b>1.0328</b>	<b>82.36</b>	<b>111.90</b>
March	83.79	111.19	135.30	1.0520	83.29	110.98
June	80.36	116.34	140.58	1.0749	80.64	115.98
September	81.15	113.21	139.62	1.0211	80.50	114.60
December	83.06	106.53	145.34	1.0328	82.58	107.62
<b>2005</b>						
January	83.39	107.72	140.40	1.0409	82.88	108.19
February	83.80	106.50	141.07	1.0122	83.77	107.28
March	83.31	108.09	139.69	1.0057	83.67	106.42
April	83.52	107.30	138.38	1.0111	83.27	107.68
May	83.04	109.18	136.19	1.0111	83.05	108.50
June	83.68	109.74	132.52	0.9940	83.72	109.25
July	83.68	110.48	132.71	0.9813	83.34	110.89
August	82.83	110.61	135.19	0.9945	83.46	109.67
September	83.67	110.14	132.58	0.9740	83.66	109.36
October	83.17	109.88	133.41	0.9518	83.25	110.34
November	82.45	111.69	131.64	0.9337	82.45	111.69
December	82.29	112.33	133.07	0.9534	82.73	111.35
<b>2006</b>						
January	83.06	110.97	134.18	0.9435	83.02	110.73
February	82.91	112.48	133.26	0.9678	82.89	111.71
March	81.85	114.49	139.32	0.9758	82.46	113.39
April	83.79	110.72	138.77	0.9699	82.93	112.73
May	83.72	109.82	141.41	0.9794	84.09	109.96
June	82.99	112.42	142.33	0.9769	82.85	111.87
July	84.23	110.38	140.15	0.9534	83.51	111.30
August	83.65	109.65	140.72	0.9365	83.94	109.00
September	82.76	110.51	140.40	0.9385	83.23	110.08
October	83.88	108.97	138.75	0.9281	83.06	110.28
November	84.14	107.40	141.23	0.9228	83.60	108.66
December	84.12	106.48	140.00	0.8952	84.01	106.94
<b>2007</b>						
January	83.48	108.08	140.15	0.8888	83.99	107.24
February	84.00	106.58	141.17	0.9043	83.91	107.27
March	84.07	105.11	140.13	0.8090	84.07	106.94

Note: With effect from September 1981, the vatu was linked to the special drawing rights (SDR) at a rate of SDR 1 = 106.20. This rate was revised to SDR 1 = 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	2006	Q405	Q106	Q206	Q306	Q40r	Q107p
CURRENT ACCOUNT	(2,702)	(3,964)	(3,639)	(1,639)	(486)	(1,204)	(472)	(762)	(1,802)
Trade Balance	-8291	(10,095)	(11,101)	(2,966)	(2,200)	(2,431)	(2,460)	(4,010)	(3,222)
Export (fob)	4,264	4,226	4,452	1,168	847	1118	1320	1167	364
Imports (fob)	12,555	14,321	15,553	4,134	3,047	3,549	3,780	5,177	3,586
B. Services	5,746	6,515	7,722	1704	1802	1494	1855	2571	2337
Services Credit	12,709	14,504	15,634	3,841	3,806	3,447	3,848	4,533	3,956
Inward travel	-	-	-	-	-	-	-	-	-
Services Debit	6,963	7,989	7,912	2,137	2,004	1,953	1,993	1,962	1,619
C. Income	(1,764)	(2,475)	(2,196)	-750	-902	-909	-508	123	-1481
Income Credit	3,038	3,132	3,562	853	766	819	986	991	855
Income debit	4,802	5,607	5,758	1,603	1,668	1,728	1,494	868	2,336
D. Current transfers	1,607	2,091	2,651	373	814	642	641	554	564
Current transfer cr.	2,726	2,864	3,207	578	990	822	750	645	639
Current transfer dr.	1,119	773	556	205	176	180	109	91	75
Capital & Financial Account	2,175	4,440	1,989	1,685	1,169	(26)	268	578	1,520
E. Capital Account	(351)	(177)	(14)	-139	-22	-56	-11	75	14
Capital account cr.	1,409	1,478	1,631	275	392	360	404	475	414
Capital account dr.	1,760	1,655	1,645	414	414	416	415	400	400
F. Financial Account	2,526	4,617	2,003	1,824	1,191	30	279	503	1,506
Direct Investment Abroad	(85)	(84)	(81)	(21)	(21)	(21)	(21)	(18)	(17)
Direct investment in Vanua	1,985	1,463	4,630	790	976	2,497	378	779	1,424
Portfolio Investment Asset	23	(117)	(28)	(29)	11	(2)	(7)	(30)	(20)
Portfolio Investment Liabi	75	(35)	(60)	-6	-61	1	0	0	0
Other Investment Assets	(150)	5,193	1,007	980	293	(3,264)	2,739	1,239	1,317
Other Investment Liabiliti	2,340	(821)	747	364	391	2,240	(1,406)	(478)	(1,343)
Reserve Assets	(1,662)	(982)	(4,212)	(254)	(398)	(1,421)	(1,404)	(989)	145
Net errors and omissions	527	(476)	935	(46)	(683)	1,230	204	184	282
Memorandum items:									
Gross Official reserves	6,615	7,596	11,195	7596	7994	9415	10205	11195	10989
Net Reserves (Vatu)	6,018	6,988	10,572	6988	7363	8801	9587	10572	10411
Net Reserves (USD)	53.7	63.8	95.8	62.8	65.7	78.3	86.8	98.3	97.7
Exchange rate (VT/USD) end period average	112.00	109	110	111.3	112	112.42	110.45	107.6	106.6
Projected monthly import cover.	5.5	5.8	7.0	5.8	5.9	7.0	7.7	8.5	7.5

r means Revised p means provisional  
 Note: Q107 months of import reflect the significant increase in imports expected for 2007

TABLE 24: PRINCIPAL EXPORTS

				2006					
	2004	2005	2006	Q405	Q106	Q206	Q306	Q406	Q107
Domestic exports, f.o.b.	2,934	2,948	2,623	727 #	412	757	693	761	70
Copra	446	142	347	16	22	87	142	96	0
Cocoa	160	181	278	69	13	99	91	75	0
Beef	286	302	332	75	54	85	85	108	4
Timber	247	203	306	86	48	74	24	160	1
Kava	438	477	698	69	122	196	220	160	32
Coconut oil	1,026	732	193	137	72	106	0	15	0
Other	787	911	469	275	81	110	131	147	33
-	-	-	-	-	-	-	-	-	-
Re-exports	874	1,217	1,478	382	370	361	341	406	294
-	-	-	-	-	-	-	-	-	-
Total	4,264	4,165	4,101	1,109 #	782	1,118	1,034	1,167	364

Source: Vanuatu Statistics Office

Re-exports are projected figures

TABLE : 25 COMPOSITION OF IMPORTS

				2006					
	2004	2005	2006	Q405	Q106	Q206	Q306	Q406	Q107p
Imports, c.i.f	14303	16412	17775	4752	3433 0	4029	4335	5978	4067
For domestic composition	14065	16150	17647	4693	3428 0	4027	4263	5929	4066
Food and live animals	2756	2863	3233	943	668	740	697	1128	611
Beverages and tobacco	551	437	499	116	78	79	115	227	108
Crude mtrls, excl.fuels	241	241	210	71	47	41	41	81	29
Mineral fuels	1871	1839	2098	482	287	401	494	916	1108
Animal, veg., and oil fats	69	73	69	20	15	19	19	16	14
Chemicals	1558	2581	1693	749	276	313	436	668	274
Basic manufacturers	2056	2844	2856	703	564	752	708	832	639
Mach. and transpt.equip.	3057	2947	4566	877	1055	1121	1212	1178	886
Miscellaneous	1471	1931	2117	587	385	491	453	788	321
Goods not specified	435	394	306	145	53	70	88	95	76
Imports for re-exports	238	262	128	59	5	2	72	49	1

Source: Vanuatu Statistics Office

TABLE 26: DOMESTIC EXPORTS BY COUNTRY OF DESTINATION

(Millions of vatu)

Period (Yr/Qtr)	EEC Countries	Japan	Australia	South Korea	New Zealand	New Caledonia	Bangladesh	Other MSG	Others	Total
2001	187	272	525	38	88	124	185		869	2,267
2002	229	227	621	4	72	192	104		677	2,126
2003	259	168	356	6	20	158	50		692	1,709
2004	1,214	184	327	3	46	124	0	225	807	2,705
2005	1,013	151	428	0	39	219	0	438	623	2,911
2006	465	132	925	0	157	320	1	575	933	3,652
2005	1013	151	428	0	39	219	0	438	623	2911
Qtr1	239	13	121	0	9	34	0	65	191	672
Qtr2	289	49	93	0	14	65	0	125	72	707
Qtr3	282	43	87	0	7	50	0	210	140	819
Qtr4	203	46	127	0	9	70	0	38	220	713
2006										
Qtr1	80	0	72	0	6	25	0	133	70	390
Qtr2	153	53	101	0	7	94	0	150	97	759
Qtr3	90	18	100	0	10	76	1	178	469	978
Qtr4	142	61	652	0	134	125	0	114	297	1525
2007										
Qtr1	*	*	*	*	*	*	*	*	*	*
<b>Percentage share of export by Country</b>										
2001	8.2	12.0	23.2	1.7	3.9	5.5	8.2		38.3	100.0
2002	10.8	10.7	29.2	0.2	3.4	9.0	4.9		31.9	100.0
2003	15.2	9.8	20.8	0.4	1.2	9.2	2.9		40.5	100.0
2004	44.9	6.8	12.1	0.1	1.7	4.6	0.0	8.3	29.8	100.0
2005	34.8	5.2	14.7	0.0	1.3	7.5	0.0	15.0	21.4	100.0

Source: Vanuatu Statistics Office

TABLE 27: IMPORTS CLEARED FOR HOME CONSUMPTION BY COUNTRY OF CONSIGNMENT

(Millions of Vatu)

Period (Yr/Qtr)	Australia	New Zealand	Japan	France	Fiji	New Caledonia	Hong Kong	Singapore	Others	Total
2001	6,570	2,469	617	0	1,047	300	209	701	2,221	14,806
2002	4,907	2,153	477	654	959	307	171	602	1,352	12,235
2003	5,142	2,054	574	606	1,061	241	235	861	1,274	12,571
2004	6,022	1,845	615	557	1,214	186	259	884	1,882	14,067
2005	6,055	2,248	285	542	1,293	247	353	1,150	3,733	16,151
2006	7,289	2,746	386	735	1,577 #	239	311	957	3,407	17,646
2005	6,055	2,248	285	542	1,293	247	353	1,150	3,733	16,151
Qtr1	1,196	534	50	149	259	33	37	381	426	3,310
Qtr2	1,750	545	88	130	330	71	95	287	1,038	4,334
Qtr3	1,247	570	61	134	266	48	61	147	1,279	3,813
Qtr4	1,862	599	86	129	438	95	160	335	990	4,694
2006										
Qtr1	1,463	672	35	106	282	41	44	133	651	3,427
Qtr2	1,892	565	106	124	238	83	56	203	761	4,028
Qtr3	1,511	734	97	282	386	59	102	255	838	4,263
Qtr4	2,423	775	148	223	671	56	109	366	1,157	5,928
2007										
Qtr1				*	*	*	*	*	*	*
<b>Percentage share of import</b>										
2005	37.5	13.9	1.8	3.4	8.0 #	1.5	2.2	7.1	23.1	100.0
2006	41.3	15.6	2.2	4.2	8.9	1.4	1.8	5.4	19.3	100.0

Source: Vanuatu Statistics Office

TABLE 28: FINANCE CENTRE INSTITUTIONS: LOCAL EXPENDITURE, VALUE-ADDED, EMPLOYMENT AND TOTAL ASSETS

(In Thousands of Vatu)

INSTITUTIONS	Total Local Expenditure (8+12+13)	RECURRENT EXPENDITURE							TAXES AND LEVIES				CAPITAL EXPENDITURE	VALUE OF TOTAL ASSETS IN VANUATU	TOTAL LOCAL EMPLOYMENT (No.)			
		Total Wages & Salaries	Non-Vanuatu Wages & Salaries	Rent	Interest	Total	Other Recurrent Expenditure	TOTAL	Central Government Fees	Import Duties	Local Government Revenue	TOTAL			Expat.	Non-Van.	TOTAL	
(1)	(2)	(3)	(3a)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
<b>Banks</b>																		
2001	Qtr4	322,938	113,244	84,933 e	17,747	0	130,991	145,498	276,489	5,290	1,601	3,535	10,426	36,023	30,374,663	20	293	313
2002	Qtr4	462,242	126,507	97,410 e	23,766 r	0	150,273	208,521 r	358,794	24,907 r	541 r	682 r	26,130	77,318	42,681,238	28	304	332
2003	Qtr4	445,865	101,344	79,048 e	17,246	0	118,590	275,326	393,916	17,583	579	955	19,117	32,832	39,639,289	29	267	316
2004	Qtr4	432,570	113,573	88,587 e	20,982	0	134,555	215,312	349,867	30,665	661	358	31,684	51,019	42,265,837	27	265	292
2005	Qtr4	420,977	125,329	97,757 e	21,842	0	147,171	144,346	291,517	33,728	875	73	34,676	94,784	45,494,935	23	299	322
2006	Qtr4	502,583	142,391	106,793 e	22,095	0	164,486	258,862	423,348	43,141	1,945	700	45,786	33,449	47,833,718	21	309	330
2007	Qtr1	532,191	144,452	108,339 e	22,101	0	166,553	236,750	403,303	44,998	1,385	870	47,253	81,635	49,126,649	21	303	324
<b>Trust &amp; Insurance Companies</b>																		
2001	Qtr4	120,775	28,971	17,962 e	2,122	3	31,096	2,408	33,504	2,537	0	88	2,625	84,646	707,670	9	53	62
2002	Qtr4	177,872	44,131	26,479 e	4,823	3	48,957	42,636 r	91,593	3,056 r	0	188 r	3,244	83,035 r	773,499 r	11 r	60 r	71
2003	Qtr4	71,588	28,599	18,483 e	2,416	94	31,109	34,094	65,203	2,751	12	88	2,851	3,534	775,498	12	66	78
2004	Qtr4	127,232	47,203	28,322 e	4,860	74	52,137	64,180	116,317	5,105	0	89	5,194	5,721	1,216,974	13	76	89
2005	Qtr4	295,521	71,274	42,764 e	5,580	3	76,857	213,354	290,211	1,531	41	0	1,572	3,738	1,220,210	13	113	126
2006	Qtr4	453,752	91,455	54,873 e	8,456	0	99,911	239,787	339,698	6,651	44	99	6,794	107,260	1,314,829	17	130	147
2007	Qtr1	452,605	90,404	54,242 e	8,329	0	98,733	239,381	338,114	6,776	44	99	6,919	107,572	1,428,315	16	123	139
<b>Accounting Firms</b>																		
2001	Qtr4	123,965	85,675	17,135 e	6,381	1,661	93,717	22,311	116,028	5,342	7	226	5,575	2,362	395,641	27	72	99
2002	Qtr4	119,066	88,842	15,992 e	6,260	1,928	97,030	13,798	110,828	5,455	7	226	5,688	2,550	385,751	27	73	100
2003	Qtr4	124,534	86,759	17,352 e	6,198	2,474	95,431	21,028	116,459	5,554	7	226	5,787	2,288	427,946	30	60	90
2004	Qtr4	133,633	94,259	18,852 e	7,928	2,523	104,710	23,093	127,803	3,509	7	0	3,516	2,314	457,297	25	75	100
2005	Qtr4	125,333	99,104	19,885 e	7,562	3,977	110,643	12,193	122,836	4,006	7	0	4,013	-1,516	498,616	28	88	116
2006	Qtr4	136,790	94,507	18,901 e	7,215	3,990	105,712	24,682	130,394	4,320	17	0	4,337	2,059	516,640	32	90	122
2007	Qtr1	135,418	93,164	18,633 e	6,790	3,990	103,944	25,408	129,352	3,990	17	0	4,007	2,059	491,262	32	90	122
<b>Legal Firms/ offshore instns</b>																		
2001	Qtr4	102,413	24,003	4,801 e	2,310	3,034	29,347	19,086	48,433	51,397	0	0	51,397	2,583	186,355	8	35	43
2002	Qtr4	63,894	22,058 r	4,412 e	1,310 r	1,022 r	24,390	10,417 r	34,807	26,874 r	0	761 r	27,635	1,452	190,875	10	34	44
2003	Qtr4	60,030	23,953	5,270 e	1,310	1,033	26,296	10,620	36,916	21,104	0	1,713	22,817	297	110,217	10	36	46
2004	Qtr4	47,414	29,357	6,459 e	2,390	784	32,531	5,569	38,100	6,388	0	1,069	7,457	1,857	273,220	9	35	44
2005	Qtr4	54,772	29,841	6,565 e	1,560	263	31,664	11,844	43,508	10,540	0	600	11,140	124	273,261	9	40	49
2006	Qtr4	81,906	30,466	6,703 e	2,310	1,235	34,011	18,109	52,120	27,846	0	1,100	28,946	840	313,262	9	37	46
2007	Qtr1	167,106	29,635	6,520 e	2,310	1,239	33,184	12,820	46,004	119,544	0	1,100	120,644	458	316,753	9	37	46
<b>GRAND TOTAL</b>																		
2001	Qtr4	670,091	251,893	124,831	28,560	4,698	285,151	189,303	474,454	64,566	1,608	3,849	70,023	125,614	31,664,329	64	453	517
2002	Qtr4	823,074	281,538	144,293	36,159	2,953	320,650	275,372	596,022	60,292	548	1,857	62,697	164,355	44,031,363	76	471	547
2003	Qtr4	702,017	240,655	120,153	27,170	3,601	271,426	341,068	612,494	46,992	598	2,982	50,572	38,951	40,952,950	81	449	530
2004	Qtr4	740,849	284,392	142,219	36,160	3,381	323,933	308,154	632,087	45,667	668	1,516	47,851	60,911	44,213,328	74	451	525
2005	Qtr4	896,603	325,548	166,971	36,544	4,243	366,335	381,737	748,072	49,805	923	673	51,401	97,130	47,487,022	73	540	613
2006	Qtr4	1,175,031	358,819	187,270	40,076	5,225	404,120	541,440	945,560	81,958	2,006	1,899	85,863	143,608	49,980,549 0	79	566	645
2007	Qtr1	1,287,320	357,655	187,734	39,530	5,229	402,414	514,359	916,773	175,308	1,446	2,069	178,823	191,724	51,362,979	78	553	631

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

**TABLE 29: TRENDS IN BUSINESS TURNOVER/FOREIGN EXCHANGE EARNINGS 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	Gross	Net	Gross	Net	exchange	Gross	Net foreign			
	Resident Assets	Non Resident Assets	Total (1+2)	Resident Liabilities	Non Resident Liabilities	Total (4+5)	exchange Earnings (2-5)	income	foreign exchange Earnings (9)	income	foreign exchange Earnings (11)	Receipts from Exempt Institutions (12)	Earnings (3+8+10)	exchange Earnings (7+9+11+12)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)			
<b>2001</b>	1332.2	1352.2	2684.3	716.0	568.3	1284.3	783.9	770.2	212.9	897.4	103.3	308.6	4351.9	1408.7			
<b>2002</b>	1403.0	1023.3	2426.3	505.0	285.3	790.3	738.0	1233.1	535.0	786.9	111.9	47.9	4446.3	1665.4			
<b>2003</b>	2490.2	1030.9	3521.1	851.6	316.5	1168.1	714.4	877.3	600.6	773.9	127.4	253.4	5172.3	1695.8			
<b>2004</b>	3356.3	1413.8	4770.1	1474.0	111.1	1585.1	1302.7	432.5	329.0	766.1	328.3	217.7	5968.7	2177.7			
<b>2005</b>	3466.0	1716.5	5182.5	1293.2	358.8	1652.0	1357.7	1030.5	312.1	816.4	321.1	201.8	7029.4	2192.7			
<b>2004</b> Qtr1	922.8	180.4	1103.2	323.3	66.8	390.1	113.6	100.5	58.7	240.7	69.9	113.0	1444.4	355.2			
Qtr2	748.7	380.6	1129.3	504.1	-10.0	494.1	390.6	98.0	93.0	213.3	87.1	74.2	1440.6	644.9			
Qtr3	827.8	404.9	1232.7	323.3	-10.4	312.9	415.3	111.8	82.2	168.3	78.5	26.9	1512.8	602.9			
Qtr4	857.0	447.9	1304.9	323.3	64.7	388.0	383.2	122.2	95.1	143.8	92.8	3.6	1570.9	574.7			
<b>2005</b> Qtr1	804.6	410.1	1214.7	323.3	122.4	445.7	287.7	219.8	57.2	246.8	71.8	108.7	1681.3	525.4			
Qtr2	863.4	450.0	1313.4	323.3	21.3	344.6	428.7	278.1	99.2	248.5	88.0	70.7	1840.0	686.6			
Qtr3	860.9	393.2	1254.1	323.3	221.4	544.7	171.8	252.7	70.4	166.6	83.6	14.6	1673.4	340.4			
Qtr4	937.1	463.2	1400.3	323.3	-6.3	317.0	469.5	279.9	85.3	154.5	77.7	7.8	1834.7	640.3			
<b>2006</b> Qtr1	903.8	478.0	1381.8	323.3	6.1	329.4	471.9	290.0	95.4	252.8	83.8	109.3	1924.6	760.4			
Qtr2	1111.8	436.1	1547.9	243.3	-3.3	240.0	439.4	304.0	95.3	215.4	84.1	57.2	2067.3	676.0			
Qtr3	977.0	525.3	1502.3	243.3	72.9	316.2	452.4	285.0	32.5	167.7	74.3	15.6	1955.0	574.8			
Qtr4	955.1	521.1	1476.2	260.7	120.2	380.9	400.9	328.9	32.5	170.4	66.9	22.4	1975.5	522.7			
<b>2007</b> Qtr1	942.0	511.6	1453.6	181.8	802.2	984.0	-290.6	328.9	32.5	261.9	68.6	115.2	2044.5	-74.2			

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

TABLE 30: SHIPPING REGISTRATION

Period	Fresh Ship Registration During the Year/ Quarter	Ships Deregistered during the Year/ Quarter	Number of Ships on the Registry at end of the period	Amount of Net Shipping Fees Collected by VMSL (Vatu in Millions)
<b>2001</b>	112	69	528	214.8
<b>2002</b>	119	132	515	218.2
<b>2003</b>	107	59	563	177.6
<b>2004</b>	120	93	590	142.0
<b>2005</b>	155	149	596	134.8
<b>2002</b> Qtr1	33	11	550	151.6
Qtr2	29	69	510	34.9
Qtr3	32	9	533	16.2
Qtr4	25	43	515	15.5
<b>2003</b> Qtr1	23	12	526	113.0
Qtr2	35	14	547	39.7
Qtr3	26	13	560	11.9
Qtr4	23	20	563	13.0
<b>2004</b> Qtr1	35	14	584	109.7
Qtr2	31	14	601	19.5
Qtr3	27	41	587	14.3
Qtr4	27	24	590	-1.5
<b>2005</b> Qtr1	75	68	597	104.7
Qtr2	19	15	601	20.9
Qtr3	30	30	601	5.4
Qtr4	31	36	596	3.8
<b>2006</b> Qtr1	24	30	590	106.7
Qtr2	21	25	586	8.2
Qtr3	8	8	586	9.6
Qtr4	19	22	583	NA
<b>2007</b> Qtr1	27	26	584	112.4

Source: Vanuatu Maritime Services Limited

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

Table 31: COMPANY REGISTRATION IN VANUATU

Part A: Number of Companies at the Registry at end of each Year/Quarter															
Type of Company	End of	2001	2002	2003	2004	2005	2005				2006				2007
							Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
Local		1302	1,351	1,303	1,369	1,371	1402	1354	1364	1371	1,412	1,451	1,471	1,387	1,531
Exempt		174	186	152	129	116	130	123	122	116	112	109	105	82	104
Overseas		26	26	24	25	27	26	26	27	27	27	27	28	26	33
International Companies		4,156	4,504	4,310	4,464	4,625	4,527	4,561	4,666	4,625	4,672	4,604	4,681	4,972	5,103
<b>Total:</b>		<b>5,658</b>	<b>6,067</b>	<b>5,789</b>	<b>5,987</b>	<b>6,139</b>	<b>6,085</b>	<b>6,064</b>	<b>6,179</b>	<b>6,139</b>	<b>6,223</b>	<b>6,191</b>	<b>6,285</b>	<b>6,467</b>	<b>6,771</b>
<b>Of Which Hold Licenses as:</b>															
a) Exempt Banks		51	34	14	7	7	7	7	7	7	7	7	7	7	7
b) Exempt Financial Institutions		2	0	2	2	1	2	2	2	1	1	2	1	1	1
c) Insurance Companies		45	45	45	47	39	47	39	39	39	37	40	39	27	31
d) Trust Companies		13	10	11	10	10	10	11	11	10	11	11	11	11	15
<b>PART B: Company Registration during individual Year/ Quarter</b>															
Type of Company	End of	2001	2002	2003	2004	2005	2005				2006				2007
							Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
<b>1. Number of Fresh Registrations</b>															
( Total )		674	616	562	573	536	144	117	141	134	98	141	130	513	147
a) Local Companies		111	74	79	141	177	46	32	41	58	49	74	36	63	36
b) Overseas Companies		1	1	0	1	2	1	0	1	0	0	0	1	2	2
c) Exempt Companies		5	9	6	7	3	1	2	0	0	1	2	1	0	1
of which: (I) Banks		0	2	0	0	0	0	0	0	0	0	0	0	0	0
d) International Companies		557	532	477	424	354	96	83	99	76	48	65	92	448	108
<b>2. Number of Struck off</b>															
(or otherwise deregistered)		195	876	847	665	254	14	94	27	119	8	135	21	98	22
(All categories )															
<b>3. Exempt Companies</b>															
converted to international companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: Vanuatu Financial Services Commission

TABLE 32: COCONUT PRODUCTS AND PRICES

Period	2004	2005	2006	2006				2007
				Qtr1	Qtr 2	Qtr 3	Qtr 4	Qtr1
Santo								
Smoked	-			-				
Hot Air/ Sun Dry	34,446.3	21,536.0	17,916.0	3,559.0	3,516.0	6,484.0	4,357.0	6,086.0
Total	34,446.3	21,536.0	17,916.0	3,559.0	3,516.0	6,484.0	4,357.0	6,086.0
TOTAL COPRA PRODUCTION	34,446.3	21,536.0	17,916.0	3,559.0	3,516.0	6,484.0	4,357.0	6,086.0
Smoked	-			-				
Hot Air/ Sun Dry	34,446.3	21,536.0	17,916.0	3,559.0	3,516.0	6,484.0	4,357.0	6,086.0
Percentage of Hot-air to Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL VALUE (Millions of Vatu)	896.6	467.3	327.3	65.4	63.7	118.3	79.9	161.0
Average domestic Price( Vt / tonne )	26,028	21,700	18,389	18,969	18,016	18,249	18,321	26,450
World Bank's Copra Market Prices.								
Average US\$/Tonne	450.0	413.8	401.8	383.3	383.0	400.3	440.6	498.6
End Period US\$/Tonne	449.0	413.8	389.3	383.3	383.2	388.9	401.8	498.6
COCONUT OIL EXPORT (Tonnes)	17,111.0	12,967.0	3,696.0	1,588.0	2,086.0	-	22.0	-
World Bank's Coconut oil Prices.								
Average US\$/Tonne	672.4	617.0	606.8	578.3	578.7	599.1	671.2	754.3
End Period US\$/Tonne	650.0	569.7	587.3	578.3	578.5	585.4	606.9	754.3

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

TABLE 33: COCOA PRODUCTION FOR EXPORTS AND PRICES

Period	2004	2005	2006	2006				2007
				Qtr1	Qtr2	Qtr3	Qtr4	Qt1
COCOA PRODUCTION (Tonnes)								
Export Quality								
1st Grade	-	-	-	-	-	-	-	-
2nd Grade	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-
TOTAL	803.9	926.4	1,313.9	39.3	653.0	377.6	244.0	46.0
Value of Output (Millions of Vatu)	83.5	75.7	119.4	2.9	58.3	35.2	23.0	3.9
VT/Tonne	103,912.2	81,736.8	87,483.0	72,901	89,225	93,104	94,702	86,161

Source: VCMB



TABLE 34: COMMERCIAL MEAT PRODUCTION

Period	2003	2004	2005	2006	2005				2006				2007
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
<b>PORT VILA ABATTOIR</b>													
<b>Cattle Slaughter</b>													
No. of Heads	6,864	7678.0	5921.0	6677.0	2,033.0	1,895.0	2,071.0	1,893.0	1,597.0	1,597.0	1,955.0	1,528	1,572.0
Weight (Tonnes)	1,548	1715.9	1734.9	1377.0	386.9	487.0	456.0	405.0	322.0	341.0	397.0	317	305.0
Percentage Change	9.7	10.9	1.1	-20.6	-22.6	25.9	-6.4	-11.2	-20.5	5.9	16.4	-20.2	-3.8
<b>Pig Slaughter</b>													
No. of Heads	600	864.0	na	841.0	na	185.0	211.0	250.0	196.0	204.0	202.0	239.0	173.0
Weight (Tonnes)	31	46.2	na	98.2	na	10.1	12.8	14.9	12.9	61.0	9.5	14.8	9.4
Percentage Change	-38.2	47.6	na	na	na	na	26.9	16.4	-13.4	372.9	-84.4	55.8	-36.5
<b>SANTO ABATTOIR</b>													
<b>Cattle Slaughter</b>													
No. of Heads	7,790	5935.0	6610.0	5969.0	1,153.0	1,605.0	1,961.0	1,891.0	1,024.0	877.0	2,239.0	1,829.0	
Weight (Tonnes)	1,579	1267.5	1460.0	1332.0	292.0	333.0	397.0	438.0	217.5	197.5	499.0	418.0	
Percentage Change	41.0	-19.7	15.2	-8.8	-22.1	14.0	19.2	10.3	-50.3	-9.2	152.7	-16.2	
<b>TOTAL BEEF PRODUCTION</b>													
No. of Heads	14,654	13613.0	14502.0	12646.0	3,186.0	3,500.0	4,032.0	3,784.0	2,621.0	2,474.0	4,194.0	3,357.0	
Weight (Tonnes)	3,127	2983.4	3194.9	2709.0	678.9	820.0	853.0	843.0	539.5	538.5	896.0	735.0	
Percentage Change	23.5	-4.6	7.1	-15.2	-22.4	20.8	4.0	-1.2	-36.0	-0.2	66.4	-18.0	

Source: Vanuatu Quarantine and Inspection Services

TABLE 35: WORLD PRICES OF COMMODITIES RELEVANT TO VANUATU'S EXPORTS

Period	Commodity / Unit Prices					
	Copra	Cocoa	Coconut Oil	Coffee Robusta	Other Miids	Beef (US)
	US\$ / ton	US cents / Kg	US\$ / tonne	US cents / Kg	US cents / Kg	US cents / Kg
<b>Annual Average :</b>						
2002	266.3	177.7	421.0	66.2	135.7	213.1
2003	299.9	175.1	467.3	81.5	141.6	211.4
2004	450.0	155.0	662.1	80.0	175.3	250.4
2005	413.8	153.8	615.9	111.5	253.2	261.1
2006	401.8	159.2	606.9	149.0	252.2	254.7
<b>Quarterly Average :</b>						
2004: Qtr 1	417.7	156.7	647.0	86.3	163.8	225.6
Qtr 2	489.7	142.1	703.3	82.9	167.1	245.0
Qtr 3	444.3	161.2	647.7	76.6	168.3	270.0
Qtr 4	448.3	159.9	650.3	74.3	202.1	261.1
2005: Qtr 1	447.8	164.7	667.3	93.9	266.8	258.9
Qtr2	446.4	154.5	654.9	122.6	278.6	264.8
Qtr3	380.7	149.1	571.7	115.2	233.4	266.8
Qtr4	380.1	147.0	569.7	114.2	234.1	256.3
2006 Qtr 1	383.3	155.5	578.3	136.7	262.3	249.3
Qtr2	383.0	158.4	578.7	132.9	241.0	247.3
Qtr3	400.3	162.3	599.1	158.1	240.0	257.4
Qtr4	440.6	160.6	671.2	168.2	265.5	265.0
2007 Qtr 1	498.6	181.3	754.3	172.8	267.2	261.2
<b>Monthly Average :</b>						
2006 January	373	157	569.0	139.8	273.8	250.5
February	393	155	591.0	138.8	262.6	253.0
March	385	155	575.0	131.4	250.6	244.5
April	372	155	578.0	133.5	254.5	248.2
May	390	160	583.0	132.5	241.1	248.5
June	387	161	575	133	227	245
July	384	168	583.3	142.2	231.5	253.8
August	404	162	606.0	162.2	246.3	259.3
September	413	157	608	170	242	259
October	411	153	626.0	165.7	243.9	259.9
November	434	158	656.0	169.3	269.6	267.9
December	477	171	732	170	283	267
2007 January	484	170	731	175	275	261
February	503	182	763	174	269	262
March	509	192	769	170	258	261

Source: World Bank Commodity Prices

TABLE 36: SELECTED TOURISM STATISTICS

	2004	2005	2006	2005				2006				2007
				Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
Total Non-resident Visitor Arrivals:	98,539	125,636	154,101	32,102	26,595	35,524	31,415	41,734	34,589	39,667	38,111	42,696
Visitor arrivals	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486	16,481
Day visitors:	37,870	63,554	85,922	19,454	13,286	17,017	13,797	27,945	19,445	19,907	18,625	26,215
Cruiseship	37,870	63,554	85,922	19,454	13,286	17,017	13,797	27,945	19,445	19,907	18,625	26,215
Air/ yachts	-	-	-	0	0	0	0	0	0	0	0	0
Air arrivals by purpose of visit:	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486	16,481
Stop-over	1,521	1,326	775	393	343	370	220	80	139	212	344	347
Holiday	46,805	47,865	53,030	9,625	9,873	14,104	14,263	10,943	11,566	15,523	14,998	12,758
Visiting freinds	4,593	4,451	5,061	804	1,068	1,314	1,265	877	992	1,543	1,649	1,128
Business/ Meetings	7,685	8,411	9,312	1,797	2,025	2,719	1,870	1,888	2,447	2,482	2,495	2,248
Other Purposes	6	29	1	29	-	-	-	1	0	0	0	0
Not Stated	-	-	-	-	-	-	-	0	0	0	0	0
Air arrivals by												
Usual Country of Residence:	60,610	62,082	68,179	12,648	13,309	18,507	17,618	13,789	15,144	19,760	19,486	16,481
Australia	35,782	38,073	40,385	7,864	8,438	10,694	11,077	9,126	8,863	10,752	11,644	10,238
New Zealand	8,209	7,651	9,821	943	1,837	2,743	2,128	966	2,518	3,615	2,722	1,577
New Caledonia	6,518	6,815	7,480	1,591	1,209	2,049	1,966	1,646	1,523	2,105	2,206	1,988
Other Pacific	3,150	2,731	2,681	852	405	853	621	529	644	770	738	687
Europe	3,361	3,503	4,021	670	700	1,167	966	819	726	1,290	1,186	941
North America	1,930	1,625	1,896	357	345	490	433	318	444	654	480	398
Japan	586	583	656	113	136	195	139	134	130	218	174	184
Other Countries	1,073	1,100	1,239	258	239	316	287	251	296	356	336	468
Not Stated	-	1	-	-	-	-	1	0	0	0	0	0
Facilities at end of period:												
Hotels	29	29	29	27	23	29	29	29	29	29	29	na
Rooms	895	902	924	883	901	882	886	951	921	901	924	na
Room nights offered	84,406	86,024	83,083	80,718	85,704	80,934	80,514	83,564	87,699	82,212	78,858	na
Occupancy rate	51.9%	52%	38%	46.40%	44.90%	61.30%	57.10%	54.00%	45.40%	53.10%	57.60%	na
Beds	2,320	2,317	2,455	2,119	2,444	2,352	2,382	2,458	2,452	2,445	2,466	na
Bed nights offered	212,478	211,967	220,593	202,463	216,604	216,893	215,457	215,727	221,102	219,670	225,872	na
Occupancy rate	40.9%	40.7%	37.3%	39.40%	35.20%	48.50%	39.80%	36.80%	32.90%	38.20%	41.10%	na

Source: Vanuatu Statistics Office

Table 37: ENERGY CONSUMPTION

Period	'000 Kwh / x 1000 Kwh					Imports Cleared for Home Consumption ('000 litres)			
	Port-Vila	Luganville	Malekula	Tanna	TOTAL	Petrol	Fuel	Kerosene	
2002	35,288	6,587	221	111	42,207	4,836	24,940	786	
2003	34,385	6,303	445	208	41,341	5,809	23,799	911	
2004	35,615	6,512	509	214	42,850	3,518	17,090	512	
2005	37,835	6,077	529	230	44,671	3,518	17,090	512	
2006	39,238	5,888	526	254	45,906	3,247	14,155	851	
2002	Qtr 1	9,507	1,669	-	-	11,176	1,275	6,253	353
	Qtr 2	8,648	1,629	-	-	10,277	1,372	7,389	220
	Qtr 3	8,954	1,673	106	63	10,796	1,139	5,747	133
	Qtr 4	8,179	1,616	115	48	9,958	1,050	5,551	80
2003	Qtr 1	9,330	1,665	96	48	11,139	1,333	5,314	440
	Qtr 2	8,776	1,734	122	51	10,683	1,094	4,802	88
	Qtr 3	7,667	1,453	106	56	9,282	1,707	7,653	222
	Qtr 4	8,612	1,451	121	53	10,237	1,675	6,030	161
2004	Qtr 1	10,121	1,750	141	56	12,068	420	3,526	199
	Qtr 2	8,682	1,636	122	54	10,494	1,509	8,397	226
	Qtr 3	8,232	1,572	112	53	9,969		7,100	207
	Qtr 4	8,580	1,554	134	51	10,319	1,077	3,766	151
2005	Qtr 1	10,835	1,626	146	57	12,664	988	6,640	93
	Qtr 2	9,255	1,475	135	56	10,921	897	4,510	106
	Qtr 3	8,384	1,497	123	56	10,060	491	2,121	161
	Qtr 4	9,361	1,479	125	61	11,026	1,142	3,819	152
2006	Qtr 1	10,571	1,501	145	58	12,274	595	2,843	270
	Qtr 2	9,921	1,449	137	64	11,571	221	1,379	213
	Qtr 3	9,014	1,394	125	67	10,601	1,110	2,757	217
	Qtr 4	9,732	1,544	119	65	11,460	1,321	7,176	151
2007	Qtr 1	11,314	1,549	132	66	13,062	1,400	9,731	5

Source: Unelco Vanuatu Limited and Department of Customs/ Unelco Vanuatu Limited et Services des Douanes

(1) Includes White Spirit / Y compris le White Spirit

TABLE 38: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to previous quarter)

Expenditure Group	Region	Average						2004				2005				2006				2007
		2001	2002	2003	2004	2005	2006	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Food		0.6	0.2	1.0	0.5	0.0	0.7	0.1	0.0	3.2	-1.4	-1.8	0.6	0.6	0.7	1.2	1.1	0.4	0.0	1.6
	Port Vila	0.5	0.1	1.0	0.5	0.6	0.7	0.1	0.1	3.4	-1.7	0.2	1.1	0.6	0.6	1.4	0.8	0.3	0.1	1.8
	Luganville	1.2	0.2	0.8	0.5	0.5	0.8	0.5	-0.5	2.4	-0.5	3.1	0.3	0.3	-1.6	0.5	2.0	-0.9	1.7	1.9
Drinks & Tobacco		0.3	1.8	2.3	0.1	0.8	0.2	0.2	0.2	0.0	0.0	1.5	0.5	1.0	0.2	0.5	0.0	0.2	0.1	6.1
	Port Vila	0.3	1.8	2.4	0.1	0.8	0.3	0.0	0.3	0.1	0.0	-0.4	1.3	1.2	1.2	0.6	0.0	0.3	0.1	6
	Luganville	0.5	1.9	1.4	0.2	1.1	-0.1	0.9	-0.2	-0.1	0.0	3.7	0.9	-0.2	0.0	-0.2	0.0	0.0	0.0	6.8
Clothing etc		0.4	0.1	0.2	0.2	-0.2	-0.1	-0.5	-0.6	0.1	0.0	0.6	0.0	-0.1	0.1	0.0	-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	0.0	-0.3	1.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
	Luganville	0.4	0.5	0.1	-0.8	-0.9	-0.4	-0.2	-3.5	0.8	-0.1	0.7	0.9	0.0	0.0	0	-1.0	0.0	-0.6	0.4
Rent, Water, Electricity		1.5	-0.2	0.0	-0.4	1.4	0.5	0.0	0.1	0.2	-1.7	3.3	1.1	0.9	0.4	1.1	0.1	0.0	0.8	1.9
	Port Vila	1.3	-0.2	0.0	-0.5	0.6	0.6	-0.1	0.1	0.2	-2.1	-0.5	1.1	0.8	0.8	1.3	0.2	0.0	0.8	2.2
	Luganville	2.4	-0.5	-0.2	0.2	1.3	0.0	0.0	0.3	0.2	0.3	1.9	3.6	1.2	-1.6	0	0.1	0.0	0.0	0.2
Household Supplies		-0.4	-0.2	0.1	-0.1	-0.2	0.2	-0.2	-0.1	-0.1	0.0	0.8	-1.7	0.2	0.1	0.0	0.0	0.7	0.0	-0.4
	Port Vila	-0.5	-0.2	-0.1	-0.1	-0.1	0.2	-0.2	-0.1	0.0	0.0	-1.7	1.0	0.2	0.2	0.0	0.0	0.7	0.1	0.2
	Luganville	0.0	-0.2	0.7	-0.1	-0.4	0.1	-0.1	-0.2	-0.4	0.1	0	-1.9	0.3	0.0	0	0.0	0.4	0.0	-3.4
Transport & Comm.		0.5	1.9	0.2	0.3	0.1	0.7	0.5	0.0	0.5	0.1	0.3	-0.3	0.3	0.3	0.6	1.7	0.3	0.0	0.4
	Port Vila	0.6	2.0	0.2	0.3	0.7	0.5	0.7	0.0	0.5	0.0	0.2	1.2	0.7	0.7	0	1.8	0.3	0.0	-0.1
	Luganville	0.3	1.0	0.4	0.2	-0.5	0.4	-0.1	0.0	0.4	0.4	-0.6	0.0	-1.3	0.1	0.4	1.2	0.0	0.0	2.9
Recreation, Educ., Health etc		0.0	0.9	0.9	0.9	0.7	1.2	2.9	0.1	0.4	0.0	2.7	0.2	0.0	0.0	0.0	4.5	0.0	0.1	0.4
	Port Vila	0.1	1.0	0.6	0.9	0.3	0.0	3.1	0.0	0.4	0.0	0.1	1.1	0.0	0.0	0.0	0.0	0.0	0.1	0.3
	Luganville	-0.8	0.5	2.4	0.3	0.9	0.1	1.1	0.3	-0.2	0.0	2.7	0.2	0.5	0.0	0	0.4	0.0	0.0	0.8
ALL GROUPS		0.6	0.6	0.7	0.2	0.4	0.5	0.4	0.0	1.2	-0.8	0.5	0.4	0.5	0.4	0.8	0.6	0.2	0.3	1.7
	Port Vila	0.5	0.6	0.8	0.4	0.5	0.5	0.4	0.1	1.2	0.0	-0.2	1.1	0.5	0.5	0.8	0.6	0.2	0.3	1.8
	Luganville	0.9	0.3	0.7	0.4	0.6	0.4	1.0	-0.3	0.9	-0.1	2.1	0.8	0.2	-0.8	0.2	0.9	-0.3	0.6	1.8

Source: Vanuatu Statistics Office

TABLE 39: CONSUMER PRICE INDICES BY EXPENDITURE GROUP (Quarter to previous quarter)

Expenditure Group	Region	Average						2004				2005				2006				2007
		2001	2002	2003	2004	2005	2006	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
Food		0.6	0.2	1.0	0.5	0.0	0.7	0.1	0.0	3.2	-1.4	-1.8	0.6	0.6	0.7	1.2	1.1	0.4	0.0	1.6
	Port Vila	0.5	0.1	1.0	0.5	0.6	0.7	0.1	0.1	3.4	-1.7	0.2	1.1	0.6	0.6	1.4	0.8	0.3	0.1	1.8
	Luganville	1.2	0.2	0.8	0.5	0.5	0.8	0.5	-0.5	2.4	-0.5	3.1	0.3	0.3	-1.6	0.5	2.0	-0.9	1.7	1.9
Drinks & Tobacco		0.3	1.8	2.3	0.1	0.8	0.2	0.2	0.2	0.0	0.0	1.5	0.5	1.0	0.2	0.5	0.0	0.2	0.1	6.1
	Port Vila	0.3	1.8	2.4	0.1	0.8	0.3	0.0	0.3	0.1	0.0	-0.4	1.3	1.2	1.2	0.6	0.0	0.3	0.1	6
	Luganville	0.5	1.9	1.4	0.2	1.1	-0.1	0.9	-0.2	-0.1	0.0	3.7	0.9	-0.2	0.0	-0.2	0.0	0.0	0.0	6.8
Clothing etc		0.4	0.1	0.2	0.2	-0.2	-0.1	-0.5	-0.6	0.1	0.0	0.6	0.0	-0.1	0.1	0.0	-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	0.0	-0.3	1.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
	Luganville	0.4	0.5	0.1	-0.8	-0.9	-0.4	-0.2	-3.5	0.8	-0.1	0.7	0.9	0.0	0.0	0	-1.0	0.0	-0.6	0.4
Rent, Water, Electricity		1.5	-0.2	0.0	-0.4	1.4	0.5	0.0	0.1	0.2	-1.7	3.3	1.1	0.9	0.4	1.1	0.1	0.0	0.8	1.9
	Port Vila	1.3	-0.2	0.0	-0.5	0.6	0.6	-0.1	0.1	0.2	-2.1	-0.5	1.1	0.8	0.8	1.3	0.2	0.0	0.8	2.2
	Luganville	2.4	-0.5	-0.2	0.2	1.3	0.0	0.0	0.3	0.2	0.3	1.9	3.6	1.2	-1.6	0	0.1	0.0	0.0	0.2
Household Supplies		-0.4	-0.2	0.1	-0.1	-0.2	0.2	-0.2	-0.1	-0.1	0.0	0.8	-1.7	0.2	0.1	0.0	0.0	0.7	0.0	-0.4
	Port Vila	-0.5	-0.2	-0.1	-0.1	-0.1	0.2	-0.2	-0.1	0.0	0.0	-1.7	1.0	0.2	0.2	0.0	0.0	0.7	0.1	0.2
	Luganville	0.0	-0.2	0.7	-0.1	-0.4	0.1	-0.1	-0.2	-0.4	0.1	0	-1.9	0.3	0.0	0	0.0	0.4	0.0	-3.4
Transport & Comm.		0.5	1.9	0.2	0.3	0.1	0.7	0.5	0.0	0.5	0.1	0.3	-0.3	0.3	0.3	0.6	1.7	0.3	0.0	0.4
	Port Vila	0.6	2.0	0.2	0.3	0.7	0.5	0.7	0.0	0.5	0.0	0.2	1.2	0.7	0.7	0	1.8	0.3	0.0	-0.1
	Luganville	0.3	1.0	0.4	0.2	-0.5	0.4	-0.1	0.0	0.4	0.4	-0.6	0.0	-1.3	0.1	0.4	1.2	0.0	0.0	2.9
Recreation, Educ., Health etc		0.0	0.9	0.9	0.9	0.7	1.2	2.9	0.1	0.4	0.0	2.7	0.2	0.0	0.0	0.0	4.5	0.0	0.1	0.4
	Port Vila	0.1	1.0	0.6	0.9	0.3	0.0	3.1	0.0	0.4	0.0	0.1	1.1	0.0	0.0	0.0	0.0	0.0	0.1	0.3
	Luganville	-0.8	0.5	2.4	0.3	0.9	0.1	1.1	0.3	-0.2	0.0	2.7	0.2	0.5	0.0	0	0.4	0.0	0.0	0.8
ALL GROUPS		0.6	0.6	0.7	0.2	0.4	0.5	0.4	0.0	1.2	-0.8	0.5	0.4	0.5	0.4	0.8	0.6	0.2	0.3	1.7
	Port Vila	0.5	0.6	0.8	0.4	0.5	0.5	0.4	0.1	1.2	0.0	-0.2	1.1	0.5	0.5	0.8	0.6	0.2	0.3	1.8
	Luganville	0.9	0.3	0.7	0.4	0.6	0.4	1.0	-0.3	0.9	-0.1	2.1	0.8	0.2	-0.8	0.2	0.9	-0.3	0.6	1.8

Source: Vanuatu Statistics Office

Table 40: VEHICLE REGISTRATION

PERIOD	Motorcars	Pickups	Trucks	Buses	Motor-cycle	TOTAL
2000	164	150	50	99	18	481
2001	132	111	38	37	21	339
2002	106	90	28	26	11	261
2003	103	129	23	32	11	298
2004	175	158	19	25	21	398
2005	233	192	53	100	37	601
2006	243	262	72	85	104	756
2004 Qtr 1	36	33	2	6	3	80
Qtr 2	35	27	2	10	3	77
Qtr 3	50	40	12	7	13	122
Qtr 4	54	58	3	2	2	119
2005 Qtr 1	45	38	12	17	5	117
Qtr 2	80	51	16	31	8	186
Qtr 3	62	65	18	31	14	190
Qtr 4	46	38	7	21	10	108
2006 Qtr 1	62	56	19	18	13	168
Qtr 2	50	74	15	28	27	194
Qtr 3	71	57	20	28	30	206
Qtr 4	60	75	21	14	28	198
2007 Qtr 1	64	70	35	35	11	215

Source: Vanuatu Statistics Office

Table 41: Telephone Service subscribers

Period	Fixed Phone				Mobile Phone				All phone				
	Residenti	Business	Govt	Total	Residential	Business	Govt	Total	Residential	Business	Government	Total	
2001	273	258	30	561	-	-	-	-	273	258	30	561	
2002	379	395	14	788	2,842	477	53	3,372	3,221	872	67	4,160	
2003	572	423	55	1,050	3,993	403	47	4,443	4,565	826	102	5,493	
2004	525	442	35	1,002	4,522	531	34	5,087	5,047	973	69	6,089	
2005	210	81	4	295	3,579	62	-	3,641	3,789	143	4	3,936	
2006	155	110	7	272	9,355	679	12	10,046	9,772	980	33	10,785	
2003	1st	151	98	25	274	890	106	16	1,012	1,041	204	41	1,286
	2nd	145	133	14	292	959	96	6	1,061	1,104	229	20	1,353
	3rd	152	87	10	249	1,043	105	18	1,166	1,195	192	28	1,415
	4th	124	105	6	235	1,101	96	7	1,204	1,225	201	13	1,439
2004	1st	143	89	16	248	1,098	129	13	1,240	1,241	218	29	1,488
	2nd	128	168	7	303	1,114	163	9	1,286	1,242	331	16	1,589
	3rd	121	110	1	232	1,075	114	7	1,196	1,196	224	8	1,428
	4rd	133	75	11	219	1,235	125	5	1,365	1,368	200	16	1,584
2005	1st	53	19	1	73	834	8	0	842	887	27	1	915
	2nd	55	25	0	80	686	30	0	716	741	55	0	796
	3rd	51	18	0	74	781	9	0	790	832	29	3	864
	4th	51	17	0	68	1278	15	0	1293	1329	32	0	1361
2006	1st	57	35	7	99	5317	376	8	5701	5559	557	22	6138
	2nd	30	36	0	66	2579	215	0	2794	2672	267	0	2939
	3rd	50	18	0	68	756	26	4	786	797	56	11	864
	4th	18	21	0	39	703	62	0	765	744	100	0	844
2007 1st	-	-	-	-	-	-	-	-	-	-	-	-	

Source: National Statistics Office

Table 42 Postal Services

Period	Letters	Priority Letters	Printed Matter	Packets	Parcels	Registered	EMS	Total	Domestic Mail			Total	
									Outbound	Inbound	Total		
2001	944,270	385	150,828	119,302	5,856	12,348	4,038	1,237,027	553,272	310,434	373,529	1,237,235	
2002	908,827	424	142,760	121,898	5,722	11,966	3,122	1,194,719	552,228	298,718	343,773	1,194,719	
2003	840,607	781	130,187	154,188	5,450	11,221	3,410	1,145,844	482,105	338,677	325,062	1,145,844	
2004	883,714	961	124,414	129,235	5,283	10,266	4,329	1,196,202	540,644	344,638	310,920	1,196,202	
2005	817,218	194	134,005	230,312	5,264	9,179	5,267	1,201,439	510,241	389,070	303,228	1,202,539	
2006	893,951	1,295	114,453	272,341	5,980	15,047	6,733	1,309,800	586,210	443,528	295,580	1,325,318	
2003	1st	206,342	186	32,142	36,303	1,161	2,927	646	279,707	117,115	78,896	83,696	279,707
	2nd	195,048	220	31,326	37,503	1,312	2,784	723	268,916	112,309	79,334	77,273	268,916
	3rd	213,161	181	34,830	39,104	1,395	2,884	879	292,434	125,777	88,054	78,603	292,434
	4th	226,056	194	31,889	41,278	1,582	2,626	1,162	304,787	126,904	92,393	85,490	304,787
2004	1st	212,452	203	28,245	40,806	1,301	2,678	982	286,667	123,231	85,413	78,023	286,667
	2nd	227,905	178	33,180	40,112	1,286	2,627	1,070	306,358	151,189	81,300	73,869	306,358
	3rd	219,267	232	28,960	44,300	1,179	2,554	1,101	297,593	131,777	92,518	73,298	297,593
	4th	224,090	348	34,029	4,017	1,517	2,407	1,176	305,584	134,447	85,407	85,730	305,584
2005	1st	198,393	296	31,884	50,419	1,300	2,319	1,171	285,782	116,296	90,974	78,512	285,782
	2nd	205,079	337	34,002	54,952	1,328	2,369	1,298	299,365	130,207	93,092	76,066	299,365
	3rd	204,999	333	34,340	59,404	1,344	2,274	1,355	304,049	129,834	100,084	74,131	304,049
	4th	208,747	328	33,779	65,537	1,292	2,217	1,443	313,343	133,904	104,920	74,519	313,343
2006	1st	221,624	325	27,785	74,274	1,424	3,426	1,737	330,595	137,901	117,202	75,492	330,595
	2nd	237,183	358	28,354	69,664	1,380	3,515	1,542	341,996	161,826	107,141	73,029	341,996
	3rd	234,881	266	30,184	64,908	1,484	4,021	1,578	337,322	154,025	109,959	73,338	337,322
	4th	200,263	346	28,130	63,495	1,692	4,085	1,876	299,887	132,458	109,226	73,721	315,405
2007 1st	202,587	213	30,413	66,065	1,419	3,715	1,478	305,890	133,112	104,378	68,400	305,890	

Source: National Statistics Office