

At a Glance -April 2011-



SUMMARY

- * Government's overall balance recorded an accumulated deficit of T\$10.53 million.
- * Annual inflation rate continue to rise over the month due to high fuel prices, despite a fall in local food prices.
- * Level of remittances continue to increase in April 2011 since Jan 2011 mainly due to funds for churches and sports associations.
- * Foreign reserves increased in April 2011 due to slight increase in remittance receipts and deferred import payments.

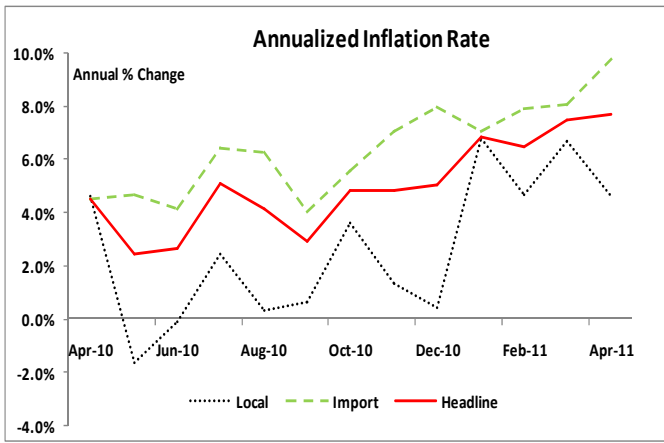
	April 2011 Values (T\$m unless otherwise indicated)	% change from April 2010	YEAR TO DATE (July 2010-April 2011)		
			Values (TOP\$m)	% of Budget (2010/11)	% of GDP (2010/11)
FISCAL INDICATORS				(83% of year)	
Total Revenue & Grants	11.08	-15.2%	142.98	73.9%	20.2%
Total Revenue	10.73	-8.2%	111.48	83.9%	15.8%
Total Grants	0.35		31.50	51.8%	4.5%
Total Expenditure & Net Lending	15.17	+8.2%	153.51	74.7%	21.7%
Total Expenditure	11.43	-9.6%	118.75	98.0%	16.8%
Aid Expenditure	3.74		34.76	41.2%	4.9%
OVERALL BALANCE	-4.09		-10.53		1.5%
Total Public Debt	308.67 <i>(cumulative)</i>		64.65		43.7% <i>(cumulative)</i>
ECONOMIC ACTIVITY					
Export (OET Basis)	1.1	-40.5%	7.0		1.0%
Import (OET Basis)	15.3	+5.6%	192.5		27.2%
Remittances	12.7	-8.9%	123.1		17.4%
MONETARY INDICATORS					
Official Foreign Reserves	160.1	-0.8%			22.7%
Import Cover	6.6 months	+4.8%			
Annualized Inflation	7.7%	+3.1% <i>point change</i>			
Retail Fuel Prices: Petrol	2.93/litre	+15.8%			
Diesel	3.07/litre	+23.8%			

Key Statistics:

- * Population: 101,991 (*natural growth rate = 0.4%*)
- * GDP/capita: T\$6,424 (*real GDP growth rate 2010/11 = 1.5% (p)*)
- * Land Area: 748 sq km (*Archipelago of 176 islands, 52 inhabited*)
- * Health: *Infant mortality rate (2008)—16/1000*

Exchange Rates (end period):

	<u>April 2011</u>	<u>April 2010</u>
USD/TOP=	0.5616	0.5147
AUD/TOP=	0.5292	0.5511
NZD/TOP=	0.7091	0.7168

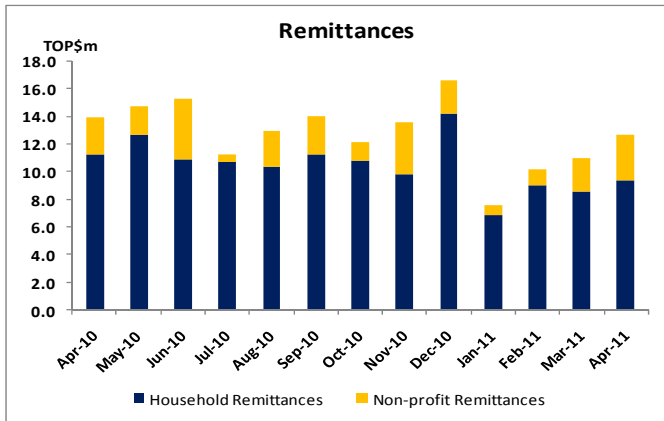


Source: Tonga Statistics Department

Annual inflation rate for April 2011 was 7.7% making it the highest since 7.9% in November 2008.

Imported fuel prices marked the largest price increase in April 2011 from previous month due mainly to the rise in price recorded for petrol and diesel.

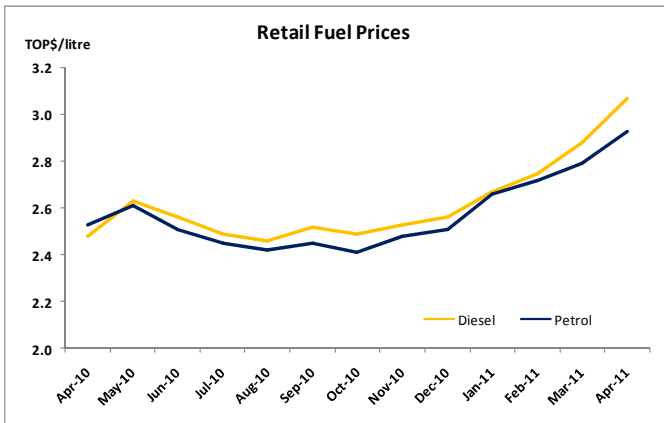
However local food prices fell from previous month particularly fruits and vegetables.



Source: National Reserve Bank of Tonga

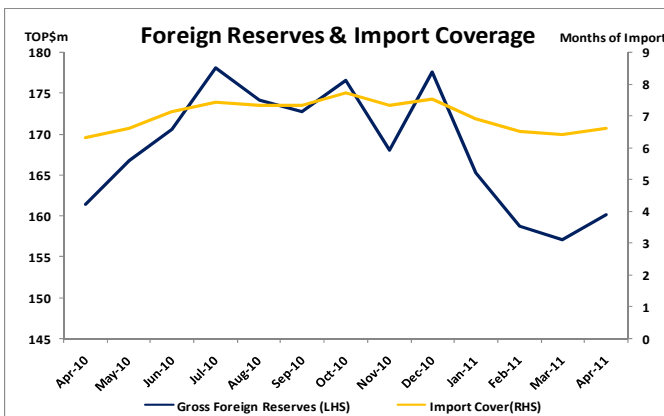
Remittances' increase from the previous month showed that non-profit remittances went up by 38% due to funds for churches (Latter Days Saints & Church of Tonga) and sports associations (Tonga Football).

In comparison to the same corresponding period last year, the fall in the level of remittances is mainly due to weak economic conditions and uncertainties occurring in overseas remitting countries.



Source: Ministry of Labour, Commerce & Industries

Fuel prices continue to increase in April 2011 whereby petrol was increased by T\$0.14 cents/litre and diesel by T\$0.19 cents/litre due to overseas turmoil.



Source: National Reserve Bank of Tonga

Level of foreign reserves held by the National Reserve Bank has increased in April 2011 from the previous month by 2% and months of import coverage by 3%, due to a slight increase in remittance receipts and deferred import payments mostly for fuel.