



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC ANALYSIS: March 2018

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### **International Developments<sup>1</sup>**

In its World Economic Outlook (WEO) January report, the IMF reported that the world growth momentum has strengthened. *Global output is estimated to have grown by 3.7 percent in 2017<sup>2</sup>*, driven by strong investment and trade, while money and credit are still flowing easily within and across countries. In the medium term, however, 2018 and 2019 growths will eventually level off<sup>3</sup>, especially in advanced economies.

Growth in emerging and developing countries is projected to firm further in the short term, helped by a modest improvement in prospects in commodity exporters.

Geopolitical tensions escalated resulting in a targeted missile strike on Syria and fresh Russian sanctions expected to follow. Rising geopolitical risk amid a weaker United States Dollars (USD) kept investor appetite strong for gold. This has seen gold held in ETF rise strongly over the past week.

### **US economy**

The US unemployment rate has been flat for the past 4 months. Inflation is hovering just above 2 percent, but there are signs indicating inflation to pick up throughout 2018. Current economic data suggests that inflation will be at 2.5 percent by the end of 2018. The Manufacturing PMI is trending higher in February. US Industrial Production growth is flattening because oil is in a correction of its lower levels. However, this data series is still trending higher.

### **Australian economy**

In Australia, The Reserve Bank's half-yearly Financial Services Review (FSR) has unsurprisingly given a sanguine view of Australian financial stability risks<sup>4</sup>.The

RBA's concerns centre around pockets of commercial property where there have been settlement delays and failures. It also highlighted risks surrounding borrowers adjusting to principal-and-interest repayments at the end of an interest-only period.

The ANZ expects the Q1 CPI data (released on Tuesday, 24 April) to provide further evidence that inflation has stabilised, a little below the RBA's 2-3% policy target band<sup>5</sup>.

### **New Zealand economy**

In New Zealand, consumers are feeling *self-assured* in March. Solid income growth, low unemployment, still-low interest rates and a recovery in the housing market are all supporting this sentiment. The ANZ forecast is for the economy to grow broadly around trend for the next couple of years, with the unemployment rate set to remain low<sup>6</sup>.

### **EURO area economy**

The stream of positive data in February suggests in Euro area robust growth to continue in 2018. This is largely due to positive sentiments, higher employment supporting household consumptions, accommodative monetary policy, and strong global backdrop that will support exports. Downside to this optimistic outlook is Euro strengthening, hence not good for external sector.

Overall, the majority of Euro economies reported improvement in their growth forecasts for 2018 including Germany, France and Italy. The only country with downgraded growth forecast was Luxembourg. Other economies including Spain made no changes in their growth projections.

### **Developing economies**

China's exports maintained a decent growth in Q1 despite a contraction in March. Exports increased 7.4 percent year-on-year in Q1, almost on par with the pace in Q4 2017, suggesting a still decent performance<sup>7</sup>.President Xi Jinping

<sup>1</sup> Economic updates for US, Australia, NZ, Euro & developing economies are sourced from "Focus Economics" website.

<sup>2</sup> January 2018 IMF world economic outlook

<sup>3</sup> ditto

<sup>4</sup> ANZ research article, 13 April 2018

<sup>5</sup> ANZ research article, 13 April 2018

<sup>6</sup> ANZ research article, 04 April 2018

<sup>7</sup> ANZ research article, 13 April 2018, Betty Rui Wang

in his speech at the Boao<sup>8</sup> forum has confirmed China's determination to further open up its economy, including reduced import tariffs on automobiles and firmer efforts to protect intellectual properties.

### Exchange rate developments

Table 1 depicted VATU position at the end of March. Vatu appreciated against **EURO** (-1.8), **NZD** (-1.1) and **CNY** (-0.6) while it depreciated against **AUD** (+0.5). It remains, however, unchanged against the **USD**.

**Table 1: Exchange Rate of VATU/ Foreign Currency**

	Vatu per Foreign Currency						
	End Rates					Average Rates	
	US	AUD	NZD	EURO	CNY	US	AUD
Mar-18	107.4	83.6	77.5	131.0	17.0	106.3	83.8
Feb-18	107.38	83.18	78.35	133.38	17.10	107.10	83.45
% ▲	0.0	0.5	-1.1	-1.8	-0.6	-0.8	0.4
Dec-17	107.5	83.8	76.2	128.4	16.5	108.8	83.1
% ▲	-0.1	-0.2	1.7	2.0	3.3	-2.3	0.9
Sep-17	106.3	84.0	77.4	126.1	16.1	106.3	84.2
% ▲	1.0	-0.4	0.2	3.9	5.7	0.0	-0.5

### Official Reserves<sup>9</sup>

Official foreign reserves increased from VT41,794.2 million in January 2018 to VT42,735.1 million at the end of February 2018 and is sufficient to cover 10.2 months of import cover.

### Real sector developments

Vanuatu received 44,190 total visitors in December 2017. Total visitor arrivals rose by 43 percent over the previous month and declined 9 percent over the year. Of the total, 12,283 visitors arrived by air and 31,907 visitors arrived by cruise-ships. Air arrivals rose by 26 percent over the same month of last year and cruise-ship visitors dropped by 9 percent. The majority (79 percent) of air arrivals are holiday visitors, which increased by 27 percent over the year. Visitors arriving for other purposes (especially sports) rose by 155 percent and visitors visiting friends and family rose by 13 percent. In contrast, business visitors fell by 41 percent and stopover fell by 35 percent. Visitors arriving for sports rose significantly in the month following the South Pacific Mini Games held in Port Vila in December 2017. All major tourist markets rose over the year led by: Australia (by

26 percent), New Caledonia (by 29 percent), Other Pacific Countries (by 54 percent), New Zealand (by 14 percent), North America (by 49 percent), China (by 43 percent), Europe (by 9 percent) and Japan (by 5 percent).

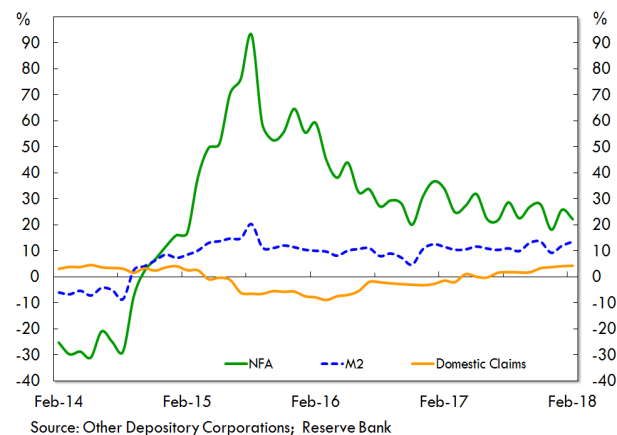
Year-on-year CPI Inflation recorded 3.2 percent in the fourth quarter of 2017 or a 0.1 percent quarter-on-quarter basis. This is lower than the 3.5 percent recorded in the third quarter of 2017. Quarter-on-quarter inflation was mainly contributed by increases in prices for clothing and footwear, and transport. Annual inflation was driven by increases in the following main items in the CPI basket: food rose by 6.4 percent, transport by 6.3 percent and education by 3.2 percent. On the other hand, prices for recreation dropped by 2.0 percent, household supplies by 0.5 percent and miscellaneous by 0.4 percent.

### Monetary Developments

Money supply (M2) expanded further by 1.1 percent in February, thus, triggered the annual growth to increase by 13.6 percent, up from 12 percent over the year to the previous month. Money growth was attributed mainly by domestic credit in particular the increase in net claims on the central government and to a lesser extent credit to other sectors. Growth in net foreign assets (NFA) contracted during the month.

NFA contracted by 2.4 percent owing to a decline in the other depository corporations (ODC) NFA position, which outweighed the increase in the Reserve Bank of Vanuatu (RBV) NFA. Nonetheless the year-on-year growth in NFA continued to remain high.

**Chart 1: Determinants of Money Supply (yoy% Change)**



<sup>8</sup> <http://english.boaoforum.org/en/index.html>

<sup>9</sup> One of the key objectives of the RBV; for official reserves to cover at least 4 months of import cover. Calculated as Gross foreign reserves less IMF positions.

Growth in domestic credit reached 1.4 percent reflecting to a greater extent the increase in net claims on central government and to a lesser extent a slight pick-up in credit to other sectors. The growth in credit to other sectors was largely driven by personal consumption. Total loans extended by ODCs to various sectors are depicted in table A4.

The central government's net credit position vis-à-vis the banking system deteriorated in February 2018, due to decline in government deposits held by both the ODCs and the RBV. This development reflected largely the redemption of government bonds during the month. Thus, the fiscal net credit position further deteriorated over the year to February 2018.

Claims on the central government by OFIs<sup>10</sup> remained unchanged at VT2,850 million as at the end of the March 2018 compared to February 2018.

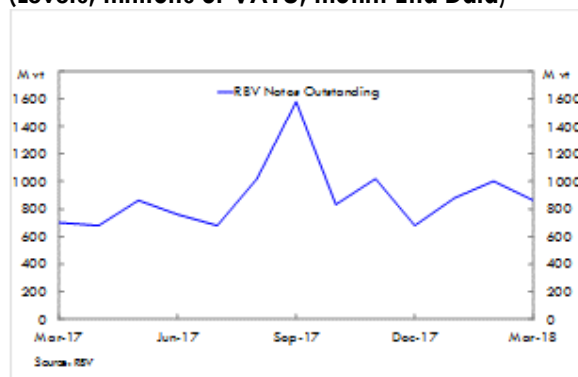
**Monetary Policy Stance**

The monetary policy stance remained unchanged over the month with the RBV policy interest rate maintained at 2.85 percent. Both the Statutory Reserve Deposits (SRD) and the Liquid Asset Ratio were also maintained at 5.00 percent, respectively.

**Open Market Operations (OMO)**

The RBV issued VT600 million worth of RBV notes in March compared to VT900 million issued in February 2018. Total subscriptions received, however, declined to VT,1420 million compared to VT2,600 million in February.

**Chart 1: Outstanding RBV Notes (Levels, millions of VATU, month-End Data)**

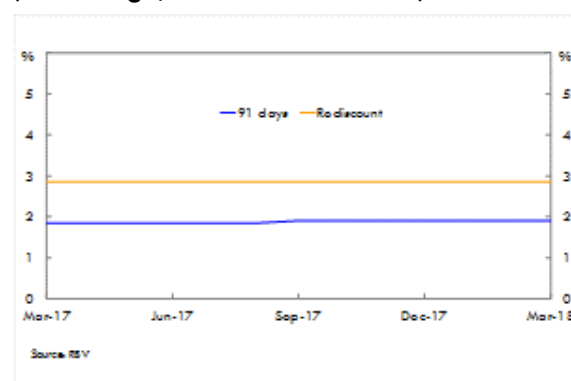


**Table 2: Amount Allotted (Millions of VATU) and Yields on RBV Notes (Percent)**

Term	Amount Allotted	Yield End Mar. 2018	Yield End Feb. 2018
7 days	160	1.60	1.60
14 days	160	1.65	1.65
28 days	120	1.75	1.75
63 days	80	1.80	1.80
91 days	80	1.90	1.90

Chart 2 below shows the yield on the 91-days<sup>11</sup> RBV notes.

**Chart 2: Yield on 91-days RBV Note (Percentage, Month-end Position)**



A total of VT740 million RBV notes matured in March 2018. The remaining balance of VT860 million, is still to be retired, compared to VT1,000 million in February. .

<sup>10</sup> OFI: Other Financial Institutions cover Credit Corporation; Vanuatu Agriculture Bank; and Vanuatu National Provident Fund

<sup>11</sup>91 days RBV note rate plus a penalty rate of 100 basis points is the RBV policy interest rate.

**TABLE A1 : CONDENSED BALANCE SHEET OF THE RESERVE BANK OF VANUATU** (In Millions Vatu)

End of Period	Feb-17	Nov-17	Jan-18	Feb-18	%Change		
					1 Month	3 months	12months
<b>Claims on nonresidents</b>	<b>33,825.9</b>	<b>41,648.6</b>	<b>42,610.4</b>	<b>43,563.3</b>	2.2	4.6	28.8
Monetary gold and SDR holdings	807.4	827.2	816.2	828.3	1.5	0.1	2.6
Reserve Assets	33,018.5	40,821.4	41,794.2	42,735.1	2.3	4.7	29.4
<b>Currency and Deposits</b>	<b>13.0</b>	<b>16.5</b>	<b>31.5</b>	<b>36.6</b>	16.0	121.5	180.9
National currency	13.0	16.5	31.5	36.6	16.0	121.5	180.9
<b>Securities other than shares</b>	<b>3,764.4</b>	<b>3,197.0</b>	<b>3,197.5</b>	<b>2,953.0</b>	-7.6	-7.6	-21.6
Central government	3,764.4	3,197.0	3,197.5	2,953.0	-7.6	-7.6	-21.6
<b>Loans</b>	<b>85.3</b>	<b>66.5</b>	<b>65.7</b>	<b>65.7</b>	0.1	-1.1	-23.0
Other depository corporations	-	-	-	-			
Other residents sectors	85.3	66.5	65.7	65.7	0.1	-1.1	-23.0
<b>Other accounts receivable</b>	<b>930.2</b>	<b>1,035.6</b>	<b>1,073.2</b>	<b>1,328.2</b>	23.8	28.3	42.8
Trade credit and advances	158.2	52.8	132.1	114.9	-13.0	117.7	-27.3
Settlement accounts	216.7	33.3	56.6	366.7	548.1	1,000.5	69.2
Miscellaneous Assets	555.4	949.5	884.6	846.6	-4.3	-10.8	52.4
<b>Nonfinancial assets</b>	<b>1,574.7</b>	<b>1,558.4</b>	<b>1,559.3</b>	<b>1,563.6</b>	0.3	0.3	-0.7
<b>TOTAL ASSETS</b>	<b>40,193.6</b>	<b>47,522.5</b>	<b>48,537.7</b>	<b>49,510.4</b>	2.0	4.2	23.2
<b>Monetary Base</b>	<b>25,792.9</b>	<b>33,703.6</b>	<b>34,683.2</b>	<b>35,251.2</b>	1.6	4.6	36.7
Currency in Circulation	6,702.4	7,357.7	7,407.0	7,242.6	-2.2	-1.6	8.1
Currency Other Depository Corporations	1,923.5	2,388.1	2,581.1	2,360.1	-8.6	-1.2	22.7
Liabilities to Other Depository Corporations	17,167.0	23,957.8	24,695.1	25,648.6	3.9	7.1	49.4
Reserve Deposits	2,885.2	3,223.0	3,309.1	3,296.8	-0.4	2.3	14.3
Other Liabilities	14,281.8	20,734.8	21,386.0	22,351.8	4.5	7.8	56.5
<b>Liabilities to Central Government</b>	<b>7,866.7</b>	<b>5,796.6</b>	<b>6,136.1</b>	<b>5,567.3</b>	-9.3	-4.0	-29.2
Deposits	7,249.0	5,779.4	6,127.5	5,549.2	-9.4	-4.0	-23.4
Other							
<b>Liabilities to non residents</b>	<b>2,645.6</b>	<b>2,770.6</b>	<b>2,743.0</b>	<b>2,785.6</b>	1.6	0.5	5.3
Deposits	2,645.6	2,770.6	2,743.0	2,785.6	1.6	0.5	5.3
Liabilities to the IMF- Central Government	617.7	17.2	8.6	18.1	110.2	4.9	-97.1
<b>Securities other than shares</b>	<b>359.0</b>	<b>1,017.5</b>	<b>777.9</b>	<b>897.4</b>	15.4	-11.8	150.0
Central Bank	359.0	1,017.5	777.9	897.4	15.4	-11.8	150.0
<b>Loans</b>							
<b>Other accounts payable</b>	<b>484.6</b>	<b>370.9</b>	<b>396.4</b>	<b>1,139.6</b>	187.5	207.3	135.2
Trade credit and advances	362.6	330.5	355.6	348.5	-2.0	5.5	-3.9
Other Sectors	122.0	40.4	40.8	791.1	1,839.8	1,857.9	548.3
o/w Settlement Accounts	108.7	27.8	36.2	754.4	1,986.7	2,617.3	593.8
<b>Shares and other equity</b>	<b>650.1</b>	<b>1,345.2</b>	<b>1,316.4</b>	<b>1,347.9</b>	2.4	0.2	107.3
<b>SDR Allocation</b>	<b>2,394.6</b>	<b>2,518.1</b>	<b>2,484.6</b>	<b>2,521.3</b>	1.5	0.1	5.3
<b>TOTAL LIABILITIES</b>	<b>40,193.6</b>	<b>47,522.5</b>	<b>48,537.7</b>	<b>49,510.4</b>	2.0	4.2	23.2

**TABLE A2a : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU ( In Millions VT)**

END OF PERIOD	Feb-17	Nov-17	Jan-18	Feb-18	%Change		
					1 Month	3 months	12 Months
<b>Monetary gold and SDR</b>							
<b>Currency and deposits</b>	<b>33,686.1</b>	<b>38,406.0</b>	<b>40,206.2</b>	<b>40,898.1</b>	1.7	6.5	21.4
<b>Currency</b>	2,182.7	3,008.2	3,333.8	2,860.8	-14.2	-4.9	31.1
National	1,923.5	2,388.1	2,581.1	2,360.1	-8.6	-1.2	22.7
Foreign	259.2	620.1	752.7	500.7	-33.5	-19.2	93.1
<b>Transferable deposits</b>	20,363.4	26,832.1	26,983.4	27,540.9	2.1	2.6	35.2
<i>In Local currency : Central Bank</i>	17,167.0	23,957.8	24,695.1	25,648.6	3.9	7.1	49.4
Other depository corporations	-	-	-	-			
Nonresidents	26.5	24.5	28.2	27.2	-3.3	11.4	2.9
Head offices and Branches	0.5	-	-	-			
Other depository corporations	25.9	24.5	28.2	27.2	-3.3	11.4	5.0
<i>In foreign currency :</i>							
Nonresidents	3,169.9	2,849.9	2,260.1	1,865.0	-17.5	-34.6	-41.2
Head offices and Branches	244.7	84.1	66.2	28.1	-57.6	-66.6	-88.5
Other depository corporations	2,925.2	2,765.8	2,193.9	1,837.0	-16.3	-33.6	-37.2
<b>Other deposits</b>	11,140.0	8,565.7	9,889.0	10,496.5	6.1	22.5	-5.8
<i>In Local currency :</i>							
Other depository corporations	467.8	483.0	483.0	485.2	0.5	0.5	3.7
Nonresidents	-	-	-	-			
Other depository corporations	-	-	-	-			
<i>In foreign currency :</i>							
Other depository corporations	348.2	1,858.3	1,475.7	1,478.0	0.2	-20.5	324.5
Nonresidents	10,324.0	6,224.4	7,930.3	8,533.3	7.6	37.1	-17.3
Head offices and Branches	-	-	-	-			
Other depository corporations	10,324.0	6,224.4	7,930.3	8,533.3	7.6	37.1	-17.3
<b>Securities other than shares</b>	<b>1,346.5</b>	<b>2,505.0</b>	<b>2,265.4</b>	<b>2,184.9</b>	-3.6	-12.8	62.3
Central Bank	359.0	1,017.5	777.9	897.4	15.4	-11.8	150.0
Central Government	987.5	1,487.5	1,487.5	1,287.5	-13.4	-13.4	30.4
<b>Loans</b>	<b>59,201.9</b>	<b>61,414.6</b>	<b>61,641.0</b>	<b>61,758.0</b>	0.2	0.6	4.3
Other depository corporations	-	0.1	22.5	-			
Other financial corporations	0.4	258.6	243.7	36.6	-85.0	-85.9	9280.3
Central government	-	-	-	-			
State and local government	108.1	105.9	88.9	94.3	6.1	-11.0	-12.8
Public nonfinancial corporations	1,347.1	978.4	1,255.4	1,339.5	6.7	36.9	-0.6
Other nonfinancial corporations	25,721.0	24,729.4	26,004.3	25,570.9	-1.7	3.4	-0.6
Other residents sectors	30,154.5	33,760.4	32,416.0	33,103.7	2.1	-1.9	9.8
Nonresidents	1,870.9	1,581.9	1,610.1	1,613.1	0.2	2.0	-13.8
Interbank Funds sold	-	-	-	-			
<b>Other accounts receivable</b>	<b>3,699.0</b>	<b>2,823.4</b>	<b>3,374.9</b>	<b>4,098.8</b>	21.4	45.2	10.8
Trade credit and advances	252.2	71.4	265.3	243.5	-8.2	240.8	-3.4
Settlement accounts	2,326.8	2,191.0	2,180.6	2,196.2	0.7	0.2	-5.6
Miscellaneous assets items	1,120.0	560.9	929.0	1,659.2	78.6	195.8	48.1
<b>Nonfinancial assets</b>	<b>4,562.2</b>	<b>4,438.1</b>	<b>4,466.6</b>	<b>4,479.5</b>	0.3	0.9	-1.8
<b>TOTAL ASSETS</b>	<b>102,495.8</b>	<b>109,587.1</b>	<b>111,954.1</b>	<b>113,419.4</b>	1.3	3.5	10.7



**TABLE A2b : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU ( In Millions VT)**

END OF PERIOD	Feb-17	Nov-17	Jan-18	Feb-18	%Change		
					1 Month	3 months	12 Months
<b>Deposits</b>	<b>78,698.5</b>	<b>84,416.0</b>	<b>86,248.4</b>	<b>87,520.4</b>	1.5	3.7	11.2
<b>Transferable deposits</b>	45,712.7	44,601.0	44,954.8	50,482.2	12.3	13.2	10.4
<i>In Local currency:</i>	26,204.1	27,960.9	27,643.1	32,636.0	18.1	16.7	24.5
Other depository corporation	128.4	203.9	150.2	232.3	54.6	13.9	80.9
Other financial corporations	4,631.1	3,379.0	2,999.9	3,923.9	30.8	16.1	-15.3
Central government	1,412.3	1,354.3	1,024.8	1,094.5	6.8	-19.2	-22.5
State and local governments	82.7	80.1	72.4	114.7	58.5	43.2	38.8
Public nonfinancial coporations	458.5	517.5	450.9	423.7	-6.0	-18.1	-7.6
Other non financial coporations	8,364.9	9,943.5	9,143.6	10,175.4	11.3	2.3	21.6
Other residents sectors	11,126.3	12,482.7	13,801.4	16,671.4	20.8	33.6	49.8
<i>Non-residents</i>	1,471.4	1,167.0	1,158.0	1,746.2	50.8	49.6	18.7
Other Depository and financial corporations	8.6	18.4	7.5	0.7	-90.5	-96.1	-91.8
Other non residents	1,462.8	1,148.6	1,150.5	1,745.5	51.7	52.0	19.3
<i>In Foreign currency:</i>	14,896.0	13,819.3	14,563.5	14,100.1	-3.2	2.0	-5.3
Other depository corporation	339.8	184.8	363.7	534.0	46.8	188.9	57.2
Other financial corporations	239.9	724.1	684.2	579.2	-15.3	-20.0	141.4
Central government	3,948.6	1,150.8	1,061.5	512.8	-51.7	-55.4	-87.0
Public nonfinancial coporations	125.8	174.7	168.3	166.7	-1.0	-4.6	32.5
Other non financial coporations	6,794.2	8,651.7	9,145.4	9,252.3	1.2	6.9	36.2
Other residents sectors	3,442.7	2,932.5	3,135.9	3,050.4	-2.7	4.0	-11.4
<i>Non-residents</i>	3,141.3	1,653.8	1,590.3	2,000.0	25.8	20.9	-36.3
Head office and Branches	-	27.8	4.1	155.5	3,678.5	459.9	
Other Depository and financial corporations	58.2	85.6	48.4	132.5	173.7	54.7	127.7
Other non residents	3,083.1	1,540.4	1,537.7	1,712.0	11.3	11.1	-44.5
<b>Other deposits</b>	<b>32,985.8</b>	<b>39,815.0</b>	<b>41,293.5</b>	<b>37,038.1</b>	-10.3	-7.0	12.3
<i>In Local currency:</i>	21,341.0	28,338.3	29,656.2	25,817.8	-12.9	-8.9	21.0
Other depository corporation	655.1	348.4	350.0	350.5	0.1	0.6	-46.5
Other financial corporations	3,289.4	5,209.5	5,774.0	5,491.3	-4.9	5.4	66.9
Central government	1,110.1	6,208.3	6,238.8	6,257.4	0.3	0.8	463.7
State and local governments	102.0	123.7	119.1	117.6	-1.2	-4.9	15.4
Public nonfinancial coporations	588.7	670.7	881.8	977.1	10.8	45.7	66.0
Other non financial coporations	2,942.9	3,880.5	4,161.2	3,257.3	-21.7	-16.1	10.7
Other residents sectors	12,652.8	11,897.3	12,131.4	9,366.5	-22.8	-21.3	-26.0
<i>Non-residents</i>	1,466.1	1,120.7	1,149.1	802.8	-30.1	-28.4	-45.2
Other Depository and financial corporations	-	-	-	-			
Other non residents	1,466.1	1,120.7	1,149.1	802.8	-30.1	-28.4	-45.2
<i>In Foreign currency:</i>	9,134.6	9,553.2	9,674.5	9,610.7	-0.7	0.6	5.2
Other depository corporation	2,027.7	470.4	483.9	476.3	-1.6	1.3	-76.5
Other financial corporations	484.3	2,258.9	1,553.9	2,335.8	50.3	3.4	382.3
Central government	-	-	-	-			
Public nonfinancial coporations	91.2	91.6	99.9	101.0	1.1	10.2	10.8
Other non financial coporations	1,433.4	1,770.6	2,399.1	1,690.7	-29.5	-4.5	17.9
Other residents sectors	5,098.0	4,961.6	5,137.8	5,006.8	-2.5	0.9	-1.8
<i>Non-residents</i>	1,044.1	802.8	813.6	806.9	-0.8	0.5	-22.7
Other Depository and financial corporations	22.9	-	-	-			-100.0
Other non residents	1,021.2	802.8	813.6	806.9	-0.8	0.5	-21.0
<b>Loans</b>	<b>2,456.1</b>	<b>3,917.5</b>	<b>4,036.7</b>	<b>4,101.2</b>	1.6	4.7	67.0
Other depository Corporations	-	1,639.1	2,414.6	1,239.9	-48.6	-24.4	
<i>Non residents</i>	2,456.1	2,278.4	1,622.1	2,861.3	76.4	25.6	16.5
Head office and Branches	2,413.5	2,211.6	1,563.1	2,803.6	79.4	26.8	16.2
Other financial corporations	42.6	66.9	59.0	57.7	-2.2	-13.8	35.3
<b>Other accounts payable</b>	<b>8,024.9</b>	<b>8,352.1</b>	<b>8,655.4</b>	<b>8,697.2</b>	0.5	4.1	8.4
Trade credit and advances	91.3	318.2	163.3	124.0	-24.1	-61.0	35.9
Settlement accounts	2,161.6	2,006.8	2,029.2	2,063.6	1.7	2.8	-4.5
Provisions for losses	1,091.1	2,164.3	2,302.4	2,312.6	0.4	6.9	112.0
Accumulated depreciation	2,534.9	2,252.9	2,310.4	2,335.6	1.1	3.7	-7.9
Miscellaneous liability items	2,146.0	1,610.0	1,850.1	1,861.3	0.6	15.6	-13.3
<b>Shares and other equity</b>	<b>13,316.2</b>	<b>12,901.4</b>	<b>13,013.6</b>	<b>13,100.6</b>	0.7	1.5	-1.6
<b>TOTAL LIABILITIES</b>	<b>102,495.8</b>	<b>109,587.1</b>	<b>111,954.1</b>	<b>113,419.4</b>	1.3	3.5	10.7

**TABLE A3 : DEPOSITORY CORPORATION SURVEY**
**(MVT)**

END OF PERIOD	Feb-17	Nov-17	Jan-18	Feb-18	%Change		
					1 Month	3 months	12 Months
<b>1. Net Foreign Assets</b>	<b>34,857.9</b>	<b>40,638.7</b>	<b>43,632.0</b>	<b>42,578.6</b>	-2.4	4.8	22.1
Monetary Authorities (Net)	28,785.6	36,359.9	37,382.8	38,256.4	2.3	5.2	32.9
Other Depository Corporations (Net)	6,072.2	4,278.9	6,249.2	4,322.2	-30.8	1.0	-28.8
<b>2. Net Domestic Claims</b>	<b>36,949.2</b>	<b>37,677.3</b>	<b>36,987.3</b>	<b>38,963.7</b>	5.3	3.4	5.5
<b>(a) Domestic Claims</b>	<b>47,830.7</b>	<b>50,073.6</b>	<b>50,297.8</b>	<b>51,019.0</b>	1.4	1.9	6.7
<b>(i) Net claims on central government</b>	<b>(9,585.7)</b>	<b>(9,825.5)</b>	<b>(9,776.2)</b>	<b>(9,191.6)</b>	6.0	6.5	4.1
Monetary Authorities	(4,102.3)	(2,599.7)	(2,938.6)	(2,614.4)	11.0	-0.6	36.3
Other Depository Corporations	(5,483.4)	(7,225.8)	(6,837.6)	(6,577.2)	3.8	9.0	-19.9
<b>(ii) Claims on other Sectors</b>	<b>57,416.4</b>	<b>59,899.1</b>	<b>60,074.0</b>	<b>60,210.6</b>	0.2	0.5	4.9
Other Financial Corporations	0.4	258.6	243.7	36.6	-85.0	-85.9	9,280.3
State and local government	108.1	105.9	88.9	94.3	6.1	-11.0	-12.8
Public nonfinancial corporations	1,347.1	978.4	1,255.4	1,339.5	6.7	36.9	-0.6
Other nonfinancial corporations	25,721.0	24,729.4	26,004.3	25,570.9	-1.7	3.4	-0.6
Other residents sectors	30,239.8	33,826.9	32,481.7	33,169.5	2.1	-1.9	9.7
<b>(b) Other items (net)</b>	<b>(10,881.5)</b>	<b>(12,396.3)</b>	<b>(13,310.5)</b>	<b>(12,055.3)</b>	-9.4	-2.8	10.8
<b>3. Broad Money (M2)</b>	<b>71,807.0</b>	<b>78,316.1</b>	<b>80,619.3</b>	<b>81,542.3</b>	1.1	4.1	13.6
<b>(a) Money (M1)</b>	<b>42,441.6</b>	<b>46,632.8</b>	<b>47,527.4</b>	<b>52,371.3</b>	10.2	12.3	23.4
(i) Currency in circulation	6,702.4	7,357.7	7,407.0	7,242.6	-2.2	-1.6	8.1
(ii) Transferable deposits	35,739.2	39,275.1	40,120.4	45,128.7	12.5	14.9	26.3
<b>(b) Quasi-money</b>	<b>29,365.5</b>	<b>31,683.3</b>	<b>33,092.0</b>	<b>29,171.0</b>	-11.8	-7.9	-0.7
Other Deposits	29,365.5	31,683.3	33,092.0	29,171.0	-11.8	-7.9	-0.7

**Table A4: Other Depository Corporations Sectoral Distribution of Loans and Advances in Vatu and Foreign Currency (MVT)**

SECTOR	Feb-17			Feb-18			YOY % Change		
	VT	FC	Total	VT	FC	Total	VT	FC	Total
Depository Institutions Domestic	0.0	0.0	0.0	0.0	0.0	0.0			
Other Financial Corporations Domestic	0.4	0.0	0.4	2.3	34.3	36.6	9280.3		9280.3
Central Government	0.0	0.0	0.0	0.0	0.0	0.0			
Provincial Assemblies & Local Government	108.1	0.0	108.1	94.3	0.0	94.3	-12.8		-12.8
Statutory Non-financial Corporations Domestic	823.7	523.3	1347.1	996.2	343.2	1339.5	62.6	-34.4	-0.6
Manufacturing	954.4	282.0	1236.4	915.9	475.4	1391.3	45.8	68.6	12.5
Agriculture	410.9	46.2	457.1	393.7	107.5	501.3	22.0	133.0	9.7
Public Utilities	8.5	200.4	208.9	13.6	13.6	27.2	220.1	-93.2	-87.0
Forestry	8.9	0.0	8.9	0.0	0.0	0.0	-100.0		-100.0
Fisheries	18.0	0.0	18.0	24.4	0.0	24.4	35.9	-100.0	35.8
Mining & Quarrying	135.8	0.0	135.8	45.2	0.0	45.2	-66.7		-66.7
Construction	2449.7	1334.9	3784.6	2186.9	1454.1	3640.9	48.6	8.9	-3.8
Distribution (Wholesale and Retail)	4388.6	829.6	5218.2	3791.5	1120.4	4911.9	11.9	35.0	-5.9
Tourism	1988.3	4821.8	6810.1	1171.8	5031.1	6202.9	212.0	4.3	-8.9
Transport	619.2	188.1	807.2	711.0	163.5	874.4	41.2	-13.1	8.3
Communications	405.5	848.8	1254.2	1370.6	813.8	2184.4	438.7	-4.1	74.2
Entertainment & Catering	697.5	299.4	996.9	571.3	523.1	1094.4	56.9	74.7	9.8
Professional & Other Services	2996.8	1787.9	4784.6	2948.1	1610.2	4558.3	52.1	-9.9	-4.7
Housing & Land Purchases	14681.2	4177.7	18858.9	14403.7	3008.9	17412.7	18.6	-28.0	-7.7
Other individual	9376.5	1698.3	11074.7	11750.6	3724.4	15475.0	65.0	119.3	39.7
Non Profit Institutions Serving Households	220.8	0.0	220.8	216.1	0.0	216.1	-2.1	-100.0	-2.1
<b>Grand Total</b>	<b>40,292.7</b>	<b>17,038.4</b>	<b>57,331.1</b>	<b>41,607.2</b>	<b>18,423.6</b>	<b>60,030.8</b>	49.0	8.1	4.7