



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC ANALYSIS: August 2018

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

Emerging markets remain under pressure. Turkey's economic crisis has potential for contagion, with foreign investors pulling out capital in search of safe havens. The accompanying U.S. dollar strength can indeed lead to a vicious cycle by making it harder for borrowers to service USD-denominated debt, reinforcing default risks, hence leading to more capital outflows from emerging economies.

### **US economy**

A weaker-than-expected handoff from last year, courtesy of recent data revisions. However, by no means diminishes the current state of the world's largest economy which remains buoyant thanks in part to fiscal stimulus which has re-energised domestic demand. Price pressures are not surprisingly intensifying, forcing the Federal Reserve to tighten policy. The Fed, however, will exercise restraint amidst the U.S. dollar's persistent strength, escalating trade protectionism.

### **Australian economy**

In Australia, swelling public sector will help keep economy buoyant, thanks to transport infrastructure work and billions pumped into the National Disability Insurance Scheme which by 2020-2021 will contribute around 1 percent of Australia's GDP2.

### **New Zealand economy**

In New Zealand, A strong quarter two GDP print provides the Reserve Bank with a bit more space to data-watch from the 1.75 percent OCR sofa, but we still see a cut as more likely than a hike, given the yawning gap between RBNZ growth forecasts and ANZ's over 2019.

### **EURO area economy**

The Eurozone economy's soft start to the year carried over into the second quarter, with preliminary data revealing growth was unchanged at 0.4 percent quarter-on-quarter. The result confirmed that the economy has slowed relative to a robust growth in 2017.

### **Developing economies**

The Chinese economy held up well in August despite escalating trade tensions with the United States and a cooling domestic economy. Both retail sales and industrial production figures improved in August, while property sector activities, although cooling slightly, remain strong. On the flip side, infrastructure investment continue to drag on overall fixed-asset investment, suggesting that recent policy easing and increased infrastructure funding will take some time before they start to kick in.

### **Exchange rate developments**

At the end of August 2018, VATU depreciated against USD (0.7), EURO (1.0) and CNY (0.6). However, it appreciated against AUD (3.0) and NZD (0.8).

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

	Vatu per Foreign Currency					Average Rates	
	End Rates					US	AUD
	US	AUD	NZD	EURO	CNY		
<b>Aug-18</b>	111.69	81.90	75.19	131.12	16.4	111.68	82.27
Jul-18	110.88	82.13	75.83	129.8	16.32	110.96	82.16
% ▲	0.7	-0.3	-0.8	1.0	0.6	0.6	0.1
<b>May-18</b>	109.6	83.0	76.0	127.8	17.1	109.7	82.6
% ▲	1.9	-1.4	-1.1	2.6	-3.9	1.8	-0.4
<b>Aug-17</b>	106.9	84.2	76.8	126.8	16.2	106.2	84.2
% ▲	4.5	-2.8	-2.1	3.4	1.5	5.1	-2.3
% ▲	(-) : Appreciation of the Vatu						

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

<sup>2</sup> ANZ research Article, 21 September 2018

### **Official Reserves<sup>3</sup>**

Official foreign reserves reached VT 43,146.8 million at the end of July, an increase from VT42,517.6 million recorded in June. This is sufficient to cover 10.5 months of import cover.

### **Real sector developments**

Vanuatu received 20,307 total visitors in June 2018. Total visitor arrivals dropped 20.1 percent over the previous month and declined 1.7 percent over the year. Of the total, 10,573 visitors arrived by air and 20,307 visitors arrived by cruise-ships. Air visitors rose by 11.3 percent over the same month of last year and cruise-ship visitors dropped by 12.7 percent. Cruise ships decreased from 7 cruise ships in June 2017 to 6 in June 2018. Air visitors was driven by growth in holiday visitors (which made up 81.5 percent of air arrivals) by 17.6 percent over the year and visitors arriving for other purposes by 22.4 percent, while visitors arriving for businesses, meetings and conference fell by 28.6 percent, visitors visiting friends and family dropped by 12.2 percent, and stopover visitors declined by 23.8 percent. All major tourist markets to Vanuatu continue to perform well in June 2018 compared to previous year. Australia and New Zealand markets, which accounts for 65.9 percent of air visitors, rose by 9.0 percent and by 16.5 percent, respectively. This is followed by Europe with 45.7 percent, New Caledonia by 7.4 percent, Other Countries by 44.6 percent, North America by 14.8 percent and Other Pacific Countries by 6.5 percent. The Japan market fell by 42.3 percent and China dropped by 5.7 percent. Growth in visitor arrivals from major markets was partially attributed to the continuous efforts in marketing and promotion of Vanuatu as a tourist destination by Vanuatu Tourism Office and Air Vanuatu. Holiday visitors from the Australia and New Zealand market usually peaked during the June to October holiday period. 2018 outlook is positive following Air Vanuatu's plans to increase flights from these markets to Port Vila including an additional Brisbane-Luganville direct flight route.

Year-on-year CPI Inflation recorded 2.3 percent in the second quarter of 2018 or a 0.5 percent on a quarter-on-quarter basis. The year-on-year inflation rate was mainly contributed by increase in price of food by 4.2 percent, housing and utilities by 1.9 percent, transport by 2.9 percent, drinks and tobacco by 3.0 percent and recreation by 3.5 percent. The increase in prices was due

<sup>3</sup> One of the key objectives of the RBV is for official reserves to cover at least 4 months of import cover. It is calculated as Gross foreign reserves less IMF positions.

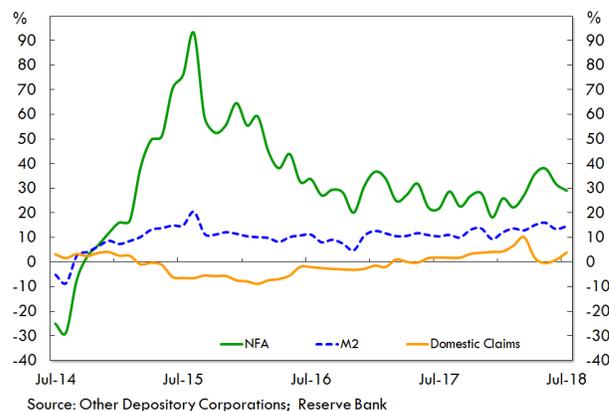
to increased prices of root crops, fruits and vegetables, wines and spirits, housing furniture, and purchasing and hiring of motor vehicles, international airline tickets. This was offset by decline in education prices (-11.1 percent) as a result of government subsidy or grant for school fees in preschool, primary and secondary government schools as well as schools assisted by the government. CPI inflation outlook remains within the bound of RBV's 0-4 percent target range.

### **Monetary Developments**

Money supply increased by 1.0 percent month-on-month, resulting in an annual growth rate of 14.5 percent over the year to July 2018. The upward movement during the month was attributed to the growths in both domestic credit and net foreign assets (NFA). Overall, the annual growth in money supply continues to be driven mainly by NFA and to lesser extent domestic credit.

The growth in NFA during the month reflects the increase in NFA holdings of the Reserve Bank of Vanuatu. This implies that the RBV recorded net inflows of foreign exchange. ODC's, on the hand, recorded a negative growth in their NFA. Overall, the year on year growth in total NFA remain strong.

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



Domestic credit increased by 1.0 percent and 3.9 percent month-on-month and year-on-year, respectively. The growth reflects the increase in net claims on the central government by 2.7 percent, loans extended to other non-financial corporations and other resident sectors by 0.5 percent and 0.4 percent, respectively. Total loans extended by ODCs to various sectors are depicted in table A4.

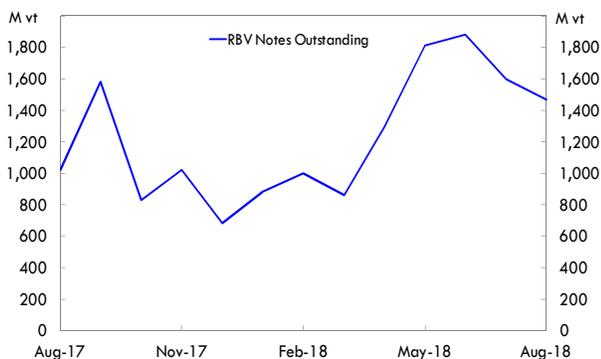
The central governments net credit position vis-à-vis the banking system deteriorated in July 2018 due to the decline of government deposits held with both the Reserve Bank and ODCs. However, the government net credit position remain favourable over the year to July 2018.

Claims on the central government by OFIs<sup>4</sup> declined to VT2,350 million as at end of August 2018, from VT2,850 million at the end of July 2018. The downward trend reflects VT500 million worth of government bond held by OFIs reaching maturity in July 2018.

### **Open Market Operations (OMO)**

The RBV issued VT2,000 million worth of RBV notes in August, compared to VT1,300 million issued in July 2018. The total subscriptions received, totalled to VT3,390 million compared to VT3,460 million in July.

**Chart 2: Outstanding RBV Notes (Levels, millions of VATU, month-End Data)**



Source: RBV

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

Term	Amount Allotted	Yield End Aug. 2018	Yield End July. 2018
7 days	550	1.60	1.60
14 days	550	1.65	1.65
28 days	320	1.75	1.75
63 days	150	1.85	1.85
91 days	200	1.90	1.90

**Chart 3: Yield on 91-days RBV Note (Percentage, Month-end Position)**



Chart 3 shows the yield on the 91-days<sup>5</sup> RBV notes. A total of VT1,900 million RBV notes matured in August 2018. The remaining balance declined to VT1,470 million compared to VT1,880 million reported in July.

<sup>4</sup> OFI: Other Financial Institutions cover Credit Corporation; Vanuatu Agriculture Bank; and Vanuatu National Provident Fund

<sup>5</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	Jul-17	Apr-18	Jun-18	Jul-18	%Change		
					1 Month	3 months	12months
<b>Claims on nonresidents</b>	<b>37,673.9</b>	<b>43,623.6</b>	<b>43,353.5</b>	<b>43,979.0</b>	1.4	0.8	16.7
Monetary gold and SDR holdings	809.1	837.4	835.9	832.2	-0.4	-0.6	2.9
Reserve Assets	36,864.8	42,786.2	42,517.6	43,146.8	1.5	0.8	17.0
<b>Currency and Deposits</b>	<b>23.2</b>	<b>27.4</b>	<b>16.2</b>	<b>22.9</b>	41.6	-16.5	-1.4
National currency	23.2	27.4	16.2	22.9	41.6	-16.5	-1.4
<b>Securities other than shares</b>	<b>3,517.6</b>	<b>2,827.5</b>	<b>2,827.5</b>	<b>2,829.2</b>	0.1	0.1	-19.6
Central government	3,517.6	2,827.5	2,827.5	2,829.2	0.1	0.1	-19.6
<b>Loans</b>	<b>74.2</b>	<b>66.9</b>	<b>65.4</b>	<b>64.0</b>	-2.2	-4.3	-13.8
Other depository corporations	-	-	-	-			
Other residents sectors	74.2	66.9	65.4	64.0	-2.2	-4.3	-13.8
<b>Other accounts receivable</b>	<b>893.6</b>	<b>4,234.7</b>	<b>4,096.2</b>	<b>4,229.8</b>	3.3	-0.1	373.3
Trade credit and advances	70.2	97.9	96.9	64.3	-33.6	-34.3	-8.4
Settlement accounts	197.6	210.1	53.4	204.1	282.2	-2.9	3.3
Miscellaneous Assets	625.8	3,926.7	3,945.9	3,961.4	0.4	0.9	533.0
<b>Nonfinancial assets</b>	<b>1,570.9</b>	<b>1,579.7</b>	<b>1,570.0</b>	<b>1,571.8</b>	0.1	-0.5	0.1
<b>TOTAL ASSETS</b>	<b>43,753.4</b>	<b>52,359.8</b>	<b>51,928.8</b>	<b>52,696.6</b>	1.5	0.6	20.4
<b>Monetary Base</b>	<b>29,219.5</b>	<b>35,885.3</b>	<b>35,095.7</b>	<b>36,223.9</b>	3.2	0.9	24.0
Currency in Circulation	7,615.4	7,658.4	8,256.5	8,222.2	-0.4	7.4	8.0
Currency Other Depository Corporations	2,404.4	1,998.1	2,068.3	2,279.1	10.2	14.1	-5.2
Liabilities to Other Depository Corporations	19,199.7	26,228.8	24,770.9	25,722.6	3.8	-1.9	34.0
Reserve Deposits	3,061.8	3,418.4	3,629.9	3,714.1	2.3	8.7	21.3
Other Liabilities	16,137.9	22,810.4	21,141.0	22,008.5	4.1	-3.5	36.4
<b>Liabilities to Central Government</b>	<b>6,916.7</b>	<b>5,177.4</b>	<b>4,903.9</b>	<b>4,753.9</b>	-3.1	-8.2	-31.3
Deposits	6,916.7	5,177.4	4,903.9	4,753.9	-3.1	-8.2	-31.3
Other							
<b>Liabilities to non residents</b>	<b>2,666.3</b>	<b>2,816.1</b>	<b>2,795.9</b>	<b>2,786.1</b>	-0.4	-1.1	4.5
Deposits	2,666.3	2,816.1	2,795.9	2,786.1	-0.4	-1.1	4.5
<b>Securities other than shares</b>	<b>677.9</b>	<b>1,186.9</b>	<b>1,874.4</b>	<b>1,594.9</b>	-14.9	34.4	135.3
Central Bank	677.9	1,186.9	1,874.4	1,594.9	-14.9	34.4	135.3
<b>Loans</b>	<b>623.5</b>	<b>16.4</b>	<b>15.3</b>	<b>15.3</b>	0.0	-7.1	-97.6
Liabilities to the IMF- Central Government	623.5	16.4	15.3	15.3	0.0	-7.1	-97.6
<b>Other accounts payable</b>	<b>414.5</b>	<b>402.4</b>	<b>390.9</b>	<b>426.7</b>	9.1	6.0	2.9
Trade credit and advances	333.2	336.9	334.4	333.7	-0.2	-0.9	0.2
Other Sectors	81.3	65.5	56.5	93.0	64.4	41.8	14.3
o/w Settlement Accounts	58.2	37.9	34.4	65.9	91.4	73.9	13.2
<b>Shares and other equity</b>	<b>817.8</b>	<b>4,326.0</b>	<b>4,308.1</b>	<b>4,362.5</b>	1.3	0.8	433.4
<b>SDR Allocation</b>	<b>2,417.2</b>	<b>2,549.2</b>	<b>2,544.6</b>	<b>2,533.4</b>	-0.4	-0.6	4.8
<b>TOTAL LIABILITIES</b>	<b>43,753.4</b>	<b>52,359.8</b>	<b>51,928.8</b>	<b>52,696.6</b>	1.5	0.6	20.4

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

END OF PERIOD	Jul-17	Apr-18	Jun-18	Jul-18	%Change		
					1 Month	3 months	12 Months
<b>Monetary gold and SDR</b>							
<b>Currency and deposits</b>	<b>35,873.0</b>	<b>46,615.1</b>	<b>48,620.9</b>	<b>49,176.9</b>	1.1	5.5	37.1
<b>Currency</b>	2,933.6	2,432.9	2,650.0	2,279.1	-14.0	-6.3	-22.3
National	2,404.4	1,998.1	2,068.3	2,279.1	10.2	14.1	-5.2
Foreign	529.2	434.7	581.7	-	-100.0	-100.0	-100.0
<b>Transferable deposits</b>	21,983.2	29,600.9	27,203.8	28,897.5	6.2	-2.4	31.5
<i>In Local currency : Central Bank</i>	19,199.7	26,228.8	24,770.9	25,722.6	3.8	-1.9	34.0
Other depository corporations	-	-	-	-			
Nonresidents	24.4	53.9	30.5	88.2	189.6	63.7	262.0
Head offices and Branches	-	-	0.1	0.3			
Other depository corporations	24.4	53.9	30.4	87.9	189.3	63.2	260.8
<i>In foreign currency :</i>							
Nonresidents	2,759.2	3,318.3	2,402.5	3,086.7	28.5	-7.0	11.9
Head offices and Branches	148.6	32.7	89.3	326.9	266.0	899.6	120.0
Other depository corporations	2,610.6	3,285.6	2,313.2	2,759.8	19.3	-16.0	5.7
<b>Other deposits</b>	10,956.2	14,581.3	18,767.1	18,000.4	-4.1	23.4	64.3
<i>In Local currency :</i>							
Other depository corporations	478.4	535.2	564.0	564.0	0.0	5.4	17.9
Nonresidents	-	-	-	-			
Other depository corporations	-	-	-	-			
<i>In foreign currency :</i>							
Other depository corporations	1,471.5	3,263.8	2,754.9	2,572.2	-6.6	-21.2	74.8
Nonresidents	9,006.2	10,782.3	15,448.2	14,864.2	-3.8	37.9	65.0
Head offices and Branches	-	-	334.7	333.5			
Other depository corporations	9,006.2	10,782.3	15,113.5	14,530.7	-3.9	34.8	61.3
<b>Securities other than shares</b>	<b>2,165.4</b>	<b>2,474.4</b>	<b>3,161.9</b>	<b>2,882.4</b>	-8.8	16.5	33.1
Central Bank	677.9	1,186.9	1,874.4	1,594.9	-14.9	34.4	135.3
Central Government	1,487.5	1,287.5	1,287.5	1,287.5	0.0	0.0	-13.4
<b>Loans</b>	<b>60,761.1</b>	<b>62,183.6</b>	<b>63,297.2</b>	<b>63,516.7</b>	0.3	2.1	4.5
Other depository corporations	-	0.0	-	-			
Other financial corporations	1.0	35.9	50.1	34.5	-31.0	-3.8	3398.2
Central government	-	4.1	0.0	0.0			
State and local government	110.9	86.6	100.4	74.5	-25.8	-14.0	-32.8
Public nonfinancial corporations	1,282.0	1,170.3	1,293.3	1,259.8	-2.6	7.6	-1.7
Other nonfinancial corporations	26,414.2	25,671.9	25,696.5	25,834.9	0.5	0.6	-2.2
Other residents sectors	31,267.6	33,609.5	34,645.6	34,777.6	0.4	3.5	11.2
Nonresidents	1,685.4	1,605.3	1,511.4	1,535.4	1.6	-4.4	-8.9
Interbank Funds sold	-	-	-	-			
<b>Other accounts receivable</b>	<b>7,977.8</b>	<b>2,772.9</b>	<b>2,255.3</b>	<b>3,119.6</b>	38.3	12.5	-60.9
Trade credit and advances	152.2	147.2	100.3	99.2	-1.1	-32.6	-34.8
Settlement accounts	6,050.3	2,028.4	1,732.7	1,782.6	2.9	-12.1	-70.5
Miscellaneous assets items	1,775.3	597.3	422.3	1,237.8	193.1	107.2	-30.3
<b>Nonfinancial assets</b>	<b>3,969.4</b>	<b>4,529.0</b>	<b>4,538.7</b>	<b>4,549.6</b>	0.2	0.5	14.6
<b>TOTAL ASSETS</b>	<b>110,746.7</b>	<b>118,575.0</b>	<b>121,874.1</b>	<b>123,245.3</b>	1.1	3.9	11.3

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

END OF PERIOD	Jul-17	Apr-18	Jun-18	Jul-18	%Change		
					1 Month	3 months	12 Months
<b>Deposits</b>	<b>81,341.4</b>	<b>90,788.0</b>	<b>94,266.5</b>	<b>95,368.9</b>	1.2	5.0	17.2
<b>Transferable deposits</b>	48,235.7	51,912.5	52,125.5	53,195.2	2.1	2.5	10.3
<i>In Local currency:</i>	31,284.2	31,444.5	31,285.4	32,827.4	4.9	4.4	4.9
Other depository corporation	137.3	4.4	150.4	196.9	30.9	4,393.3	43.4
Other financial corporations	8,079.4	3,026.1	2,886.8	3,606.1	24.9	19.2	-55.4
Central government	3,373.0	743.2	1,152.7	1,181.2	2.5	58.9	-65.0
State and local governments	102.8	54.5	112.7	122.5	8.7	124.8	19.1
Public nonfinancial coporations	217.0	320.7	588.9	602.0	2.2	87.7	177.4
Other non financial coporations	7,071.5	9,593.5	11,123.7	12,029.3	8.1	25.4	70.1
Other residents sectors	12,303.1	17,702.0	15,270.3	15,089.3	-1.2	-14.8	22.6
<i>Non-residents</i>	1,275.7	1,615.1	1,377.9	1,250.5	-9.2	-22.6	-2.0
Other Depository and financial corporations	7.3	7.7	4.7	5.8	23.4	-23.8	-20.0
Other non residents	1,268.4	1,607.4	1,373.2	1,244.6	-9.4	-22.6	-1.9
<i>In Foreign currency:</i>	14,167.8	17,753.4	17,377.0	16,502.9	-5.0	-7.0	16.5
Other depository corporation	53.6	1,930.3	2,307.5	1,592.7	-31.0	-17.5	2871.5
Other financial corporations	570.8	136.2	815.5	1,031.4	26.5	657.4	80.7
Central government	2,636.1	2,244.5	2,676.2	2,417.0	-9.7	7.7	-8.3
Public nonfinancial coporations	138.2	166.5	158.3	192.0	21.3	15.3	38.9
Other non financial coporations	7,988.3	8,047.6	8,442.0	8,468.4	0.3	5.2	6.0
Other residents sectors	2,774.9	5,194.6	2,944.3	2,773.9	-5.8	-46.6	0.0
<i>Non-residents</i>	1,508.0	1,099.6	2,085.2	2,614.5	25.4	137.8	73.4
Head office and Branches	15.7	2.7	399.9	66.9	-83.3	2,363.2	326.4
Other Depository and financial corporations	38.3	2.3	48.4	1,055.3	2,080.8	45,860.5	2655.7
Other non residents	1,454.0	1,094.6	1,636.9	1,492.4	-8.8	36.3	2.6
<b>Other deposits</b>	<b>33,105.7</b>	<b>38,875.6</b>	<b>42,141.0</b>	<b>42,173.8</b>	0.1	8.5	27.4
<i>In Local currency:</i>	21,145.9	26,511.9	26,621.8	26,541.4	-0.3	0.1	25.5
Other depository corporation	268.9	352.0	354.2	354.4	0.0	0.7	31.8
Other financial corporations	3,249.8	6,237.7	6,533.7	6,530.4	-0.1	4.7	100.9
Central government	1,143.5	6,266.7	6,337.3	6,423.4	1.4	2.5	461.7
State and local governments	113.2	126.3	126.4	114.4	-9.5	-9.5	1.1
Public nonfinancial coporations	591.7	931.2	917.7	904.0	-1.5	-2.9	52.8
Other non financial coporations	3,073.2	3,106.5	3,277.0	3,054.0	-6.8	-1.7	-0.6
Other residents sectors	12,705.5	9,491.4	9,075.6	9,160.8	0.9	-3.5	-27.9
<i>Non-residents</i>	1,073.2	761.1	760.5	602.4	-20.8	-20.8	-43.9
Other Depository and financial corporations	-	-	-	-	-	-	-
Other non residents	1,073.2	761.1	760.5	602.4	-20.8	-20.8	-43.9
<i>In Foreign currency:</i>	10,126.4	10,741.2	14,081.8	14,302.1	1.6	33.2	41.2
Other depository corporation	561.4	464.0	3,270.0	3,440.6	5.2	641.5	512.9
Other financial corporations	1,295.5	3,038.8	2,760.9	2,576.2	-6.7	-15.2	98.9
Central government	-	-	-	-	-	-	-
Public nonfinancial coporations	89.7	102.1	90.2	89.9	-0.3	-11.9	0.3
Other non financial coporations	1,967.8	2,199.2	2,974.6	3,038.0	2.1	38.1	54.4
Other residents sectors	6,212.0	4,937.1	4,986.2	5,157.4	3.4	4.5	-17.0
<i>Non-residents</i>	760.3	861.3	676.8	727.8	7.5	-15.5	-4.3
Other Depository and financial corporations	-	-	-	-	-	-	-
Other non residents	760.3	861.3	676.8	727.8	7.5	-15.5	-4.3
<b>Loans</b>	<b>4,156.0</b>	<b>6,096.1</b>	<b>5,889.5</b>	<b>5,640.7</b>	-4.2	-7.5	35.7
Other depository Corporations	1,254.9	3,383.5	3,136.3	3,011.5	-4.0	-11.0	140.0
<i>Non residents</i>	2,901.1	2,712.5	2,753.2	2,629.1	-4.5	-3.1	-9.4
Head office and Branches	2,852.8	2,654.8	2,666.1	2,607.6	-2.2	-1.8	-8.6
Other financial corporations	48.3	57.8	87.1	21.5	-75.3	-62.8	-55.5
<b>Other accounts payable</b>	<b>11,460.5</b>	<b>8,354.8</b>	<b>8,113.5</b>	<b>8,495.9</b>	4.7	1.7	-25.9
Trade credit and advances	84.5	110.2	129.6	141.3	9.0	28.2	67.3
Settlement accounts	5,920.3	1,890.9	1,588.0	1,644.1	3.5	-13.1	-72.2
Provisions for losses	1,267.0	2,349.1	2,424.1	2,499.7	3.1	6.4	97.3
Accumulated depreciation	2,158.7	2,392.7	2,456.1	2,487.7	1.3	4.0	15.2
Miscellaneous liability items	2,030.0	1,611.9	1,515.6	1,723.1	13.7	6.9	-15.1
<b>Shares and other equity</b>	<b>13,788.9</b>	<b>13,336.2</b>	<b>13,604.7</b>	<b>13,739.9</b>	1.0	3.0	-0.4
<b>TOTAL LIABILITIES</b>	<b>110,746.7</b>	<b>118,575.0</b>	<b>121,874.1</b>	<b>123,245.3</b>	1.1	3.9	11.3

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

END OF PERIOD	Jul-17	Apr-18	Jun-18	Jul-18	%Change		
					1 Month	3 months	12 Months
<b>1. Net Foreign Assets</b>	<b>39,077.2</b>	<b>47,403.3</b>	<b>50,333.6</b>	<b>50,409.6</b>	0.2	6.3	29.0
Monetary Authorities (Net)	32,590.3	38,258.3	38,013.0	38,659.5	1.7	1.0	18.6
Other Depository Corporations (Net)	6,486.9	9,144.9	12,320.6	11,750.2	-4.6	28.5	81.1
<b>2. Net Domestic Claims</b>	<b>38,109.8</b>	<b>37,451.7</b>	<b>37,122.7</b>	<b>37,964.7</b>	2.3	1.4	-0.4
<b>(a) Domestic Claims</b>	<b>49,462.2</b>	<b>50,328.2</b>	<b>50,896.2</b>	<b>51,386.6</b>	1.0	2.1	3.9
<b>(i) Net claims on central government</b>	<b>(9,687.7)</b>	<b>(10,312.8)</b>	<b>(10,955.1)</b>	<b>(10,658.7)</b>	2.7	-3.4	-10.0
Monetary Authorities	(4,022.6)	(2,350.0)	(2,076.4)	(1,924.7)	7.3	18.1	52.2
Other Depository Corporations	(5,665.1)	(7,962.9)	(8,878.7)	(8,734.0)	1.6	-9.7	-54.2
<b>(ii) Claims on other Sectors</b>	<b>59,149.9</b>	<b>60,641.1</b>	<b>61,851.3</b>	<b>62,045.3</b>	0.3	2.3	4.9
Other Financial Corporations	1.0	35.9	50.1	34.5	-31.0	-3.8	3,398.2
State and local government	110.9	86.6	100.4	74.5	-25.8	-14.0	-32.8
Public nonfinancial corporations	1,282.0	1,170.3	1,293.3	1,259.8	-2.6	7.6	-1.7
Other nonfinancial corporations	26,414.2	25,671.9	25,696.5	25,834.9	0.5	0.6	-2.2
Other residents sectors	31,341.8	33,676.4	34,711.0	34,841.6	0.4	3.5	11.2
<b>(b) Other items (net)</b>	<b>(11,352.4)</b>	<b>(12,876.6)</b>	<b>(13,773.5)</b>	<b>(13,421.8)</b>	-2.6	4.2	18.2
<b>3. Broad Money (M2)</b>	<b>77,187.1</b>	<b>84,855.0</b>	<b>87,456.3</b>	<b>88,374.4</b>	1.0	4.1	14.5
<b>(a) Money (M1)</b>	<b>47,058.3</b>	<b>53,868.6</b>	<b>53,089.9</b>	<b>53,954.3</b>	1.6	0.2	14.7
(i) Currency in circulation	7,615.4	7,658.4	8,256.5	8,222.2	-0.4	7.4	8.0
(ii) Transferable deposits	39,443.0	46,210.1	44,833.5	45,732.1	2.0	-1.0	15.9
<b>(b) Quasi-money</b>	<b>30,128.7</b>	<b>30,986.4</b>	<b>34,366.3</b>	<b>34,420.1</b>	0.2	11.1	14.2
Other Deposits	30,128.7	30,986.4	34,366.3	34,420.1	0.2	11.1	14.2

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

SECTOR	Jul-17			Jul-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	1.0	0.0	1.0	1.2	33.3	34.5	25.8		3398.2
Central Government	0.0	0.0	0.0	0.0	0.0	0.0			
Provincial Assemblies & Local Government	117.1	0.0	117.1	74.5	0.0	74.5	-36.4		-36.4
Statutory Non-financial Corporations Domestic	924.4	427.0	1351.3	919.6	340.2	1259.8	-0.5	-20.3	-6.8
Manufacturing	912.8	469.5	1382.3	768.3	935.4	1703.7	-15.8	99.2	23.2
Agriculture	382.5	106.5	489.0	771.9	91.9	863.7	101.8	-13.7	76.6
Public Utilities	13.7	132.5	146.2	0.1	0.1	0.1	-99.5	-100.0	-99.9
Forestry	5.5	0.0	5.5	6.8	6.8	13.6	22.2		144.5
Fisheries	27.0	0.0	27.0	21.8	0.0	21.8	-19.1	-50.0	-19.1
Mining & Quarrying	28.2	0.0	28.2	81.9	0.0	81.9	190.2		190.2
Construction	1900.7	1372.9	3273.5	2215.0	1381.0	3596.0	16.5	0.6	9.8
Distribution (Wholesale and Retail)	4247.1	874.5	5121.5	3763.7	1320.9	5084.7	-11.4	51.1	-0.7
Tourism	1588.2	5340.2	6928.4	1607.2	5239.8	6847.1	1.2	-1.9	-1.2
Transport	552.1	177.1	729.2	602.9	248.9	851.8	9.2	40.6	16.8
Communications	1295.0	815.9	2111.0	1205.2	825.1	2030.4	-6.9	1.1	-3.8
Entertainment & Catering	571.4	276.0	847.4	194.1	507.7	701.8	-66.0	84.0	-17.2
Professional & Other Services	3543.7	1615.7	5159.3	1952.1	1966.3	3918.4	-44.9	21.7	-24.1
Housing & Land Purchases	14797.0	4395.5	19192.6	15206.6	3824.3	19030.9	2.8	-13.0	-0.8
Other individual	10140.4	1943.5	12083.8	12509.5	2982.0	15491.6	23.4	53.4	28.2
Non Profit Institutions Serving Households	231.1	0.2	231.3	255.2	0.0	255.2	10.4	-98.1	10.3
<b>Grand Total</b>	<b>41,278.9</b>	<b>17,946.7</b>	<b>59,225.6</b>	<b>42,157.5</b>	<b>19,703.7</b>	<b>61,861.3</b>	2.1	9.8	4.5