

Remittance Receipts

December 2015

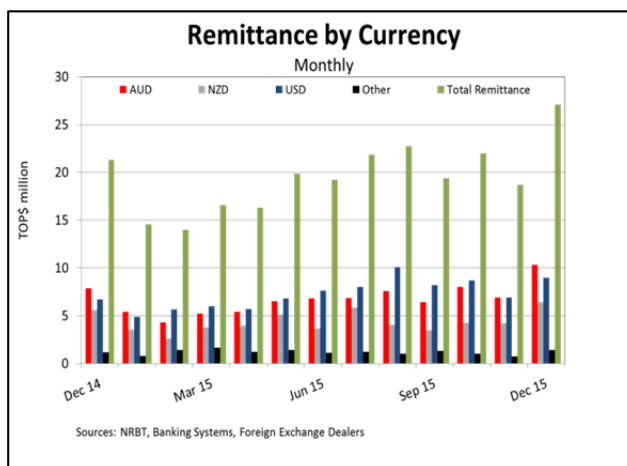
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<i>*TOP \$m</i>	Dec 15	Nov 15	Oct 15	Sep 15
Remittance Receipts	27.09	18.68	21.97	19.38
Private Transfers	25.29	17.21	19.84	18.12
Employee Compensation	1.61	1.23	1.04	1.18
Private Capital Transfers	0.11	0.03	0.13	0.04
Social Benefits	0.08	0.20	0.97	0.04

*Month-ended

Remittance hits new high record in December 2015

Remittance receipts peaked in the month of December 2015, reaching a new monthly record high of \$27.09 million, 45% higher than the previous month and 27% higher than December 2014, and representing 46% of Total Overseas Exchange Transaction (OET) Receipt. The increase in remittance is attributed to a 47% increase in private transfers over the month, due to receipts of funds for family support from friends and family abroad. On year ended terms, remittance receipts were 14.2% higher than it was a year ago, reaching an annual high record of \$232.1 million.

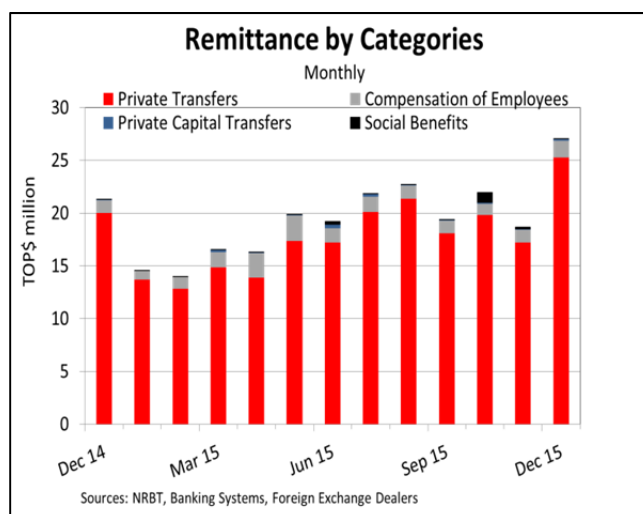


Remittance receipts in all major trading currencies increased over the month, with the Australian Dollar (AUD) increasing the most by 50.2%, followed by the New Zealand Dollar by 53.6% and the US Dollar (USD) by 29.6%. Remittance receipts over the year denominated in USD still holds the largest share of the total receipts at 38% followed closely by the AUD at 34% and the NZD at 22%. This is supported by the continuous weakening of the TOP against the USD throughout the year.

Foreign Exchange Dealers (FEDs) are the preferred medium for remittance transfers compared to banks, with 91% of remittance transferred through FEDs in December compared with 90% last month.

Private Transfers

Private transfers which are mostly personal transfers is still the largest contributor to the overall remittance receipts, representing 93% of the total remittance and 42% of the total OET receipts by the end of December. Private transfers rose significantly over the month by \$8.1 million, mostly in the form of family support from friends and family abroad, particularly the receipts in AUD, NZD and USD, reflecting the impact of strong economic activities in these foreign economies. Various festivities over the month also contributed to the higher transfer receipts such as the Seventh Day Adventist and the Tokaikolo church conferences, Fatumu, Folaha and Tokomololo Day, and the Beulah College Anniversary to name a few.



Employee Compensation¹

Compensation of employees rose by \$0.4 million over the month to \$1.6 million, of which \$0.7 million were receipts from Regional Seasonal Employees (RSE) overseas. For the year ended December 2015, compensation of employees reached a total of \$17.2 million of which \$7.5 million were receipts from Regional Seasonal Employees (RSE) working overseas.

Private Capital Transfers & Social Benefits

Private grants for capital expenditures such as acquisition or construction of fixed assets rose by \$0.08 million in December to almost \$0.11 million, whereas social benefits such as pensions received by individuals fell by 59% over the month to \$0.08 million. Private capital transfers and social benefits represent 1% of total remittance.

Outlook

Remittance receipts may decline in the next upcoming months as the Christmas and holiday festivities cease, and may rise again when other scheduled festivities takes place during the year 2016. The NRBT will continue to closely monitor the remittance receipts given they are one of the largest inflows for Tonga's economy.

¹ Employee compensation is the sum of wages and salaries from the Recognised Seasonal Employer (RSE) program and other Tongan residents working short term overseas.

Table 1:

Remittance Receipts							
TOP\$ millions							
	Month Ended				Year Ended		<i>Shares of totals*</i>
	Dec-15	Nov-15	Oct-15	Sep-15	Dec-15	Nov-15	
Total	27.09	18.68	21.97	19.38	232.1	226.3	100.0
Private transfers	25.29	17.21	19.84	18.12	212.0	206.7	91.3
Compensation of Employees	1.61	1.23	1.04	1.18	17.20	16.81	7.4
Private capital transfers	0.11	0.03	0.13	0.04	1.20	1.15	0.5
Social benefits	0.08	0.20	0.97	0.04	1.69	1.61	0.7

Sources: NRBT, Banking System, Foreign Exchange Dealers

Table 2:

Remittance Receipts by Currency							
TOP\$ millions							
	Month Ended				Year Ended		<i>Shares of totals*</i>
	Dec-15	Nov-15	Oct-15	Sep-15	Dec-15	Nov-15	
Total	27.09	18.68	21.97	19.38	232.10	226.30	100.0
Australian Dollar (AUD)	10.32	6.87	8.02	6.39	79.68	77.20	34.3
US Dollar (USD)	8.96	6.91	8.68	8.22	87.38	85.13	37.6
New Zealand Dollar (NZD)	6.41	4.18	4.24	3.48	50.81	50.00	21.9
Tongan Pa'anga (TOP)	0.53	0.40	0.64	0.82	7.74	7.64	3.3
Euro (EUR)	0.15	0.10	0.13	0.12	1.48	1.52	0.6
Japanese Yen (JPY)	0.11	0.04	0.09	0.08	1.08	1.16	0.5
Fijian Dollar (FJD)	0.40	0.00	0.01	0.12	1.80	1.53	0.8
British Pound (GBP)	0.08	0.05	0.04	0.04	0.62	0.60	0.3
Chinese Yuan (CNY)	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other	0.13	0.12	0.12	0.11	1.50	1.52	0.6

Sources: NRBT, Banking System, Foreign Exchange Dealers