

Remittance Receipts

November 2015

Release date: 4 May 2016

<i>*TOP \$m</i>	Nov 15	Oct 15	Sep 15	Aug 15
Remittance Receipts	18.68	21.97	19.38	22.72
Private Transfers	17.21	19.84	18.12	21.38
Employee Compensation	1.23	1.04	1.18	1.27
Private Capital Transfers	0.03	0.13	0.04	0.04
Social Benefits	0.20	0.97	0.04	0.03

*Month-ended

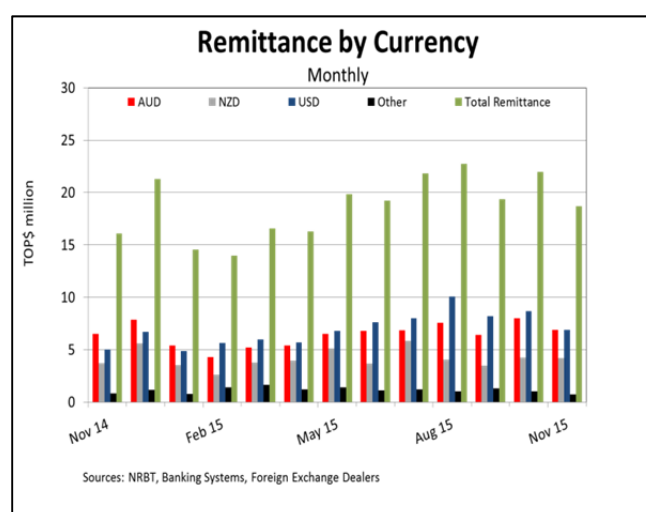
Remittance fell due to lower receipts of family support

November 2015 recorded a drop in remittance receipts of 15.0% to \$18.68 million, representing 45.5% of Total Overseas Exchange Transaction (OET) receipts for the month. This drop was driven by a decline in personal transfers as there were lower receipts of funds for family support compared to the previous month. On year ended terms, remittance receipts were 16% higher than it was a year ago, reaching an annual record high of \$226.3 million.

Remittance receipts in all major trading currencies decreased over the month, with the US Dollar (USD) decreasing the most by 20.4%, followed by the Australian Dollar (AUD) by 14.4% and the New Zealand Dollar (NZD) by 1.5%. Remittance receipts over the

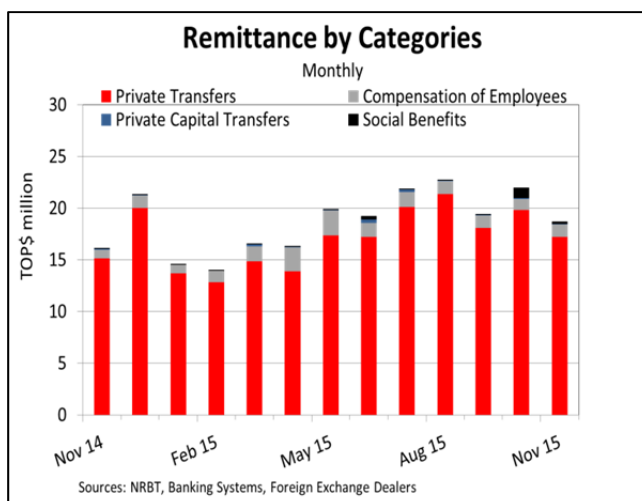
year denominated in USD still holds the largest share of the total receipts at 38% followed closely by the AUD at 34% and the NZD at 22%. This is supported by the continuous weakening of the TOP against the USD throughout the year.

Transfer of remittance receipts via Foreign Exchange Dealers (FEDs) is still higher than the transfers made via Banks, with 90% of remittance transferred through FEDs in November compared to 85% in October.



Private Transfers

Private transfers which are mostly personal transfers is still the largest contributor to the overall remittance receipts, representing 92.1% of the total remittance and 42.0% of the total OET receipts by the end of November. Private transfers fell over the month by 13.3% coinciding with lower receipts of family support from friends and families abroad, particularly the receipts in AUD and USD.



Employee Compensation¹

Compensation of employees slightly rose by \$0.2 million over the month reaching a year ended total of \$16.8 million, of which \$7.3 million were receipts from seasonal workers.

Private Capital Transfers & Social Benefits

Both private capital expenditures and social benefits declined during November, representing only 1.2% of total remittance.

Outlook

Remittance receipts are anticipated to climb higher in the upcoming months as we move into the Christmas festive season. 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>
	Nov-15	Oct-15	Sep-15	Aug-15	Nov-15	Oct-15	
Total	18.68	21.97	19.38	22.72	226.3	223.7	100.0
Private transfers	17.21	19.84	18.12	21.38	206.7	204.7	91.4
Compensation of Employees	1.23	1.04	1.18	1.27	16.81	16.42	7.4
Private capital transfers	0.03	0.13	0.04	0.04	1.15	1.20	0.5
Social benefits	0.20	0.97	0.04	0.03	1.61	1.42	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>
	Nov-15	Oct-15	Sep-15	Aug-15	Nov-15	Oct-15	
Total	18.68	21.97	19.38	22.72	226.30	223.71	100.0
Australian Dollar (AUD)	6.87	8.02	6.39	7.58	77.20	76.82	34.1
US Dollar (USD)	6.91	8.68	8.22	10.09	85.13	83.25	37.6
New Zealand Dollar (NZD)	4.18	4.24	3.48	4.04	50.00	49.55	22.1
Tongan Pa'anga (TOP)	0.40	0.64	0.82	0.55	7.64	7.64	3.4
Euro (EUR)	0.10	0.13	0.12	0.12	1.52	1.53	0.7
Japanese Yen (JPY)	0.04	0.09	0.08	0.06	1.16	1.18	0.5
Fijian Dollar (FJD)	0.00	0.01	0.12	0.13	1.53	1.64	0.7
British Pound (GBP)	0.05	0.04	0.04	0.05	0.60	0.59	0.3
Chinese Yuan (CNY)	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other	0.12	0.12	0.11	0.10	1.52	1.52	0.7

Sources: NRBT, Banking System, Foreign Exchange Dealers