
Pacific Statistical/Economic Briefing

COVID-19 Economic Impacts-Quarter 2, 2020

The coronavirus pandemic continues to adversely affect almost all activities in the economic and social spheres of the Pacific region. Economic Activity in the Pacific Islands slowed at an unprecedented rate and scale in the first half of 2020, triggering major crises in the tourism, trade, financial, private and government sectors. Job losses, restrictions on small businesses and declining remittance flows are having a major impact on the levels of hardship and poverty being experienced by households and families across the region.

For this latest quarterly update, covering the second quarter of 2020 (and some updates from the first quarter), SDD has incorporated the latest available data on the recommended list of leading economic and social indicators compiled from administrative and related data available to governments, see the list here: <https://sdd.spc.int/disasters-data>.

Administrative data collected by the Ministries of Finance, revenue as well as and Customs Authorities, National Provident Funds, Power Authorities etc. can provide a good understanding of the pandemic's impact and emerging trends, and information gaps can be reduced if such data is shared with the National Statistics Offices (NSO) by responsible national agencies.

The following summarises the latest available information on these leading indicators from the NSOs, Central Banks, Ministries of Finance and other national websites. If made available other data (e.g. from provident funds) could provide details such as the number of workers laid off and the magnitude of the impacts on families that depend on income from tourism-related activities. **Data for the third quarter will be updated as and when it becomes available.**

Tourism Arrivals (Table 1)

Quarter 2, 2020 data show an almost total collapse in tourist numbers for Fiji and Samoa, when compared to a year earlier. Looking at the Tourist numbers in the region's dominant destination, Fiji, gives a real sense of the decline being experienced i.e. 1800 visitors in June Quarter 2020 compared to 235,634 in the same quarter a year earlier. Similarly, Samoa, the third most popular Pacific destination, recorded zero visitors in the second quarter compared to 44,174 in the same quarter a year ago. The most recent monthly arrivals figure for August for Fiji shows a 98.5% decrease over the same month of last year.

Quarter 2, 2020 tourist arrivals represented:

- Declines of 98.7%, 99.2% and 100% for Fiji, Solomon Islands and Samoa respectively when compared to the preceding first quarter before the full effect of the border closures was felt.
- Declines of 99.2%, 99.5% and 100% for Fiji, Solomon Islands and Samoa respectively when compared to the same quarter a year ago. This effectively means that there were no international arrivals in these countries in the second quarter.

Newly available data for tourist arrivals in Quarter 1, 2020 represented:

- Declines of 57.1% and 65.5% for Cook Islands and Tonga respectively when compared to the preceding quarter (4Q19)
- Declines of 33.4% and 54.2% for Cook Islands and Tonga respectively when compared to the same quarter last year (1Q19).

Latest monthly tourist arrivals in 2020 for:

- Fiji in August increased by 37.3% when compared to the preceding month but were still 99% lower than August 2019.

- Samoa arrivals in July remained at zero, like the preceding month, and 100% lower against the same month last year.
- Solomon Islands arrivals in June dropped by 100% to zero when compared to preceding month and the same month last year.
- Arrivals to Cook Islands and Tonga in March fell by 34.9% and 58.1% respectively when compared to the preceding month and by 45.5% and 59.5%, respectively when compared to the same month a year ago.

Table 1: Visitor arrivals

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	April	May	June	Jul	Aug	Jan	Feb	Mar	April	May	June	July	Aug
Cook Islands	-57.1	...	-33.4	...	-31.4	-10.6	-34.9	...	...	...	...	...	-1.4	17.4	-45.5	...	...	...	...	...
Fiji	-36.6	-98.7	-18.7	-99.2	-11.3	-29.1	-39.6	-97.6	4.6	-41.7	72.2	37.3	2.5	-4.9	-52.8	-99.1	-99.0	-99.5	-99.3	-98.9
PNG	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-51.2	-100.0	-36.2	-100.0	-41.7	-32.5	-41.0	-100.0	-100.0	0.0	0.0	...	-24.0	-22.0	-62.7	-100.0	-100.0	-100.0	-100.0	...
Solomon Islands	-49.7	-99.2	-32.5	-99.5	-39.2	-20.8	-48.9	-100.0	0.0	0.0	...	...	6.1	-22.2	-68.7	-100.0	-98.6	-100.0	...	...
Tonga	-65.9	...	-54.2	...	...	-35.5	-58.1	...	...	...	...	...	6.7	11.0	-59.5	...	...	...	...	...
Vanuatu	-44.2	...	-17.3	...	-4.4	-44.7	-47.9	-100.0	...	...	...	...	25.0	13.0	-51.1	-100.0	...	...	...	...

Source: NSOs and Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Tourism Revenues (Table 1.1)

Quarter 2, 2020 estimated tourism earnings represented:

- Decreases of 90%, 98.6% and 100% for Solomon Islands, Fiji and Samoa respectively compared to the preceding quarter.
- Decreases of 93.7%, 99.4% and 100% for Solomon Islands, Fiji and Samoa respectively compared to the same quarter a year ago.

Latest quarterly tourism earnings in Quarter 1, 2020 represented:

- Decreases of 18.5% and 31.2% for Tonga and Vanuatu respectively when compared to the previous quarter.
- An increase of 38.9% for PNG when compared to the preceding quarter.
- Decreases of 64.1% for PNG and increases of 19.1% for Tonga when compared to the same quarter last year.

Table 1.1 Gross tourism earnings.

Countries	% change over previous quarter		% change over same quarter last year	
	2020		2020	
	Q1	Q2	Q1	Q2
Cook Islands	...	...	...	...
Fiji	-41.8	-98.6	-42.5	-99.4
PNG	38.9	...	-64.1	...
Samoa	-56.0	-100.0	-31.9	-100.0
Solomon Islands	-66.4	-90.0	-3.7	-93.7
Tonga	-18.5	...	19.1	...
Vanuatu	-31.2	...	...	...

Note: Solomon Islands and PNG, travel receipts used as indicator for tourism earnings.

... data not available.

International Merchandise Trade (Table 2: Exports; Table 3: Imports)

Shrinking international demand continued to impact negatively on the region's trade in Quarter 2, 2020.

Exports

Quarter 2, 2020 exports from:

- Fiji, Solomon Islands, Tonga and Tuvalu declined by 10.8%, 13.6%, 59.8% and 74.7% respectively when compared to the previous quarter.
- Samoa increased by 9.9% over the previous quarter.
- Fiji, Samoa, Solomon Islands, Tonga and Tuvalu declined by 21.8%, 14.9%, 14.8%, 67.2% and 90.5% respectively when compared to the same quarter a year ago.

Latest quarterly exports in Quarter 1, 2020 from:

- PNG and Vanuatu declined by 14% and 18.7% respectively when compared to December quarter 2019
- Cook Islands exports rose significantly by more than two-fold and four-fold when compared to the preceding quarter and the same quarter last year, respectively. These increases were primarily driven by significantly higher exports of fish.
- PNG fell by 3.9% whilst Vanuatu increased by 0.7% when compared to the same quarter last year.

Latest monthly exports in 2020 from:

- Solomon Islands in August dropped by 8.8% against the previous month and declined by 33.3% over the same month a year ago.
- Fiji in July increased by 28.4% against the preceding month.
- Fiji and Tonga in July fell by 28.2% and 12.7% respectively, when compared against the same month last year.
- Samoa and Tonga in June declined by 0.5% and 13.8% respectively when compared to the previous month
- Tuvalu in June increased by 100% when compared to the previous month but exports were still 13.8% below the level of June 2019.
- Tonga in June were also 13.8% lower when compared to the same month last year.
- Cook Islands in April fell by 97% and 88.6% when compared against the previous month and the same month a year ago respectively.

Table 2: Exports.

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cook Islands	112.0	...	340.4	...	-18.3	-39.7	959.8	-97.0	...	...	...	...	-34.7	678.9	2995.4	-88.6	...	...	...	...
Fiji	-16.7	-10.8	-19.4	-21.8	0.2	-1.0	0.0	-23.5	42.0	-23.0	28.4	...	-30.4	-10.1	-14.4	-34.0	-12.7	-19.0	-28.2	...
PNG	-14.0	...	-3.9	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-24.7	9.9	-20.7	-14.9	0.4	-26.3	-0.3	52.3	-28.5	-0.5	...	...	-17.6	-1.2	-36.5	45.0	-20.9	-43.5	...	...
Solomon Islands	5.4	-7.3	-11.9	-17.0	9.4	25.8	2.2	-65.3	164.0	22.6	-44.7	-8.8	-34.2	-0.6	1.5	-44.1	-23.6	14.6	-36.8	-33.3
Tonga	-33.0	-59.8	37.3	-67.2	8.6	-32.4	7.0	-83.7	285.3	-13.8	...	...	159.5	65.0	-24.1	-88.7	-42.0	-65.0	-12.7	...
Tuvalu	-54.4	-74.7	-39.6	-90.5	-14.1	-11.5	-60	-100.0	0	0	...	...	-6.2	32.1	-82.0	-100.0	-100.0	-57.4	...	...
Vanuatu	-18.7	...	0.66	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: NSOs, Ministry of Finance, Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

... data not available.

Imports

Quarter 2 2020 imports for:

- Fiji, Samoa and Tonga recorded decreases of 19.4%, 15.0%, 19.1% respectively when compared to the previous quarter.
- In contrast, Solomon Islands and Tuvalu recorded increases of 40.5% and 42.9% respectively when compared to the previous quarter and increases of 7.6% and 45.4% respectively when compared to the same quarter last year.
- Fiji, Samoa and Tonga declined by 30.8%, 25.2% and 35.3% respectively compared to the same quarter a year ago.

Latest quarterly imports, Quarter 1 2020 for:

- Cook Islands and Vanuatu decreased by 28.2% and 11.3% respectively compared to the previous quarter
- Imports to PNG showed a slight 1.5% increase compared to the previous quarter but were 20.5% lower against the same quarter last year.
- Cook Islands and Vanuatu imports increased by 7.7% and 29.5% respectively when compared to the same quarter a year ago.

Latest monthly imports in 2020 for:

- Solomon Islands in August dropped by 7.7% against the previous month and were down by 3.4% over the same month last year.
- Fiji in July fell by 17.4% when compared to the preceding month.
- Fiji and Tonga in July were 44.5% and 5.7% lower respectively, when compared to the same month a year ago.
- Samoa and Tuvalu in June increased by 11% and 3% respectively over the previous month.
- Tonga in June fell by 13.8% when compared to the previous month.
- Tuvalu in June increased by more than two-fold when compared to the same month last year; it should be noted that short-term volatility in Tuvalu's trade is largely determined by the frequency of shipping.
- Cook Islands in April dropped by 23.5% and 34% against the previous month and the same month last year, respectively.

Table 3: Imports.

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cook Islands	-28.2	...	7.7	...	-48.5	35.9	8.1	-23.5	...	...	...	...	14.5	11.3	0.6	-34.0	...	...	...	...
Fiji	-45.9	-19.4	-19.3	-30.8	-46.9	-10.3	-10.6	-13.2	-1.2	15.4	-17.4	...	-33.0	0.3	-16.2	-34.2	-40.0	-15.7	-44.5	...
PNG	1.5	...	-20.5	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-24.2	-15.0	-0.8	-25.2	-40.4	36.9	2.4	-18.2	-15.0	11.0	...	...	-20.2	32.2	-7.3	-5.8	-40.3	-24.6	...	...
Solomon Islands	-34.9	38.6	-34.1	4.5	-26.0	-9.4	-11.6	11.2	116.8	-49.2	18.3	-7.7	-4.0	-58.6	-24.9	-18.8	34.0	-1.5	-10.9	-3.4
Tonga	-26.7	-19.1	-9.3	-35.3	8.6	-32.4	7.0	-83.7	285.3	-13.8	...	...	-16.1	6.4	-12.8	-68.6	-27.1	-9.4	-5.7	...
Tuvalu	-3.1	42.9	-31.1	45.4	56.7	-26.1	-62.6	333.0	-30.7	3.0	...	...	-29.7	0.3	-63.9	39.3	12.5	121.9	...	...
Vanuatu	-11.3	...	29.5	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: NSOs, Ministry of Finance, Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

... data not available.

Financial Sector

Gross Foreign Reserves (Table 4)

Gross foreign exchange reserves (GFER) levels at the end of Quarter 2, 2020 represented:

- Decreases of 1.6%, and 6.3% for Fiji and PNG, respectively when compared to the previous quarter.
- Increases of 13.4%, 14.5% and 18.9% for Samoa, Solomon Islands and Tonga, respectively when compared to the previous quarter.
- Increases of 14.0%, 16.4%, 3.3% and 12.3% for Fiji, Samoa, Solomon Islands and Tonga, respectively when compared against the same quarter in 2019.
- A decline of 1.3% for PNG when compared to the same quarter a year ago.

The latest monthly GFER in 2020 for:

- Solomon Islands in August dropped by 1.4% against the previous month but increased by 15% over the same month in 2019
- Fiji in July fell by 3.3% over the previous month but increased slightly by 0.9% against the same month a year ago.
- Samoa and Tonga in July increased by 0.9% and 2.2% respectively, when compared to the previous month.

- Samoa and Tonga in July increased by 18.3% and 12.8% respectively, when compared to the corresponding month a year ago.
- PNG in June increased by 13.5% and 12.9% against the previous month and the same month last year, respectively.
- Vanuatu in May rose by 1.4% and 16.3% over the previous month and the same month, a year ago, respectively.

Table 4: Foreign exchange reserves.

Gross Foreign Reserves																				
Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	-1.0	-1.6	14.4	14.0	1.5	0.5	-3.0	0.9	1.4	-3.1	-3.3	...	11.0	16.5	14.4	14.0	16.3	10.4	0.9	...
PNG	-12.1	-6.3	-1.2	-1.3	-7.1	-1.3	-4.0	-1.1	0.0	13.5	...	...	-4.6	-3.4	-1.2	-1.3	2.3	12.9	...	...
Samoa	7.7	13.4	12.3	16.4	4.9	-2.3	5.1	10.8	-1.3	3.8	0.9	...	5.9	2.0	12.3	24.4	21.1	16.4	18.3	...
Solomon Islands	-2.6	14.5	-7.3	3.3	-2.1	10.6	-10.0	1.1	3.0	9.9	5.2	-1.4	-9.2	-0.1	-7.3	-6.8	-6.0	6.5	14.1	15.0
Tonga	-6.1	18.9	-1.6	12.3	-0.9	-0.6	-4.6	3.8	3.1	11.1	2.2	...	0.8	1.3	-1.6	2.3	4.5	12.3	12.8	...
Vanuatu	1.5	...	20.5	...	3.2	0.4	-2.0	-0.6	1.4	...	...	...	22.8	24.6	20.5	18.6	16.1	...	...	...

Source: NSOs, Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Broad Money Supply (Table 5)

The broad money supply at the end of Quarter 2, 2020 represented:

- Decreases of 0.3% and 0.1% for Fiji, and Vanuatu when compared to the previous quarter.
- Increases of 1.7% for Tonga and 0.3% each for Samoa and Solomon Islands when compared to the previous quarter.
- Increases of 3.9%, 1.2% and 3.8% for Fiji, Tonga and Vanuatu respectively when compared to the same quarter a year ago.
- Decreases of 0.9% and 1.9% for Samoa and Solomon Islands respectively when compared to the same quarter a year ago.

Latest quarterly broad money level in Quarter 1 2020 for:

- PNG showed an increase of 5.2% over the previous quarter and 6% above the same quarter last year.

The latest monthly broad money supply in 2020 for:

- Solomon Islands in August recorded increases of 1.7% and 12.5% when compared to the previous month and the same month a year ago, respectively.
- Samoa and Tonga in July increased by 1.9% and 1.6% respectively, when compared against the previous month.
- Fiji and Vanuatu in June fell mildly by 0.02% and 0.1% respectively, when compared to the previous month
- PNG in March fell by 0.7% against the previous month but increased by 8.5% in May when compared to the same month last year.
- Fiji, Samoa and Tonga in July increased by 0.6%, 1.7% and 3.1% respectively when compared to the same month a year ago.
- Vanuatu in June rose 2.0% when compared against the same month last year.

Table 5: Broad money.

countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	0.1	-0.3	4.4	3.9	1.1	-0.6	-0.4	0.1	-0.4	-0.02	...	...	3.0	4.4	4.4	4.8	4.5	4.5	0.6	...
PNG	5.2	...	6.0	...	-0.03	-0.5	-0.7	...	...	...	...	...	4.4	5.7	1.6	6.6	8.5	...	...	...
Samoa	-1.7	0.3	-1.9	-0.9	-1.0	-0.8	0.1	-0.1	-0.2	0.6	1.9	...	2.0	-1.9	-1.9	-3.0	-2.8	-0.9	1.7	...
Solomon Islands	-1.8	0.3	-2.8	-1.9	-2.8	1.2	-0.2	0.5	-0.3	0.1	0.9	1.7	-3.5	-3.7	-2.8	-1.5	-4.4	3.3	12.1	12.5
Tonga	-0.9	1.7	2.3	1.2	-1.6	-0.4	1.2	-2.6	1.8	2.5	1.6	...	-1.0	0.2	2.3	-0.7	1.3	1.2	3.1	...
Vanuatu	0.7	-0.1	4.5	3.8	0.3	1.1	-0.7	-0.4	0.4	-0.1	...	...	4.4	5.5	4.5	-0.9	3.9	2.0	...	...

Source: Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Government Finance

Revenues (Table 6)

Government tax revenues shrank for most PICs in the second quarter of 2020 as the negative impacts of COVID19 persisted over the period.

Government tax revenues in Quarter 2, 2020 represented:

- A decrease for Fiji, Samoa, Solomon Islands and Vanuatu by 47.1%, 15.4%, 7.2% and 34.2% respectively, when compared to the preceding quarter.
- Increases of 13.9% for Tonga when compared to Quarter 1, 2020.
- Decreases of 23.5%, 22.2%, 16.3%, 9.5% and 13.9% for Fiji, Samoa, Solomon Islands, Tonga and Vanuatu, respectively, when compared to June Quarter last year.

Latest quarterly government tax revenues in Quarter 1 2020 represented:

- Declines of 19.2% for Cook Islands when compared to December Quarter last year and increase of 13.8% when compared to Quarter 1, 2019.

Latest monthly Government tax revenues in 2020 for:

- Solomon Islands in August increased by 18.1% when compared to the previous month.
- Tonga in July fell by 28.8% and 6.3% when compared to the previous month and the same month last year, respectively.
- Vanuatu in June increased by 5.7% against the previous month and remained almost flat at 0.01% when compared to June 2019.
- Cook Islands in March decreased by 1% when compared to the previous month.

Table 6: Government finance - Revenues.

Countries	Government Revenues																			
	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Cook Islands	-19.2	...	13.8	...	...	-6.36	-0.99	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	-10.0	-47.1	-7.8	-23.5	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
PNG	...	...	17.9	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-13.8	-15.4	2.1	-22.2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Solomon Islands	-8.9	-7.2	-5.9	-16.3	-8.7	-26.8	40.5	-31.6	13.8	40.4	-25.3	18.1	...	...	...	...	...	...	...	...
Tonga	-15.4	13.9	1.1	-9.5	5.9	-35.8	50.0	5.8	-13.2	20.5	-28.8	...	9.1	-13.8	5.1	8.4	-27.2	-5.4	-6.3	...
Vanuatu	5.6	-34.2	4.0	-13.9	43.6	-31.8	-12.0	-15.4	-4.8	5.7	...	...	6.7	3.9	-90.0	-22.0	-17.0	0.01	...	...

Source: NSOs, Ministries of Finance and Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Expenditure (Table 7)

The pandemic responses resulted in increased expenditure for all PICs (with latest available data) in the second quarter of 2020 as governments responded with additional spending largely on social welfare type benefits.

Government Expenditure in Quarter 2, 2020 represented:

- Increases of 5.1%, 8.8%, 16.4%, 24.8% and 4.2% for Fiji, Samoa, Solomon Islands, Tonga and Vanuatu respectively when compared to the preceding quarter.
- Increases of 7.6%, 5.7%, 8.7%, 1.8% and 40.9% for Fiji, Samoa, Solomon Islands, Tonga and Vanuatu when compared to the same quarter last year.

Latest quarterly government expenditure in Quarter 1, 2020 for:

- Cook Islands declined by 8.5% when compared to the previous quarter but went up by 26.6% when compared to March Quarter last year.

Latest monthly government expenditure in 2020 for:

- Solomon Islands in August was 0.1% higher when compared to the previous month.
- Tonga in July was 40.3% lower when compared to the preceding month and rose significantly by 65.7% when compared to July last year.
- Vanuatu in June increased by 35.7% and 50.6% against the previous month and the same month last year, respectively.

Table 7: Government finance - Expenditure.

Countries	Government Expenditure																			
	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Cook Islands	-8.5	...	26.6	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	-8.8	5.1	-10.9	7.6	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
PNG	...	...	-24.1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	6.4	8.8	8.0	5.7	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Solomon Islands	-31.0	16.4	8.6	8.7	-35.6	4.8	2.8	25.6	-31.6	32.3	0.1	0.1	...	...	...	...	...	...	...	...
Tonga	-1.6	24.8	8.7	1.8	-24.7	-0.9	61.4	-40.0	43.2	56.4	-40.3	...	21.3	13.4	-0.3	-9.0	1.3	7.9	65.7	...
Vanuatu	-6.3	4.2	10.2	40.9	-7.0	-27.7	35.3	-2.2	-17.7	35.7	...	...	32.9	-17.2	18.7	63.7	12.1	50.6	...	...

Source: NSOs, Ministries of Finance and Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Government Debt (Table 8)

Falling revenues often lead to an increase in government debt and can lead to fiscal weakness.

Government debt in Quarter 2, 2020 represented:

- Increases of 11.1% and 14.4% for Fiji and Solomon Islands respectively, when compared to the preceding quarter.
- A decrease of 6.7% for Samoa when compared to the preceding quarter.
- Increases of 17.8% each for Fiji and Solomon Islands, respectively when compared to the same quarter a year ago.

Latest quarterly government debt in Quarter 1 2020 for:

- PNG increased by 21.1% and 10.2% against the previous quarter and the same quarter last year, respectively.
- Vanuatu dropped by 11% against the same quarter last year but remained almost flat against December quarter 2019.

Latest monthly government debt in 2020 for:

- Solomon Islands in August declined by 0.3% when compared to the preceding month but was up by 25% against the same month of 2019.

- Fiji in July showed an increase of 0.7% and 15.8% when compared to the previous month and the same month a year ago, respectively.
- Vanuatu in May dropped by 10.7% when compared against the same month a year ago.

Table 8: Government debts.

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	3.0	11.0	11.1	17.8	0.7	0.9	1.4	4.1	4.5	2.0	0.7	...	11.6	11.1	11.1	13.9	16.9	17.8	15.7	...
PNG	21.1	...	10.2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	4.4	-6.7	1.4	0.0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Solomon Islands	-0.2	14.4	3.6	17.8	-0.7	0.4	0.2	1.9	6.1	5.9	7.9	-0.3	4.0	3.8	3.6	5.9	11.5	17.8	26.6	25.0
Tonga	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Vanuatu	-0.002	...	-11.0	...	...	...	...	...	...	...	...	...	-10.7	-10.7	-10.7	-10.7	-10.7	...	...	...

Source: NSOs, Ministries of Finance and Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Note: Vanuatu quarterly Government Bond Outstanding, Fiji Government Domestic Debts.

Private Sector Credit (Table 9)

Private Sector Credit is a good indicator of business activity in a country. Increases in credit to the private sector could signify a slowing of business activity prompting businesses to access credit lines rather than financing from cash flow.

Private Sector Credit levels in Quarter 2, 2020 represented:

- Decreases of 0.6%, 1.1%, 0.7%, 1.4% and 0.5% for Fiji, Samoa, Solomon Islands, Tonga and Vanuatu respectively when compared to the preceding quarter.
- Decreases of 0.7% and 3.1% for the Solomon Islands and Vanuatu respectively when compared to the preceding quarter.
- Increases of 1.5%, 5.8% and 3.3% for Fiji, Samoa and Tonga respectively compared to the same quarter a year ago.

Latest quarterly private sector credit performance for PNG in Quarter 1 2020 showed increases of 3.7% and 4.7% against the previous quarter and the same quarter last year respectively.

Latest monthly Private Sector Credit levels in 2020 for:

- Solomon Islands in August dropped by 3.6% and 1.1% against the preceding month and the same month last year, respectively.
- Samoa in July increased by 0.6% and 6.6% when compared to the preceding month and the same month a year ago, respectively.
- Tonga in July fell by 0.5% and 0.1% when compared to the previous month and the same month a year ago, respectively.
- Fiji in July rose by 0.2% when compared to the same month last year.
- Fiji and Vanuatu in June narrowed slightly by 0.1% and 0.03%, respectively when compared to the previous month.
- Vanuatu in June dropped by 2.7% when compared to the same month last year.
- PNG in May increased by 3.9% against the same month a year ago.

Table 9: Private sector credit.

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	0.4	-0.6	2.4	1.5	0.2	0.4	-0.1	-0.4	-0.2	-0.1	...	...	4.1	2.9	2.4	1.8	1.2	0.7	0.2	...
PNG	3.7	...	4.7	...	...	...	...	...	...	...	...	...	4.0	9.7	-2.8	4.1	3.9	...	...	...
Samoa	0.3	-1.1	6.4	5.8	0.9	-1.4	0.9	-0.2	-0.2	-0.8	0.6	...	8.9	5.4	6.4	6.0	6.2	5.8	6.6	...
Solomon Islands	-0.6	-0.7	1.7	-0.7	-0.1	-0.7	0.2	-1.0	0.7	-0.4	3.5	-3.6	5.2	3.2	1.7	0.6	0.7	-0.2	3.3	-1.1
Tonga	-0.5	-1.4	5.9	3.3	0.3	-0.9	0.1	-1.1	0.2	-0.5	-0.5	...	7.8	6.7	5.9	2.1	1.7	1.4	-0.1	...
Vanuatu	0.0	-0.5	-1.5	-3.1	-0.7	0.5	0.3	-0.4	-0.04	-0.03	...	...	-1.6	-1.0	-1.5	-2.9	-3.1	-2.7	...	...

Source: Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Remittances (Table 10)

Remittance levels in Quarter 2, 2020 represented:

- Increases of 8.4%, 41.2% and 16.0% for Samoa, Solomon Islands and Tonga respectively when compared to the preceding quarter.
- A decline of 12.3% for Fiji when compared to the previous quarter
- Decreases of 16.1% and 67.5% for Fiji and Solomon Islands respectively when compared to the same quarter of 2019.
- Increases of 14.6% and 1.1% for Samoa and Tonga when compared to the same quarter a year ago.

Latest quarterly remittances inflows in Quarter 1, 2020 for:

- PNG showed an increase of 57.2% against the previous quarter but recorded 27.8% fall over the same quarter last year.

Latest monthly remittance levels in 2020 for:

- Fiji and Samoa in July registered increases of 45% and 5.5% respectively when compared to the preceding month and increases of 37.3% and 16.6% respectively against the same month a year ago.
- Tonga fell by 8.9% over the preceding month but increased by 18.1% when compared to the same month last year.

Table 10: Remittances.

Countries	% change over previous quarter		% change over same quarter last year		% change over previous month								% change over same month last year							
	2020		2020		2020								2020							
	Q1	Q2	Q1	Q2	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Jan	Feb	Mar	April	May	Jun	Jul	Aug
Cook Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Fiji	1.4	-12.3	6.1	-16.1	15.1	-10.8	-18.3	-29.3	95.5	-23.1	45.0	...	38.8	14.8	-25.1	-31.7	-1.2	-19.7	37.3	...
PNG	57.2	...	-27.8	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-4.4	8.4	0.2	14.6	-18.1	-10.5	11.7	-21.6	58.9	-10.9	5.5	...	18.2	4.6	-15.7	-8.7	43.6	-2.7	16.6	...
Solomon Islands	-49.7	41.2	-32.7	-67.5	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Tonga	-14.2	16.0	2.0	1.1	-16.4	-8.5	4.8	-9.6	48.9	-8.9	...	...	9.3	2.1	-0.1	-1.6	0.3	18.1	...	...
Vanuatu	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: NSOs, Ministries of Finance and Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Consumer Price Index (Table 11)

Latest monthly inflation rates up to June 2020 showed falling prices (deflation) for most PICs as global energy and food prices were weak and domestic demand contracted from the continuing impacts of COVID19 over the first half of 2020.

Headline inflation in 2020 for:

- Fiji was -3.0% in August, this continued a period of negative inflation since January.
- Tonga decreased further to -1.6% in August, the third consecutive month of negative inflation.
- PNG dropped further to -1.2% in June from -0.8% in May.
- Samoa eased to 1.6% in June from 1.7% in May.
- Solomon Islands eased to 5.7% in June from 7.2% in May.

Latest headline inflation for Vanuatu in March quarter, 2020 recorded a 3.1% increase.

Table 11: Consumer price index (inflation).

Countries	Headline Inflation (% change)							
	2020							
	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Cook Islands	...	...	...	...	...	...	...	...
Fiji	-1.9	-3	-2.8	-1.3	-1.7	-3.5	-1.6	-3.0
PNG	4.3	5.1	2	0.7	-0.8	-1.2	...	...
Samoa	1.5	1.9	2	2	1.7	1.6	...	...
Solomon Islands	4.4	6.3	7.8	7.8	7.2	5.7	...	...
Tonga	-0.3	0.3	0.2	1.3	0.1	-1.4	-1.1	-1.6
Vanuatu	...	...	3.1	...	...	...	...	...

Source: Central/Reserve Banks of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu.

... data not available.

Notes: Cook Islands (APC), Fiji (YoY % change), PNG (YoY % change), Samoa (12 Months Average), Solomon Islands (YoY % change), Tonga (APC), Vanuatu (Annual Quarterly % change).

APC= Annual Percent Change, YoY=Year-on-Year.

Gross Domestic Product (GDP) (Table 12)

Impacts of Covid-19 weigh negatively on economic activities in the region as reflected in available data on GDP performance. Currently only Cook Islands and Samoa produce regular quarterly GDP in the region, see Table 12. Most other PICTs compose forecasts that suggest negative annual GDP growth by end of the year.

- Samoa's GDP performance in Quarter 2, 2020 recorded a decline of 7.2% when compared to the previous quarter (1Q2020) and a decline of 11.6% over the same quarter of last year (2Q2019).
- Samoa's GDP was an estimated 7.7% lower in the first half of 2020 compared to the first half of 2019.
- Cook Islands GDP in Quarter 1, 2020 was 13.1% lower than the level of the previous quarter but was 3.8% higher than the same quarter of 2019. In this final quarter prior to the pandemic-inspired border closures the Cook Islands economy was performing strongly.

Table 12: Quarterly GDP.

Countries	Quarterly GDP Growth (% change from previous quarter)								Quarterly GDP Growth (% change from same quarter of previous year)							
	2019				2020				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cook Islands	-14.7	23.2	1.2	-4.1	-13.1	...	...	...	0.0	12.8	4.3	1.9	3.8	...	...	...
Fiji	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
PNG	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Samoa	-2.2	1.0	4.1	-6.4	-2.3	-7.2	...	...	2.0	5.8	5.2	-3.7	-3.8	-11.6	...	...
Solomon Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Tonga	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Vanuatu	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: Samoa Statistics Bureau, Cook Islands National Statistics Office.

Enquiries to Epeli Waqavonovono <epeliwa@spc.int>, Director SDD or David Abbott davidab@spc.int, Manager Data Analysis and Dissemination, or check our webpage at <https://sdd.spc.int/> and join our LiveChat.