
Pacific Statistical/Economic Briefing

COVID-19 Economic Impacts-Quarter 1, 2020

The coronavirus pandemic is adversely affecting almost all activities in the economic and social spheres of our Pacific region. Economic Activity in the Pacific Islands has slowed at an unprecedented rate and scale, 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.

Early in June SDD provided a recommended list of leading economic and social indicators that could be readily compiled from administrative and related data available to governments, see the list here:

<https://sdd.spc.int/disasters-data>.

Administrative data collected by the Ministry of Finance, Revenue and Customs Authorities, National Provident Funds, Power Authorities etc. can give us a better understanding of the pandemic's impact and information gaps can be reduced if such data is shared with the National Statistics Offices (NSO).

SDD has extracted the latest available leading indicators from the NSOs, Central Banks, Ministry of Finance and other national websites; the following summarises the findings. If made available other data could provide details such as the number of workers laid off and the magnitude of impact on families that depend on income from tourism-related activities. **Data will be updated as and when it becomes available.**

Tourism (Table 1)

Quarter 1, 2020 data show a double-digit decline in tourist numbers for Fiji, Samoa, Solomon Islands and Vanuatu when compared to a year earlier. Looking at the Tourist numbers in our region's dominant destination, Fiji, gives a real sense of the decline being experienced i.e. 413 visitors in June 2020 compared to 85,652 in the same quarter a year earlier, while the month-on-previous month percentage decreases for January, February, March and April were; 11.3%, 29.1%, 39.6% and 97.6% respectively. The most recent arrival figure for June shows a 99.5% decrease over the same period last year.

Quarter 1, 2020 tourism arrivals represented:

- Declines of 36.6%, 51.2%, 49.7% and 44.2% for Fiji, Samoa, the Solomon Islands and Vanuatu respectively when compared to the preceding quarter.
- Declines of 18.7%, 36.2%, 48.6% and 17.3% for Fiji, Samoa, the Solomon Islands and Vanuatu respectively when compared to a year ago.

April 2020 tourism arrivals represented:

- Declines of 97.6% and 100% for Fiji and Samoa respectively when compared to the preceding month.
- Declines of 99.1% and 100% for Fiji and Samoa respectively when compared to a year ago.

Quarter 1, 2020 tourism earnings represented:

- Decreases of 42.5%, 31.9%, 3.7% and 18.5% for Fiji, Samoa, the Solomon Islands and Tonga respectively compared to the preceding quarter.
- Decreases of 41.8%, 56.0% and 66.4% for Fiji, Samoa, and the Solomon Islands respectively compared to a year ago.

Table 1: Visitor arrivals and gross tourism earnings.

| Countries | Visitor Arrivals | | | | | | | | | | | | | Gross Tourism Earnings | | |
|-----------------|--------------------------------|--------------------------------------|------------------------------|-------|-------|--------|-----|-------|-------------------------------|-------|-------|--------|--------|--------------------------------|--------------------------------------|-------|
| | % change over previous quarter | % change over same quarter last year | % change over previous month | | | | | | % change same month last year | | | | | % change over previous quarter | % change over same quarter last year | |
| | 2020 | 2020 | 2020 | | | | | | 2020 | | | | | 2020 | 2020 | |
| | Q1 | Q1 | Jan | Feb | Mar | April | May | June | Jan | Feb | Mar | April | May | June | Q1 | Q1 |
| Fiji | -36.6 | -18.7 | -11.3 | -29.1 | -39.6 | -97.6 | 4.6 | -41.7 | 2.5 | -4.9 | -52.8 | -99.1 | -99.0 | -99.5 | -41.8 | -42.5 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | -51.2 | -36.2 | -41.7 | -32.5 | -41.0 | -100.0 | 0.0 | ... | -24.0 | -22.0 | -62.7 | -100.0 | -100.0 | -100.0 | -56.0 | -31.9 |
| Solomon Islands | -49.7 | -48.6 | -39.2 | -20.8 | -48.9 | ... | ... | ... | 6.1 | -22.2 | -68.7 | -100.0 | -66.4 | -3.7 | -66.4 | -3.7 |
| Tonga | ... | ... | ... | ... | ... | ... | ... | ... | 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.

International Merchandise Trade (Table 2)

Imports

Quarter 1, 2020 imports for:

- Fiji, Samoa and the Solomon Islands recorded decreases of 45.9%, 30.5% and 30.3% respectively compared to the previous quarter.
- Fiji, Samoa and the Solomon Islands dipped 19.3%, 9.0% and 37% respectively compared to a year ago.

April 2020, imports for:

- Fiji and Samoa decreased by 13.2% and 18.2% respectively compared to the previous month.
- Solomon Islands showed an increase of 11.2% compared to the previous month.
- Fiji, Samoa, Solomon Islands and Tonga recorded contractions of 34.2%, 13.6%, 18.8% and 5.1% respectively compared to a year ago.

Table 2: Imports (Tonga previous month and quarterly comparison missing).

| 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 | Q1 | Jan | Feb | Mar | Apr | May | Jan | Feb | Mar | Apr | May |
| Fiji | -45.9 | -19.3 | -46.9 | -10.3 | -10.6 | -13.2 | ... | -33.0 | 0.3 | -16.2 | -34.2 | ... |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | -30.5 | -9.0 | -45.4 | 36.9 | 2.4 | -18.2 | -15.0 | -26.8 | 21.3 | -15.0 | -13.6 | -45.2 |
| Solomon Islands | -30.3 | -37.0 | -26.0 | -9.4 | -11.6 | 11.2 | 116.8 | -4.0 | -58.6 | -24.9 | -18.8 | 34.0 |
| Tonga | ... | ... | ... | ... | ... | ... | ... | -0.7 | -3.4 | -4.5 | -5.1 | -6.3 |
| Vanuatu | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |

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

Note: Tonga annualised year-on-year change.

... data not available.

Financial Sector (Table 3)

Gross foreign reserves

Gross foreign exchange reserves (GFER) levels at the end of Quarter 1, 2020 represented:

- Decreases of 1%, 2.6%, 6.1% and 5.3% for Fiji, the Solomon Islands, Tonga and Vanuatu respectively when compared to the previous quarter.
- An increase of 7.7% for Samoa compared to the previous quarter.

- Increases of 14.4%, 12.3% and 12.2% for Fiji, Samoa and Vanuatu respectively when compared to a year ago.
- Decreases of 7.3% and 1.6% for the Solomon Islands and Tonga respectively when compared to a year ago.

The GFER levels at the end of May 2020 represented:

- Increases of 1.4%, 3.0% and 1.8% for Fiji, the Solomon Islands and Tonga respectively compared to the previous month.
- A decline of 1.3% for Samoa when compared to the previous month.
- Increases of 16.3%, 21.1% and 4.5% for Fiji, Samoa and Tonga respectively when compared to a year ago
- A decline of 6.0% for the Solomon Islands when compared to a year ago.

Table 3: Foreign exchange 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 | Q1 | Jan | Feb | Mar | Apr | May | Jan | Feb | Mar | Apr | May |
| Fiji | -1.0 | 14.4 | 1.5 | 0.5 | -3.0 | 0.9 | 1.4 | 11.0 | 16.5 | 14.4 | 14.0 | 16.3 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | 7.7 | 12.3 | 4.9 | -2.3 | 5.1 | 10.8 | -1.3 | 5.9 | 2.0 | 12.3 | 24.4 | 21.1 |
| Solomon Islands | -2.6 | -7.3 | -2.1 | 10.6 | -10.0 | 1.1 | 3.0 | -9.2 | -0.1 | -7.3 | -6.8 | -6.0 |
| Tonga | -6.1 | -1.6 | -0.9 | -0.6 | -4.6 | -2.6 | 1.8 | 0.8 | 1.3 | -1.6 | 2.3 | 4.5 |
| Vanuatu | -5.3 | 12.2 | 0.9 | -1.4 | -4.8 | 2.1 | ... | 18.8 | 18.6 | 12.2 | 15.3 | ... |

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

... data not available.

Broad Money Supply (Table 4)

The broad money supply at the end of Quarter 1, 2020 represented:

- Decreases of 1.8%, 1.7% and 0.9% for the Solomon Islands, Samoa and Tonga when compared to the previous quarter.
- Increases of 0.1% and 0.7% for Fiji and Vanuatu respectively when compared to the previous quarter.
- Decreases of 1.9% and 50.9% for Samoa and the Solomon Islands respectively when compared to a year ago.
- Increases of 4.4% and 2.3% for Fiji and Tonga respectively when compared to a year ago.

The Broad Money Supply at the end of May 2020 represented:

- Decreases of 2.8% and 4.4% for Samoa and the Solomon Islands respectively when compared to a year ago.
- Increase of 4.5% and 1.3% for Fiji and Tonga respectively when compared to a year ago.

Table 4: Broad Money.

| | % 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 | Q1 | Jan | Feb | Mar | Apr | May | Jan | Feb | Mar | Apr | May |
| Fiji | 0.1 | 4.4 | 1.1 | -0.6 | -0.4 | 0.1 | -0.4 | 3.0 | 4.4 | 4.4 | 4.8 | 4.5 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | -1.7 | -1.9 | -1.0 | -0.8 | 0.1 | -0.1 | -0.2 | 2.0 | -1.9 | -1.9 | -3.0 | -2.8 |
| Solomon Islands | -1.8 | -50.9 | -2.8 | 1.2 | -0.2 | 0.5 | -0.3 | -3.5 | -3.7 | -2.8 | -1.5 | -4.4 |
| Tonga | -0.9 | 2.3 | -1.6 | -0.4 | 1.2 | -2.6 | 1.8 | -1.0 | 0.2 | 2.3 | -0.7 | 1.3 |
| Vanuatu | 0.7 | 4.5 | 0.3 | 1.1 | -0.7 | -0.4 | ... | 4.4 | 5.5 | 4.5 | -0.9 | ... |

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

... data not available.

Government Finance

Revenues (Table 5)

Government Revenues and Expenditures recorded both increases and decreases in Quarter 1, 2020. With trends in government revenue and expenditure tending to lag behind performance in the real economy there should be more clarity on the pandemic's impact on government finances come Quarter 2, 2020.

Government Revenues in Quarter 1, 2020 represented:

- Decreases of 10.0% and 5.1% for Fiji and the Solomon Islands respectively when compared to the preceding quarter.
- Increases of 4.2% and 1.3% for Samoa and Vanuatu respectively when compared to the preceding quarter.
- A decrease of 7.8% for Fiji when compared to a year ago.

Increases of 8.4%, 4.8% and 7.4% respectively for Samoa, Solomon Islands and Vanuatu when compared to a year ago.

Table 5: Government Finance.

| Countries | Government Revenues | | Government Expenditure | |
|-----------------|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
| | % change over previous quarter | % change over same quarter last year | % change over previous quarter | % change over same quarter last year |
| | 2020 | 2020 | 2020 | 2020 |
| | Q1 | Q1 | Q1 | Q1 |
| Fiji | -10.0 | -7.8 | -8.8 | -10.9 |
| PNG | ... | ... | ... | ... |
| Samoa | 4.2 | 8.4 | 6.4 | 8.0 |
| Solomon Islands | -5.1 | 4.8 | -31.0 | 8.6 |
| Tonga | ... | ... | ... | ... |
| Vanuatu | 1.3 | 7.4 | -6.9 | 9.6 |

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

... data not available.

Expenditure

Government expenditure in Quarter 1, 2020 represented:

- Decreases of 8.8%, 31.0% and 6.9% for Fiji, the Solomon Islands and Vanuatu respectively when compared to the preceding quarter.
- An increase of 6.4% for Samoa when compared to the preceding quarter.
- A decrease of 10.9% for Fiji when compared to the same quarter a year ago.
- Increases of 8.0%, 8.6% and 9.6% for Samoa, the Solomon Islands and Vanuatu respectively compared to a year ago.

Government Debt (Table 6)

Falling revenues often lead to an increase in government debt. Government debt in Quarter 1, 2020 represented:

- Increases of 3.0% and 0.3% for Fiji and Samoa respectively compare to the preceding quarter.
- A decrease of 0.2% for the Solomon Islands compared to the preceding quarter.
- Increases of 11.1%, 6.4% and 3.6% for Fiji, Samoa and the Solomon Islands respectively compare to a year ago.

Government debt in May 2020 represented:

- Increases of 4.5% and 5.1% for Fiji and the Solomon Islands respectively when compared to the preceding month.

Increases of 16.9% and 11.5% for Fiji and the Solomon Islands respectively when compared to a year ago.

Table 6: 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 | Q1 | Jan | Feb | Mar | Apr | May | Jan | Feb | Mar | Apr | May |
| Fiji | 3.0 | 11.1 | 0.7 | 0.9 | 1.4 | 4.1 | 4.5 | 11.6 | 11.1 | 11.1 | 13.9 | 16.9 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | 0.3 | 6.4 | 0.9 | -1.4 | 0.9 | ... | ... | ... | ... | ... | ... | ... |
| Solomon Islands | -0.2 | 3.6 | -0.7 | 0.4 | 0.2 | 1.9 | 6.1 | 4.0 | 3.8 | 3.6 | 5.9 | 11.5 |
| Tonga | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Vanuatu | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |

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

... data not available.

Private Sector Credit (Table 7)

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 1, 2020 represented:

- Increases of 0.4% and 0.3% in Fiji and Samoa respectively when compared to the preceding quarter.
- Decreases of 0.6% and 0.5% for the Solomon Islands and Tonga respectively when compared to the preceding quarter.
- Increases of 2.4%, 6.4%, 1.7% and 5.9% for Fiji, Samoa, the Solomon Islands and Tonga respectively compared to a year ago.
- A decrease of 1.5% for Vanuatu when compared to a year ago.

Private sector credit levels in May 2020 represented:

- Decreases of 0.2% for both Fiji and Samoa when compared to the preceding month.
- Increases of 0.7% and 0.2% for the Solomon Islands and Tonga respectively when compared to the preceding month.
- Increases of 1.3%, 6.2%, 0.7% and 1.7% for Fiji, Samoa, the Solomon Islands and Tonga respectively when compared to a year ago.

Table 7: Private sector credit by Pacific Island Countries (in % change), March 2020.

| 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 | Q1 | Jan | Feb | Mar | Apr | May | Jan | Feb | Mar | Apr | May |
| Fiji | 0.4 | 2.4 | 0.2 | 0.4 | -0.1 | -0.4 | -0.2 | 4.1 | 2.9 | 2.4 | 1.8 | 1.3 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | 0.3 | 6.4 | 0.9 | -1.4 | 0.9 | -0.2 | -0.2 | 8.9 | 5.4 | 6.4 | 6.0 | 6.2 |
| Solomon Islands | -0.6 | 1.7 | -0.1 | -0.7 | 0.2 | -1.0 | 0.7 | 5.2 | 3.2 | 1.7 | 0.6 | 0.7 |
| Tonga | -0.5 | 5.9 | 0.3 | -0.9 | 0.1 | -1.1 | 0.2 | 7.8 | 6.7 | 5.9 | 2.1 | 1.7 |
| Vanuatu | 0.0 | -1.5 | -0.7 | 0.5 | 0.3 | -0.4 | ... | -1.6 | -1.0 | -1.5 | -2.9 | ... |

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

... data not available.

Remittances (Table 8)

Remittance levels in Quarter 1, 2020 represented:

- An increase of 1.4% for Fiji when compared to the preceding quarter.
- Decreases of 4.4% and 49.7% for Samoa and the Solomon Islands respectively when compared to the preceding quarter.

- Increases of 6.1% and 0.2% for Fiji and Samoa when compared to a year ago.
- A decrease of 32.7% for the Solomon Islands when compared to a year ago.

Remittance levels in May 2020 represented:

- Increases of 95.5% and 58.9% for Fiji and Samoa respectively when compared to the preceding month.
- A decrease of 1.2% for Fiji when compared to a year ago.
- An increase of 43.6% for Samoa when compared to year ago.

Table 8: 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 | Q1 | Jan | Feb | Mar | April | May | Jan | Feb | Mar | April | May |
| Fiji | 1.4 | 6.1 | 15.1 | -10.8 | -18.3 | -29.3 | 95.5 | 38.8 | 14.8 | -25.1 | -31.7 | -1.2 |
| PNG | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Samoa | -4.4 | 0.2 | -18.1 | -10.5 | 11.7 | -21.6 | 58.9 | 18.2 | 4.6 | -15.7 | -8.7 | 43.6 |
| Solomon Islands | -49.7 | -32.7 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Tonga | 0.0 | 0.0 | -16.4 | -8.5 | ... | ... | ... | 9.3 | 2.1 | -0.1 | -1.6 | ... |
| Vanuatu | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |

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

... data not available.

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Statistics for Development Division
Pacific Community
October 2020