

# STATISTICAL NEWS

FBoS Release No: 84, 2018

24<sup>th</sup> October 2018

## BALANCE OF PAYMENTS STATISTICS

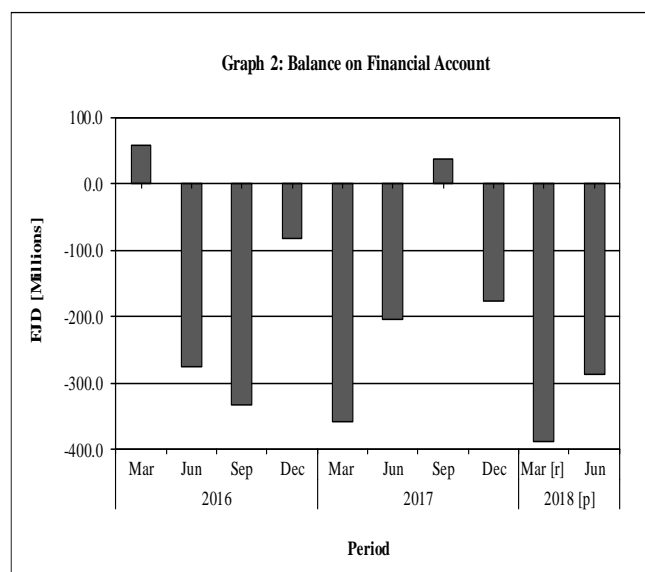
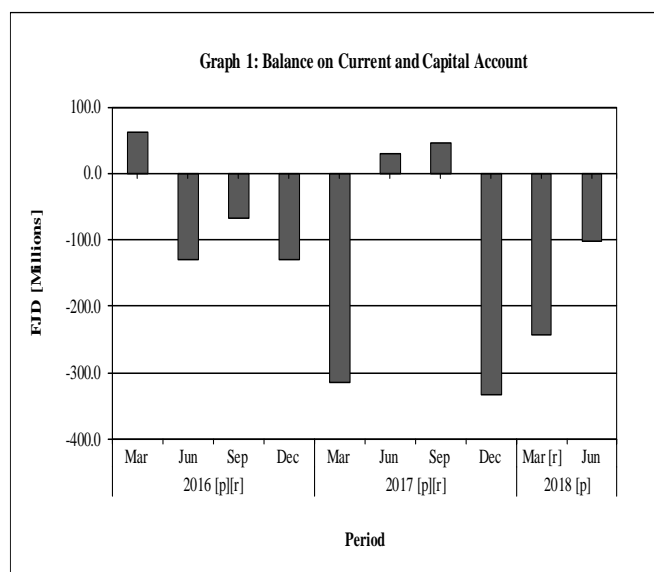
### June Quarter 2018

Fiji's Balance of Payments (BOP) Statistics shows the value of Fiji's transactions with the rest of the world in goods, services, primary income, secondary income and capital accounts. It also shows changes in Fiji's financial claims on (assets) and (liabilities) to the rest of the world. The information used in this release is from the International Investment Survey and Administrative sources <sup>1</sup>.

All values in this release are in Fiji Dollars (FJD).

#### Key Facts

- The Current and Capital account balance stood at a deficit of \$102.0 million; and
- Financial account balance stood at a deficit of \$286.1 million.

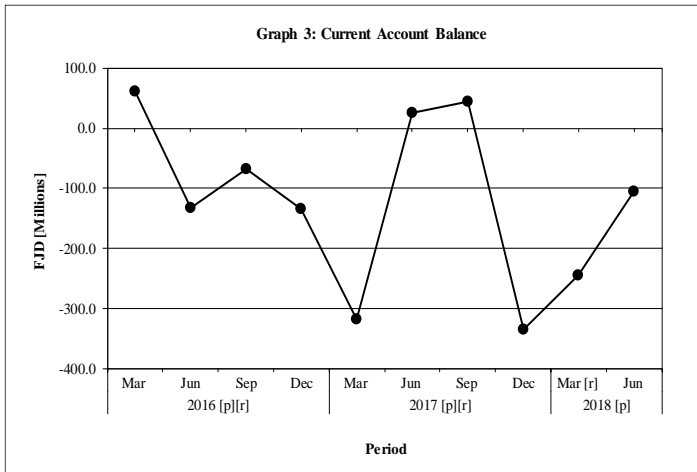


- The balance on current and capital account resulted in a deficit of \$102.0 million in the June quarter of 2018, when compared to a surplus of \$29.1 million a year earlier. This is due to increases in the import of machinery and transport equipment, import of air transport services and outflows of other current transfers.
- The balance on financial account resulted in a deficit of \$286.1 million in the June quarter of 2018, when compared to a deficit of \$205.0 million a year earlier. The higher deficit is due to a decline in currency and deposits.

<sup>1</sup> Administrative source: Fiji Revenue and Custom Services, Reserve Bank of Fiji, Ministry of Economy, Fiji National Provident Fund and Investment Fiji.

## CURRENT ACCOUNT

Records the value of Fiji's transactions with the rest of the world in goods, services, primary income and secondary income. The current account balance is the sum of all current account credits less all current account debits. When the sum of debits is greater than the sum of credits we have a current account deficit.

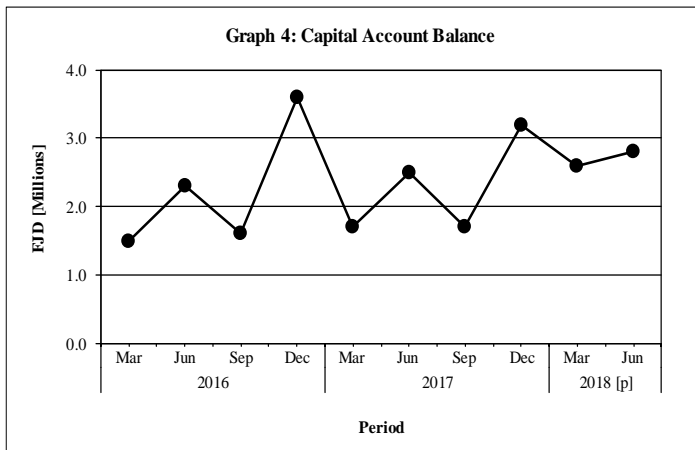


- The current account balance showed a net outflow of \$104.8 million for the June quarter of 2018.
- The net current account balance fell by 57.3 percent (\$140.5 million) when compared to the March quarter of 2018.
- The net current account balance fell by 494.0 percent (\$131.4 million) when compared to the June quarter of 2017.

- The **balance on goods and services** was a deficit of \$169.6 million in the June quarter of 2018. This represents a rise by 212.9 percent (\$115.4 million) when compared to the June quarter of 2017. Import of goods increased by \$132.9 million mainly due to the increase in machinery and transport equipment. Import of services increased by \$39.9 million mainly due to the increase in air transport services.
- The **balance on primary income** was a deficit of \$68.5 million in the June quarter of 2018. This represents a fall by 28.2 percent (\$26.9 million) when compared to the June quarter of 2017 as a result of the decrease in investment income paid abroad.
- The **balance on secondary income** was a surplus of \$133.3 million in the June quarter of 2018. This represents a fall by 24.3 percent (\$42.9 million) when compared to the June quarter of 2017 due to an increase in the outflows of other current transfers.

## CAPITAL ACCOUNT

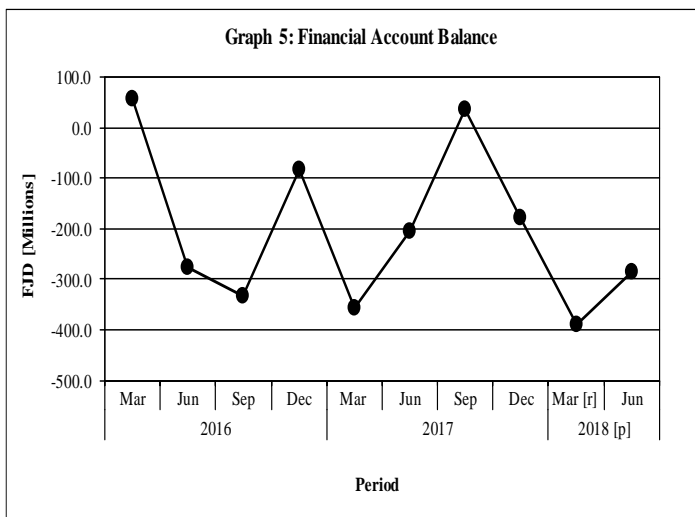
Has two components – capital transfers and the acquisition or disposal of non-produced, non-financial assets. Capital transfers involve the transfer of ownership of fixed assets, or the transfer of funds linked to them, without any counterpart transaction.



- The capital account balance showed a net inflow of \$2.8 million for the June quarter of 2018.
- The net inflow capital account balance rose by 7.7 percent (\$0.2 million) when compared to the March quarter of 2018.
- The net inflow capital account balance rose by 12.0 percent (\$0.3 million) when compared to the June quarter of 2017.

## FINANCIAL ACCOUNT

Records financial transactions involving Fiji claims on assets and liabilities to non-residents. The financial account is classified into assets and liabilities, which are broken down by type of investment (direct, portfolio, other investment and reserve assets) and instrument of investment.



- The financial account balance showed a net borrowing of \$286.1 million which consisted of net inflows of \$38.3 million in equity and net outflows of \$324.4 million in debt for the June quarter of 2018.
- The financial account net borrowing fell by 26.4 percent (\$102.6 million) when compared to the March quarter of 2018.
- The financial account net borrowing rose by 39.6 percent (\$81.1 million) when compared to the June quarter of 2017.

- **Direct investment** showed a net inflow of \$34.4 million in the June quarter of 2018. This represents a rise by 127.0 percent (\$161.6 million) when compared to the June quarter of 2017.
- **Portfolio investment** showed a net outflow of \$11.6 million in the June quarter of 2018. This represents a fall by 352.2 percent (\$16.2 million) when compared to the June quarter of 2017.
- **Other investment** showed a net outflow of \$288.2 million in the June quarter of 2018. This represents a fall by 25.4 percent (\$98.3 million) when compared to the June quarter of 2017.
- **Reserve assets** showed a net outflow of \$20.7 million in the June quarter of 2018. This represents a fall by 106.8 percent (\$324.8 million) when compared to the June quarter of 2017.

**Please find attached the following:**

- **Table 1:** Balance of Payments;
- **Table 2:** Current Account – Goods and Services;
- **Table 3:** Current Account – Primary and Secondary Income;
- **Table 4:** Capital Account;
- **Table 5:** Financial Account;
- **Table 6:** Reconciliation of Trade Statistics and BOP – Goods Account;
- **Appendix 1:** Technical Notes; and
- **Appendix 2:** Fiji's Balance of Payment Flow Chart – June Quarter 2018.

**Caution:**

References can also be made to Fiji Bureau of Statistics' Quarterly Releases on International Investment Position (IIP), International Trade in Services Statistics (ITSS) and the monthly Releases on International Merchandise Trade Statistics (IMTS). However, caution should be exercised when comparing imports reported in the IMTS Release as they are reported on a CIF (cost, insurance and freight) basis, whereas in Balance of Payments adjustments are made to the imports to have it reported on FOB (Free On Board) basis.

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Balance of Payments Statistics for the September Quarter of 2018 will be released as soon as the disaggregated data becomes available.



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