

Container Registrations

June 2016

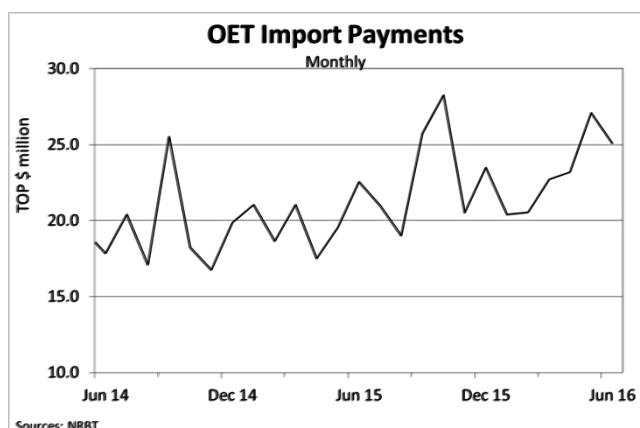
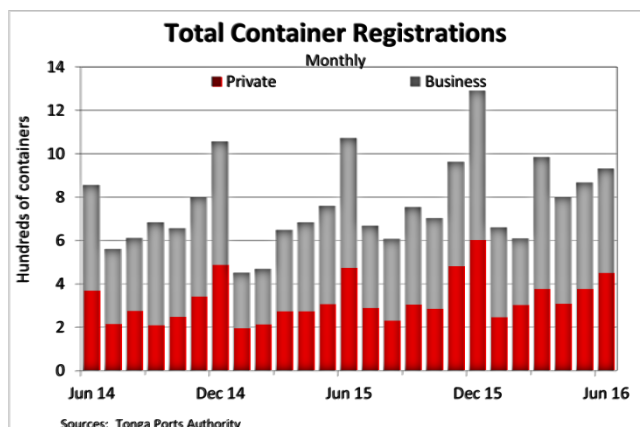
Release date: 22 August 2016

| | Jun 16 | May 16 | Apr 16 | Mar 16 |
|--------------|--------|--------|--------|--------|
| Total | 932 | 867 | 799 | 985 |
| Business | 483 | 491 | 491 | 609 |
| Private | 449 | 376 | 308 | 376 |

Registrations hiked due to festivities during the month

The events during the month of June 2016 supported the higher container registrations, recording a total number of 932 containers. This is an increase of 65 containers (7.5%) from May 2016 and it was mainly driven by a rise of 73 private containers (19.4%), more than offsetting a fall in business containers by 8 registrations (1.6%). This reflected festivities and special events that took place in June 2016, which included church conferences and the celebration of the Tupou College Toloa 150th anniversary. An additional 1 cargo ship arriving during the month may have also contributed to the increase. The growth in registrations coincides with a \$0.5 million (2.1%) rise in import payments made in April 2016.

Annually, total number of containers registered rose by 1,389 registrations (16.4%). This resulted from an increase in both private and business registrations, with private registrations recording relatively higher growth. This reflected events that occurred during the year,



including the King's coronation, annual church conferences, reunions and the Tupou College Toloa 150th anniversary. Higher number of cargo ships arriving during the year also contributed to the annual rise. This coincides with a \$39.8 million (16.7%) rise in import payments (excluding oil), driven by increases in import payments for construction materials, vehicles and wholesale and retail. Higher import payments for vehicles are consistent with a rise in vehicle registrations over the year whilst increased payments for construction materials reflected the on-going construction activities in the country. This is also in line with the National Reserve Bank of Tonga's (NRBT) growth forecast for the distribution sector to grow by 5% in 2015/16 financial year. This in turn supports an increase in government revenue collection.

The NRBT expects imports and consequently container registrations to generally increase in 2016/17 due to festivities scheduled for this financial year including the Church of Jesus Christ Latter Day Saints 100th Anniversary, annual conferences, one-off events such as family reunions and on-going activities in the country. Credit growth is projected to continue in 2016/17 which will support growth in imports. Furthermore, NRBT's liaisons with the construction and transport sectors had indicated growing demand in these sectors which will drive imports in the near future. On-going projects such as the construction of the St. George Palace, LDS chapels, renovations of the Tanoa Hotel and new private residential constructions are anticipated to contribute to the rise. Spill over effects on the trade, tourism, construction sectors and other sectors in the economy are also expected.

| Container Registrations | | | | | | | |
|--------------------------------|--------------------|---------------|---------------|---------------|-------------------|---------------|-----------------------|
| Total Number of Containers | | | | | | | |
| | Month ended | | | | Year ended | | <i>Share of Total</i> |
| | Jun 16 | May 16 | Apr 16 | Jun 15 | Jun 16 | Jun 15 | |
| Total containers | 932 | 867 | 799 | 1072 | 9,839 | 8,450 | 100 |
| Business | 483 | 491 | 491 | 599 | 5,599 | 4,953 | 57 |
| Private | 449 | 376 | 308 | 473 | 4,240 | 3,497 | 43 |

Source: Tonga Ports Authority