

Trade and Competitiveness Monitoring Note



Tonga

Population (millions) (2016)	Poverty rate (2009)	Ease of Doing Business Rank (2016)
0.11	1.09	78.00

Macro Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
GDP growth (annual %)	—	—	—	—	—	—
Current account balance	—	—	—	—	—	—
Fiscal balance (% of GDP)	—	—	—	—	—	—
Remittances, received (% of GDP) [1]	26	26	28	—	—	—
Real Effective Exchange Rate (2010=100)	—	—	—	—	—	—
Consumer Price Index, annual percent change	—	—	—	—	—	—



Investment indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Gross domestic investment (% GDP)	—	—	—	—	—	—
Gross domestic investment, of w: Private investment (% GDP) [1]	24.6	34.0	—	—	—	—
Inward FDI (% of GDP) [2]	7.6	6.7	11.7	12.9	—	—
Inward FDI, % of private investment [2]	12.9	5.3	NA	—	—	—



Trade Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Total Trade in Goods and Services (% of GDP, real terms)	—	—	—	—	—	—
Trade balance (% GDP, real terms)	—	—	—	—	—	—
Exports, Goods and Services, annual percent change (real terms)	—	—	—	—	—	—
Imports, Goods and Services, annual percent change (real terms)	—	—	—	—	—	—
Total reserves in months of imports [1]	4.3	6.4	—	—	—	—

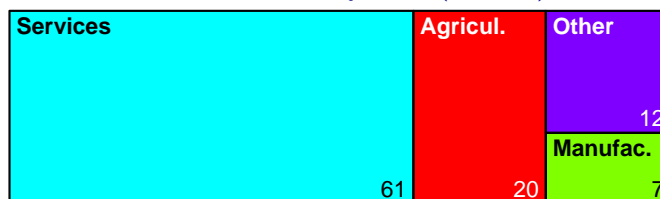


Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015

Data not available

Gross Value Added by Economic Activity 2013 (% GDP)



Source: Development Prospects Group (DECPG)

Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

Edible nuts (excluding nuts chiefly)	Plants and parts of plants (including)	Basketware, Fish, frozen wickerwork (excluding and other ar fillets and	2
5	4	Paints and varnishes (including ena2	3

Imports Categories by % of Total Value, 2014

Consumer goods	Capital goods	Intermediate goods	Raw materials
56	20	13	12

Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

	DB 2015 Rank	DB 2016 Rank	Change in Rank
Dealing with Construction Permits	22	22	0
Ease of Doing Business Rank	74	78	-4
Enforcing Contracts	97	97	0
Getting Credit	36	42	-6
Getting Electricity	60	61	-1
Paying Taxes	74	82	-8
Protecting Minority Investors	114	115	-1
Registering Property	152	154	-2
Resolving Insolvency	132	131	1
Starting a Business	49	53	-4
Trading Across Borders	87	87	0

Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)

Data not available

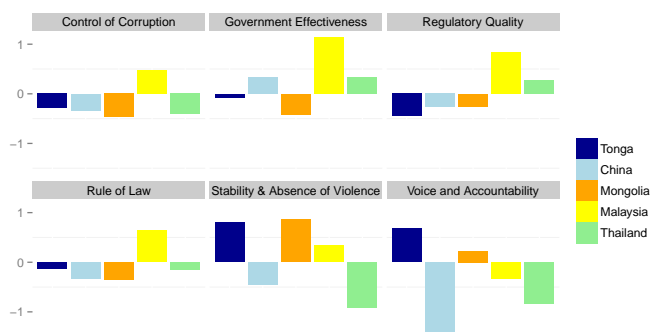
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)

Data not available

Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

	2010	2014
Applied Tariff (Incl. Prefers. and Trade-Weighted)	11.1	—
Binding (%)	100	—
Dispersion (Standard Deviation)	7.2	—
Import duties collected [1]	—	—
MFN Tariff (Agriculture)	11.7	—
MFN Tariff (Non-Agriculture)	11.5	—
MFN Tariff (Simple Average)	11.7	—
Services sectors with GATS commitments [1]	—	90

Sources: WITS, [1] WTO Trade Profiles

Private Sector's Views

Enterprise Survey 2013

	Tonga	East Asia and Pacific	All Countries
Number of electrical outages in a typical month	2.00	3.50	6.30
Percent of firms with a bank loan/line of credit	54.30	35.00	34.30
Proportion of investment financed by banks (%)	26.50	12.80	14.30
Proportion of investment financed internally (%)	34.20	74.70	71.80
Senior management time spent dealing with the requirements of government regulation (%)	6.60	6.70	9.90

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)

Data not available

Source: WEF Global Competitiveness Report 2015