

Trade and Competitiveness Monitoring Note

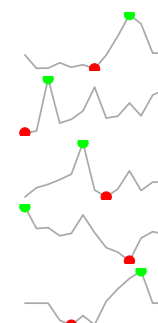


Tonga

Population (millions) (2015)	Poverty rate (2009)	Unemployment rate (2015)	Ease of Doing Business Rank (2015)
0.11	1.09	NA	74.00

Macro Indicators

	Avg 2002-2011	2012	2013	2014
Gross capital formation (% of GDP) [1]	24.6	34.0	—	—
Foreign direct investment, net inflows (% of GDP) [2]	7.6	6.7	11.7	12.9
Private capital flows, total (% of GDP) [2]	12.9	5.3	—	—
Personal remittances, received (% of GDP) [1]	27.1	25.7	27.9	—
Total reserves in months of imports [1]	4.3	6.4	—	—

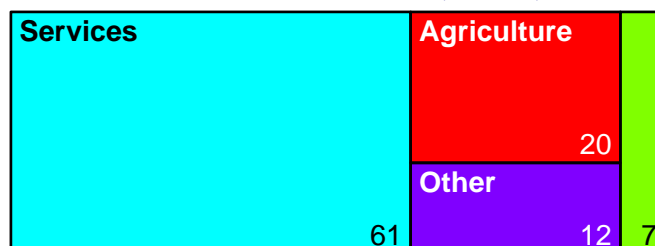


Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

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

Vegetable products, roots and tuber	Molluscs and aquatic invertebrates,	Fish, fresh (live or dead) or chill	Other fresh or chilled vegetables
26	20	19	14

Imports Categories by % of Total Value, 2014

Consumer goods	Capital goods	Raw materials
56	20	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