

Pacific Statistical/Economic Briefing

COVID-19 Economic Impacts – Half Yearly, 2020

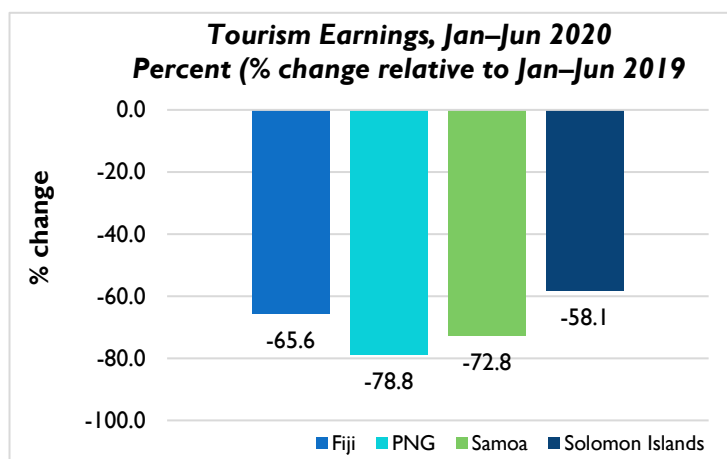
This fact sheet provides a glimpse on the economic impacts of COVID-19 on selected Pacific Island countries with available data in the first half of 2020 relative to the first half of 2019. Information were sourced directly from the Statistics Development Division (SDD) Quarterly Economic Impacts of COVID19 report accessed here; <http://purl.org/spc/digilib/doc/6j9ta> and <http://purl.org/spc/digilib/doc/vxaa2>.

Tourism Earnings

Tourism earnings for four Pacific Island Countries (PICs) of Fiji, Papua New Guinea (PNG), Samoa and Solomon Islands dropped significantly in absolute value in the first half of 2020 relative to the same period in 2019. This reflected the drastic fall in the number of visitor arrivals as travel bans and border closures persisted during the period.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD million)	896	308.4	-588
PNG (Kina million)	6.1	1.3	-5
Samoa (Tala '000)	232	63	-169
Solomon Islands (SBD '000)	12,444	5,216	-7,228

Tourism Earnings, COVID-19 impact magnitude in percent (%)



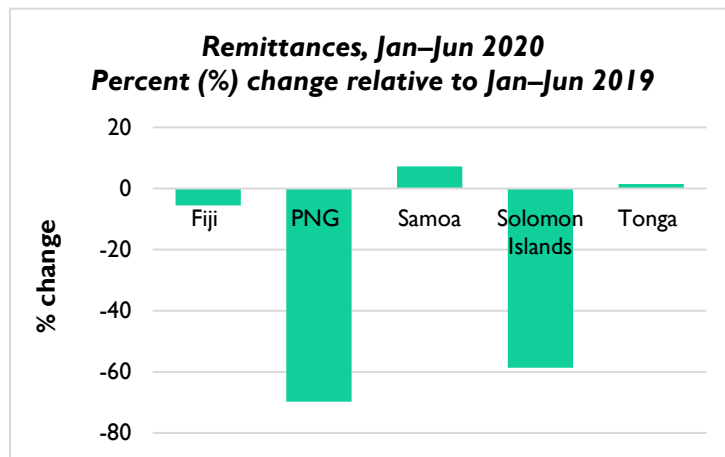
In terms of magnitude, tourism earnings for Fiji, PNG, Samoa and Solomon Islands showed double digit fall in the first half of 2020 compared to the first half of 2019. The dramatic fall in tourism receipts in turn led to massive job losses and near total collapse of the tourism industry.

Remittance Earnings

In absolute values, remittances for Fiji, PNG and Solomon Islands dropped significantly in the first half of 2020. By contrast, remittances to Samoa and Tonga increased in million values in the first half of 2020 against the first six months of 2019.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD million)	293.2	276.8	-16.4
PNG (Kina million)	2.8	0.8	-1.9
Samoa (Tala million)	264	283	19.1
Solomon Islands (SBD '000)	11,482	4,749	-6,733.0
Tonga (TOP million)	165.8	168.3	2.5

Remittances Earnings, COVID-19 impact in percent (%)



In terms of magnitude, PNG and Solomon Islands recorded larger falls (double digit) in remittances in the first six months of 2020 compared to the same period in 2019.

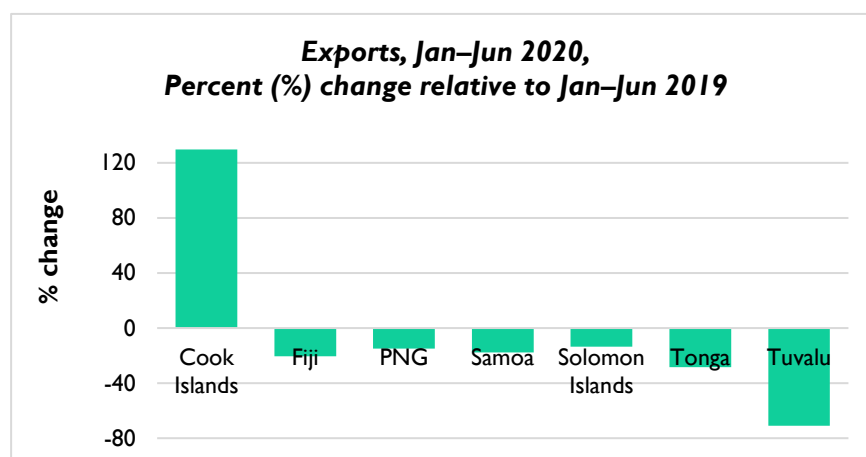
Trade

Export Earnings

Except for Cook Islands, export earnings for six PICs of Fiji, PNG, Samoa, Solomon Islands, Tonga, and Tuvalu dropped significantly in absolute values in the first half of 2020 compared to first half of 2019

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan-Jun 2019	Jan-June 2020	Absolute change, Jan-Jun 2020
Cook Islands (NZD '000)	6080	13,961	7881.0
Fiji (FJD '000)	1,031,943	820,251	-211,692.3
PNG (Kina, million)	18,794.1	16008	-2786.1
Samoa (Tala '000)	62,474	51,372	-11,101.9
Solomon Islands (SBD million)	1,957	1691	-266.0
Tonga (TOP, million)	18.9	13.5	-5.3
Tuvalu (AUD)	189,109	54,807	-134,302

Export Earnings, COVID 19 impact in percent (%)

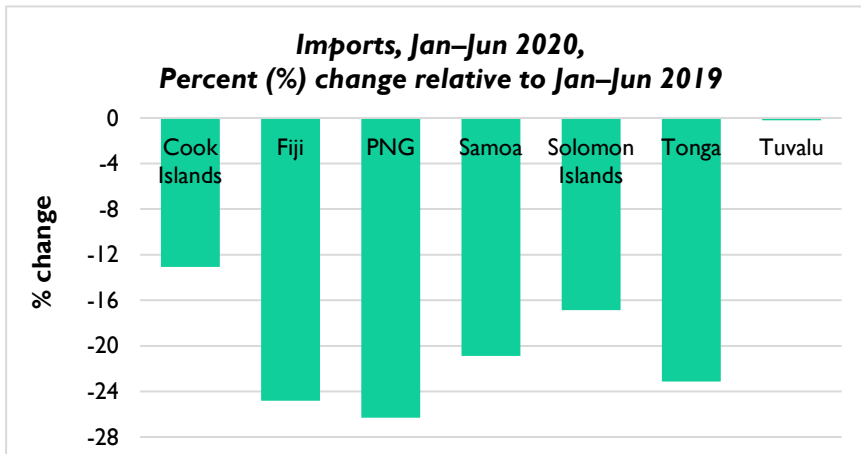


Relative to other PICs, export earnings for Tuvalu hit the hardest in the first half of 2020 compared to first half of 2019

Imports

Import payments for seven PICs of Cook Islands, Fiji, PNG, Samoa, Solomon Islands, Tonga, and Tuvalu decreased significantly in absolute values in the first six months of 2020 compared to first six months in 2019.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Cook Islands (NZD '000)	87,873	76,387	-11,486.0
Fiji (FJD '000)	2,620,593	1,969,937	-650,656.0
PNG (Kina, million)	7,020	5,172	-1847.4
Samoa (Tala '000)	482,585	381,790	-100,795.4
Solomon Islands (SBD million)	2,092	1739	-353.0
Tonga (TOP, million)	299.1	229.9	-69.2
Tuvalu (AUD)	23,233,686	23,183,872	-49,814.0

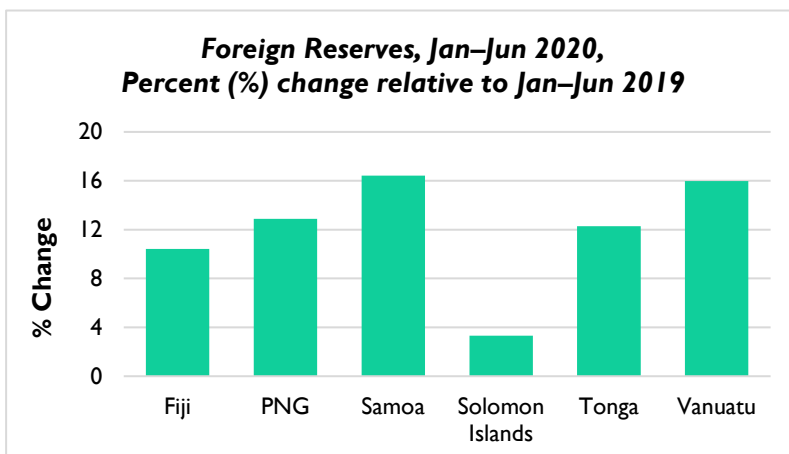


Import demand for six PICs of Cook Islands, Fiji, PNG, Samoa, Solomon Islands and Tonga showed double digit fall in the first half of 2020 compared to first half of 2019.

Foreign Reserves

Foreign Reserves for six PICs of Fiji, PNG, Samoa, Solomon Islands, Tonga, and Vanuatu remained positive in the first half of 2020, as import demand and domestic activities slowed during the period.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies, except*)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD, million)	1,973	2,179	205.4
*PNG (USD, million)	2,046	2,309	263.4
Samoa (Tala, million)	510.5	594.3	83.8
Solomon Islands (SBD million)	5,082	5,250	168.0
Tonga (TOP, million)	484.3	543.8	59.5
Vanuatu (Vatu, million)	5,2938	61,395.2	8,457.5



Foreign reserves for all six PICs grew strongly in the first half of 2020, however, the continued fall in exports posed a serious threat to the level of foreign reserves that were built overtime.

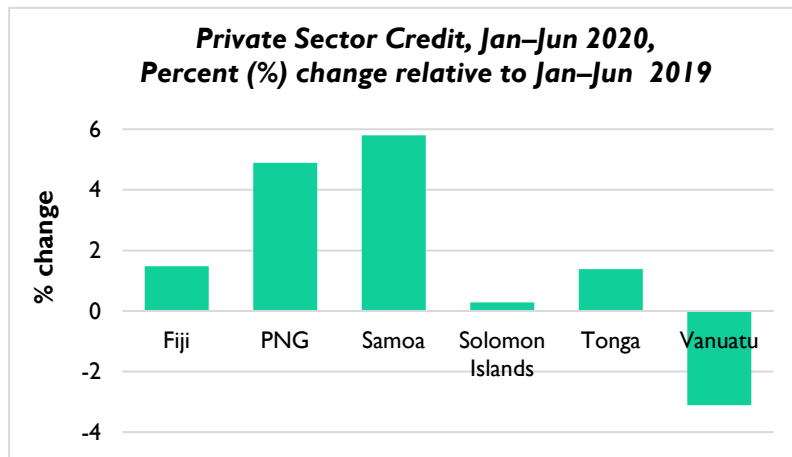
Relevant policy responses required as exports and donor inflows built foreign reserves whilst import payments drained foreign reserves.

Private Sector

Except for Vanuatu, Private sector credit for five PICs of Fiji, PNG, Samoa, Solomon Islands and Tonga increased in value terms in the first half of 2020 relative to the same period in 2019.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD million)	8,185	8,306	120.6
PNG (Kina, million)	14,995	15,728	733.1
Samoa (Tala, million)	1,077	1,139	62.4
Solomon Islands (SBD, million)	2,513	2,520	7.1
Tonga (TOP, million)	486.2	492.9	6.7
Vanuatu (Vatu, million)	61,599	59,682	-1,917.4

Private Sector Credit, COVID 19 impact in percent (%)



Private sector credit for five PICs of Fiji, PNG, Samoa, Solomon Islands and Tonga grew slowly, each at less than 6% in the first half of 2020 relative to the first half of 2019. Meanwhile, private sector credit for Vanuatu fell during the period.

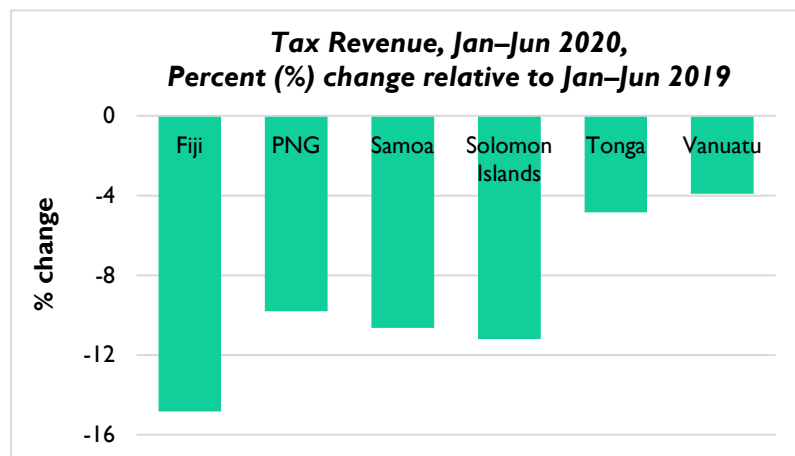
Government Finance

Tax Revenue

Tax Revenue for all PICs of Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu declined drastically in value terms in the first half of 2020 as against the same period in 2019.

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD, million)	1,495	1,273	-221.8
PNG (Kina, million)	2,432.7	2,194.1	-238.6
Samoa (Tala, million)	283.81	253.6	-30.2
Solomon Islands (SBD, '000)	1,462,462	1,298,665	-163,797.2
Tonga (TOP, million)	125.9	119.8	-6.1
Vanuatu (Vatu, million)	8,811.2	8,466.2	-345.0

Tax Revenue, COVID-19 impact in percent (%)



In terms of magnitude, tax revenue for all six PICs fell in the range between 4% to 15% in the first half of 2020 against first half of 2019 as trade, services, businesses, and domestic activities remained subdued.

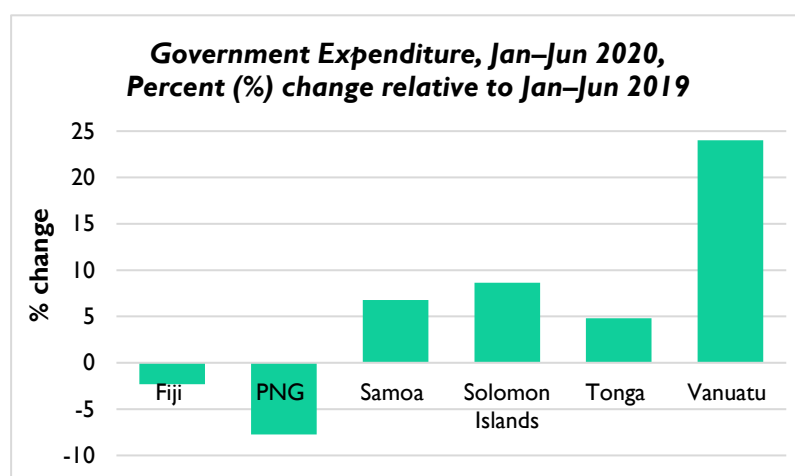
Expenditure

	Pre-COVID-19	Current COVID-19	COVID-19 impact in absolute values
Countries (In national currencies)	Jan–Jun 2019	Jan–June 2020	Absolute change, Jan–Jun 2020
Fiji (FJD, million)	1,709	1,669	-39.6
PNG (Kina, million)	7,478	6,900.4	-577.6
Samoa (Tala, million)	310.9	332	21.1
Solomon Islands (SBD,'000)	1,673,982	1,818,711	14,4729.0
Tonga (TOP, million)	171	179.2	8.2
Vanuatu (Vatu, million)	12,929.1	16,033.1	3,104.0

Government expenditures for Samoa, Solomon Islands, Tonga, and Vanuatu increased in absolute value in the first half of 2020 compared to first half of 2019.

For the same period, government spending for Fiji and PNG recorded fall in absolute terms.

Tax Revenue, COVID-19 impact in percent (%)



Government spending for Samoa, Solomon Islands, Tonga, and Vanuatu increased within the range of 6.8% to 24% in the first half year of 2020 compared to the first half of 2019.

Fiji and PNG spending dropped and at less than 10% each in the first six months of 2020 compared to the same period in 2019.

Enquiries to Epeli Waqavonovono <epeliwa@spc.int>, Director SDD or David Abbott davidab@spc.int, Manager Data Analysis and Dissemination, or check our webpage at <https://sdd.spc.int/> and join our LiveChat.