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## Information paper

# International trade as a share of gross domestic product in selected Pacific economies

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## Table of Contents

Acknowledgements .....	vi
Abbreviations, definitions, and notes .....	vii
A. Introduction.....	1
B. Four-year average trade-to-GDP ratios for the Pacific region .....	2
C. Four-year average trade-to-GDP ratios by Melanesia, Micronesia and Polynesia .....	3
D. Relationship between the size of PICTs and their trade-to-GDP ratios .....	4
E. Trend of the trade-to-GDP ratio in the Pacific region .....	5
F. Trade-to-GDP ratios: How each country performed.....	5
Cook Islands.....	7
Federated States of Micronesia.....	9
Fiji.....	11
Kiribati.....	13
Marshall Islands .....	15
Nauru .....	17
Niue.....	19
Palau .....	21
Papua New Guinea .....	23
Samoa .....	25
Solomon Islands.....	27
Tonga .....	29
Tuvalu .....	31
Vanuatu .....	33
G. Conclusion .....	35

## Tables

Table 1: Relationship between the population size of PICTs and their trade-to-GDP ratios .....	4
Table 2: Relationship between the size of PICTs measured by their GDP and their trade-to-GDP ratios .....	4
Table 3: Cook Islands' trade-to-GDP ratios, 2013–2018 .....	8
Table 4: FSM's trade-to-GDP ratios, 2013–2018 .....	10
Table 5: Fiji's trade-to-GDP ratios, 2013–2018 .....	12
Table 6: Kiribati's trade-to-GDP ratios, 2013–2018 .....	14
Table 7: Marshall Islands' trade-to-GDP ratios, 2013–2018 .....	16
Table 8: Nauru's trade-to-GDP ratios, 2013–2018 .....	18
Table 9: Niue's Trade-to-GDP ratios, 2013–2018.....	20
Table 10: Palau's trade-to-GDP ratios, 2013–2018 .....	22
Table 11: PNG's trade-to-GDP ratios, 2013–2018.....	24
Table 12: Samoa's trade-to-GDP ratios, 2013–2018 .....	26
Table 13: Solomon Islands' trade-to-GDP ratios, 2013–2018 .....	28
Table 14: Tonga's trade-to-GDP ratios, 2013–2018 .....	30
Table 15: Tuvalu's trade-to-GDP ratios, 2013–2018 .....	32
Table 16: Vanuatu's trade-to-GDP ratios, 2013–2018 .....	34

## Figures

Figure 1: Trade-to-GDP ratios, 2015–2018_ four-year average of PICTs .....	2
Figure 2: Trade-to-GDP ratios, 2015–2018: four-year average of PICTs by sub-region .....	3
Figure 3: Annual average trend of trade-to-GDP ratios of PICTs .....	5
Figure 4: Trade-to-GDP ratios, 2018: Cook Islands compared to the Pacific average.....	7
Figure 5: Cook Islands' trade-to-GDP ratios, 2013–2018 .....	7
Figure 6: Cook Islands' contribution of imports and exports to total trade.....	7
Figure 7: Cook Islands' contribution of goods and services to total trade.....	7
Figure 8: Cook Islands' exports and imports as a percentage of GDP.....	8
Figure 9: Cook Islands' goods and services as a percentage of GDP.....	8
Figure 10: Trade-to-GDP ratios, 2018: FSM compared to the Pacific average.....	9
Figure 11: FSM's trade-to-GDP ratio, 2013–2018 .....	9
Figure 12: FSM's contribution of imports and exports to total trade .....	9
Figure 13: FSM's contribution of goods and services to total trade .....	9
Figure 14: FSM's exports and imports as a percentage of GDP .....	10
Figure 15: FSM's goods and services as a percentage of GDP .....	10
Figure 16: Trade-to-GDP ratios, 2018: Fiji compared to the Pacific average .....	11
Figure 17: Fiji's trade-to-GDP ratios, 2013–2018 .....	11
Figure 18: Fiji's contribution of imports and exports to total trade.....	11
Figure 19: Fiji's contribution of goods and services to total trade.....	11
Figure 20: Fiji's exports and imports as a percentage of GDP.....	12
Figure 21: Fiji's goods and services as a percentage of GDP .....	12
Figure 22: Trade-to-GDP ratios, 2018: Kiribati compared to the Pacific average .....	13
Figure 23: Kiribati's trade-to-GDP ratios, 2013–2018 .....	13
Figure 24: Kiribati's contribution of imports and exports to total trade.....	13
Figure 25: Kiribati's contribution of goods and services to total trade.....	13
Figure 26: Kiribati's exports and imports as a percentage of GDP.....	14
Figure 27: Kiribati's goods and services as a percentage of GDP .....	14
Figure 28: Trade-to-GDP ratios, 2018: Marshall Islands compared to the Pacific average.....	15
Figure 29: Marshall Islands' trade-to-GDP ratios, 2013–2018 .....	15
Figure 30: Marshall Islands' contribution of imports and exports to total trade.....	15
Figure 31: Marshall Islands' contribution of goods and services to total trade.....	15
Figure 32: Marshall Islands' exports and imports as a percentage of GDP.....	16
Figure 33: Marshall Islands' goods and services as a percentage of GDP.....	16
Figure 34: Trade-to-GDP ratios, 2018: Nauru compared to the Pacific average.....	17
Figure 35: Nauru's trade-to-GDP ratios, 2013–2018.....	17
Figure 36: Nauru's contribution of imports and exports to total trade .....	17
Figure 37: Nauru's contribution of goods and services to total trade .....	17
Figure 38: Nauru's exports and imports as a percentage of GDP .....	18
Figure 39: Nauru's goods and services as a percentage of GDP .....	18
Figure 40: Trade-to-GDP ratios, 2018: Niue compared to the Pacific average .....	19
Figure 41: Niue's trade-to-GDP ratios, 2013–2018 .....	19
Figure 42: Niue's contribution of imports and exports to total trade.....	19
Figure 43: Niue's contribution of goods and services to total trade.....	19
Figure 44: Niue's exports and imports as a percentage of GDP.....	20
Figure 45: Niue's goods and services as a percentage of GDP.....	20
Figure 46: Trade-to-GDP ratios, 2018: Palau compared to the Pacific average.....	21
Figure 47: Palau's trade-to-GDP ratios, 2013–2018 .....	21
Figure 48: Palau's contribution of imports and exports to total trade .....	21
Figure 49: Palau's contribution of goods and services to total trade .....	21

Figure 50: Palau's exports and imports as a percentage of GDP .....	22
Figure 51: Palau's goods and services as a percentage of GDP.....	22
Figure 52: Trade-to-GDP ratios, 2018: PNG compared to the Pacific average.....	23
Figure 53: PNG's trade-to-GDP ratios, 2013–2018.....	23
Figure 54: PNG's contribution of imports and exports to total trade .....	23
Figure 55: PNG's contribution of goods and services to total trade .....	23
Figure 56: PNG's exports and imports as a percentage of GDP .....	24
Figure 57: PNG's goods and services as a percentage of GDP .....	24
Figure 58: Trade-to-GDP ratios, 2018: Samoa compared to the Pacific average.....	25
Figure 59: Samoa's trade-to-GDP ratios, 2013–2018.....	25
Figure 60: Samoa's contribution of imports and exports to total trade .....	25
Figure 61: Samoa's contribution of goods and services to total trade .....	25
Figure 62: Samoa's exports and imports as a percentage of GDP .....	26
Figure 63: Samoa's goods and services as a percentage of GDP.....	26
Figure 64: Trade-to-GDP ratios, 2018: Solomon Islands compared to the Pacific average .....	27
Figure 65: Solomon Islands' trade-to-GDP ratios, 2013–2018.....	27
Figure 66: Solomon Islands' contribution of imports and exports to total trade .....	27
Figure 67: Solomon Islands' contribution of goods and services to total trade .....	27
Figure 68: Solomon Islands' exports and imports as a percentage of GDP .....	28
Figure 69: Solomon Islands' goods and services as a percentage of GDP.....	28
Figure 70: Trade-to-GDP ratios, 2018: Tonga compared to the Pacific average.....	29
Figure 71: Tonga's trade-to-GDP ratios, 2013–2018.....	29
Figure 72: Tonga's contribution of imports and exports to total trade .....	29
Figure 73: Tonga's contribution of goods and services to total trade .....	29
Figure 74: Tonga's exports and imports as a percentage of GDP .....	30
Figure 75: Tonga's goods and services as a percentage of GDP.....	30
Figure 76: Trade-to-GDP ratios, 2018: Tuvalu compared to the Pacific average.....	31
Figure 77: Tuvalu's trade-to-GDP ratios, 2013–2018 .....	31
Figure 78: Tuvalu's contribution of imports and exports to total trade .....	31
Figure 79: Tuvalu's contribution of goods and services to total trade.....	31
Figure 80: Tuvalu's exports and imports as a percentage of GDP.....	32
Figure 81: Tuvalu's goods and services as a percentage of GDP.....	32
Figure 82: Trade-to-GDP ratios, 2018: Vanuatu compared to the Pacific average.....	33
Figure 83: Vanuatu's trade-to-GDP ratios, 2013–2018 .....	33
Figure 84: Vanuatu's contribution of imports and exports to total trade .....	33
Figure 85: Vanuatu's contribution of goods and services to total trade.....	33
Figure 86: Vanuatu's exports and imports as a percentage of GDP.....	34
Figure 87: Vanuatu's goods and services as a percentage of GDP.....	34

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## Abbreviations, definitions, and notes

### A. Abbreviations

FSM	Federated States of Micronesia
GDP	gross domestic product
LNG	liquified natural gas
PFTAC	Pacific Financial Technical Assistance Centre
PICTs	Pacific Island countries and territories
PNG	Papua New Guinea
SPC	Pacific Community

### B. Definitions

Imports	Goods and services purchased by residents of one country that were produced in another country <sup>1</sup>
Exports	Goods and services produced in one country <sup>2</sup> and purchased by residents of another country
Re-exports	Foreign goods exported in the same state as previously imported
Re-imports	Importation of goods that had been previously exported <sup>3</sup>
Goods	Tangible products of an economy
Services	Intangible products of an economy
Value added	Value added is defined as the value of output less the value of intermediate consumption and is a measure of the contribution to GDP made by an individual producer, industry or sector – 1.17 page 3, SNA 2008 <sup>4</sup>
Domestic trade	Trade within the boundaries of a country, comprising wholesale and retail
GDP	The monetary value of final goods and services produced in a country within a specified period, e.g. quarterly or annually

### C. Notes

**Valuation used** for both imports and exports of goods is *free on board*. This means that, at the originating port of the goods, the seller is responsible for the transportation of the goods to the port of shipment and the cost of loading onto the vessel/aircraft. The liability of the seller ends here. The risk from this point onwards passes onto the buyer, who pays the costs of freight, insurance, unloading and transportation from the arrival port to the final destination.

**Data sources** include countries' national authorities responsible for the compilation of the international merchandise trade statistics and the balance of payments, the Pacific Financial Technical Assistance Center, and the Statistics for Development Division of the Pacific Community.

Δ refers to change.

Data are subject to rounding errors.

**Disclaimer: Some data will have undergone revision by the time this paper is published.**

<sup>1</sup> Goods may have been produced in many countries due to global value chains but the last country where they are assembled and exported from is the country of export.

<sup>2</sup> The goods produced may contain imported contents.

<sup>3</sup> None of the countries in the study had 're-imports'.

<sup>4</sup> <https://unstats.un.org/unsd/nationalaccount/sna.asp>



## A. Introduction

International trade is an impetus to economic and social development for Pacific Island Countries and Territories (PICTs). It creates employment opportunities; it provides scarce commodities, particularly food in the low-lying coral atolls such as Tuvalu; it gives access to products that otherwise would not be available, such as fuel; and it allows PICTs a greater range of products to choose from at competitive prices. International trade is a major foreign exchange earner for countries such as Cook Islands, Fiji, Palau and Vanuatu, which are major tourism destinations, and Papua New Guinea (PNG) with its exportation of minerals, liquified natural gas (LNG) and other raw materials. International trade generates much-needed revenue for Pacific governments through trade taxes and licenses.

This information paper looks at the indicators of international trade relative to the domestic wealth created through economic activities for PICTs.

International trade as a share of the Gross Domestic Product (GDP), or trade-to-GDP ratio as it is more commonly referred to, gives an indication of the relative openness and importance of trade in a country. This is one of the first things investors interested in setting up business in another country look at. Whilst using this indicator, however, users need to be aware of the constraints on using it, as explained by Mikic and Gilbert:<sup>5</sup>

The extent of the openness of an economy is determined by a large number of factors, most importantly by trade restrictions like tariffs, nontariff barriers, foreign exchange regimes, non-trade policies and the structure of national economies. The share of trade transactions in a country's value added is a result of all these factors. It is possible that an open and liberalized economy has a relatively small trade openness index, if a large proportion of its GDP is created by non-traded activities supported by the domestic market. Low trade dependence may indicate high trade restrictions either in that country or toward that country in overseas markets, or both.

Expressed as a percentage, the trade-to-GDP ratios are calculated by dividing the aggregate value of imports and exports of goods and services over a period by the GDP for the same period. The ratios are influenced by the factors affecting the numerator, which is trade, and the denominator, which is the GDP. The paper also contains information on the contribution of exports, imports, goods and services to **total trade**, as well as information disaggregated by exports, imports, goods and services as a percentage of **GDP** – these provide additional value to the paper.

The 14 countries considered in the study were Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. These were the countries for which data were made available by their national authorities. In a few cases, other sources, such as the Pacific Financial Technical Assistance Center (PFTAC) and estimates by the Statistics for Development Division of SPC, were used to fill in the data gaps.

The rest of the paper is structured as follows:

- Section B presents the four-year (2015–2018) average trade-to-GDP ratios for the Pacific region;
- Section C presents the four-year (2015–2018) average trade-to-GDP ratios for Melanesia, Micronesia and Polynesia;
- Section D explores the relationship between the size of PICTs and their trade-to-GDP ratios;
- Section E presents the trend of the trade-to-GDP ratios in the Pacific;

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<sup>5</sup> Mikic, Mia and Gilbert, John (2009) Trade statistics in policymaking: A handbook of commonly used trade indices and indicators. Revised Edition. Page 26. Available at [https://www.unescap.org/sites/default/files/0%20-%20Full%20Report\\_27.pdf](https://www.unescap.org/sites/default/files/0%20-%20Full%20Report_27.pdf).

- Section F presents the performance of all the countries in the period 2013–2018, except Tuvalu, for which data were available only for 2015–2018; and
- Section G presents the conclusion.

## B. Four-year average trade-to-GDP ratios for the Pacific region

In this section, a four-year average (2015–2018) trade-to-GDP ratio of each PICT is calculated. The average of all PICTs is also calculated to provide a Pacific ratio. The aim here is to see how much the four-year average of each PICT deviates from the four-year Pacific average and how it compares with other PICTs. It is, however, important to exercise caution in using the cross-country comparisons, as explained in the World Trade Organisation’s *A practical guide to trade policy analysis*:

However, it is far from clear whether we can use  $O_i^6$  as such for cross-country comparisons because it is typically correlated with several country characteristics. For instance, it varies systematically with levels of income (p. 16).<sup>7</sup>

Section D of this paper on the relationship between the size of PICTs and their trade-to-GDP ratio throws some light on the country characteristics. Section F on trade-to-GDP ratios throws light on individual countries and is a better way to use the indicator.

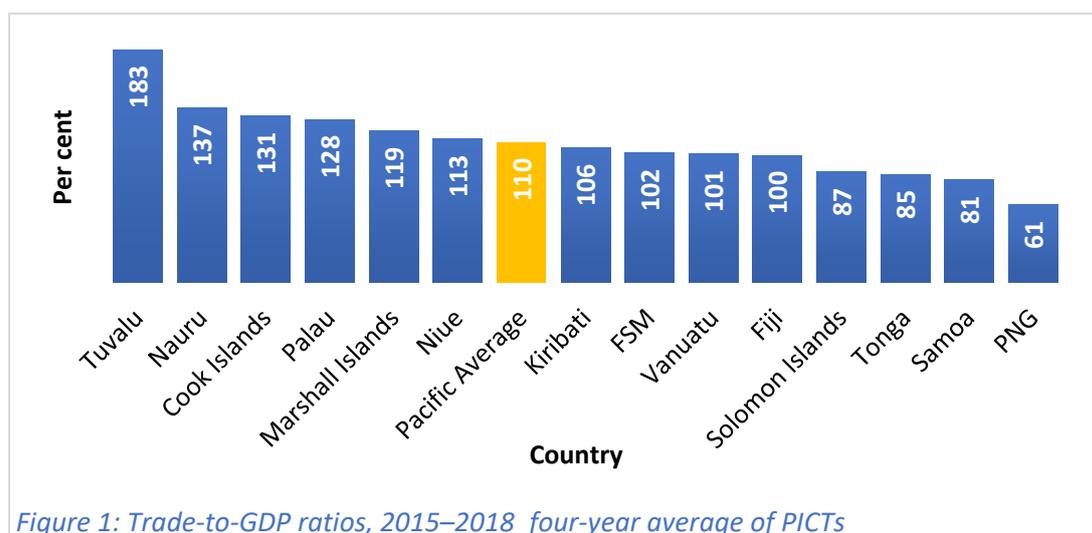


Figure 1: Trade-to-GDP ratios, 2015–2018\_four-year average of PICTs

Figure 1 shows that the four-year (2015–2018) average trade-to-GDP ratios for the Pacific region stands at 110 per cent. The average ratio clearly shows the importance of trade in the region in comparison to the GDP: all PICTs are reliant on trade, some more, some less.

Tuvalu had the highest ratio at 183 per cent. This was 73 percentage points higher than the Pacific average of 110 per cent.

Six of the fourteen countries, namely Tuvalu, Nauru, Cook Islands, Palau, Marshall Islands and Niue, had ratios that were more than the Pacific average.

Eight of the fourteen countries, namely Kiribati, FSM, Vanuatu, Fiji, Solomon Islands, Tonga, Samoa and PNG had ratios that were below the Pacific average.

PNG had the lowest ratio at 61 per cent, indicating that domestic trade and production in PNG is more than all other PICTs. This was 49 percentage points lower than the Pacific average.

<sup>6</sup> Trade-to-GDP ratio of a country

<sup>7</sup> Available at [https://www.wto.org/english/res\\_e/publications\\_e/wto\\_unctad12\\_e.pdf](https://www.wto.org/english/res_e/publications_e/wto_unctad12_e.pdf)

None of the fourteen countries had a trade-to-GDP ratio that was less than 50 per cent of its GDP. The countries that generated trade over 50 per cent but less than 100 per cent of their GDP were Solomon Islands, Tonga, Samoa and PNG, whilst Tuvalu, Nauru, Cook Islands, Palau, Marshall Islands, Niue, Kiribati FSM, Vanuatu and Fiji all generated trade more than 100 per cent of their GDP.

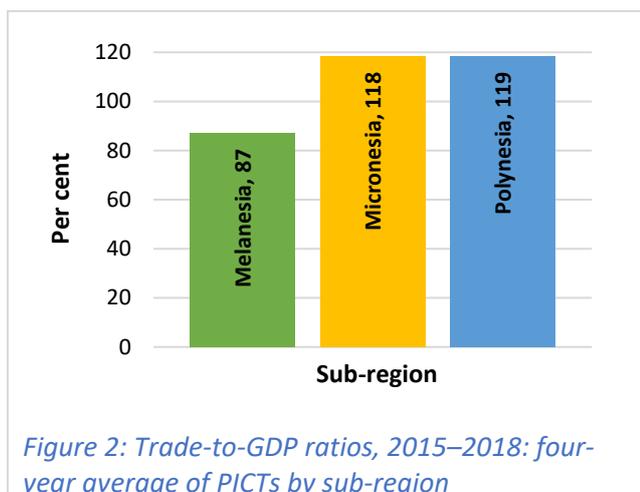
PICTs selected for the study therefore had high to very high trade-to-GDP ratios, except PNG which had a moderate trade-to-GDP ratio.

The ratios reflect PICTs' openness to international trade, making them sensitive to changes in global trade, particularly price, such as in the case of fuel imports.

The performance/fluctuations in PICTs' trade-to-GDP ratios are caused by trade, as well as by the changes in GDP, both of which are influenced by many factors. For example, a cyclone/flood can destroy/wash away a country's crops. Should this happen, the country will see an increase in its food imports and a decline in its food production<sup>8</sup>. In the year this happens, the country will have a higher-than-normal trade-to-GDP ratio as was the case in 2015 when tropical cyclone PAM struck (refer to E. Trend of the trade-to-GDP ratio in the Pacific region).

A notable factor that also influences the trade-to-GDP ratio is the fact that trade is based on **gross value**<sup>9</sup> while GDP is only **value-added**.

### C. Four-year average trade-to-GDP ratios by Melanesia, Micronesia and Polynesia



The four-year (2015–2018) average trade-to-GDP ratios by sub-regions in Figure 2 show that Polynesia had the highest trade-to-GDP ratio at 119 per cent, followed closely by Micronesia at 118 per cent. Both have ratios of more than 100 per cent, as well as above the four-year (2015–2018) average trade-to-GDP ratio of 110 per cent. Melanesia had the lowest sub-regional ratio at 87 per cent, which was below 100 per cent, as well as below the four-year (2015–2018) Pacific average trade-to-GDP ratio of 110 per cent. This indicates a higher value-added domestically by Melanesia than Polynesia and Micronesia. This stems from the industrial production activities in the Melanesian countries, particularly in PNG, notably in relation to the mining and the liquefied natural gas projects. Another notable difference is that the Melanesian countries are larger, both in land area and population (see Section D).

<sup>8</sup> There was a case years back when a country in order to meet its exports quota had to import and then export sugar since the crop was destroyed by cyclone and flooding.

<sup>9</sup> [Value-Added Trade vs. Gross Trade | St. Louis Fed](#)

## D. Relationship between the size of PICTs and their trade-to-GDP ratios

Table 1: Relationship between the population size of PICTs and their trade-to-GDP ratios

Country	Land area	2018 Population estimates	Trade-to-GDP ratios	
	km <sup>2</sup>		Four-year average	2018 ratio
Niue	259	1,600	113	119
Tuvalu	26	10,400	183	145
Nauru	21	11,400	137	106
Cook Islands	237	15,200	131	129
Palau	444	17,900	128	124
Marshall Islands	181	54,600	119	126
Tonga	749	100,400	85	88
FSM	701	104,900	102	101
Kiribati	811	114,800	106	99
Samoa	2,934	196,400	81	86
Vanuatu	12,281	281,700	101	96
Solomon Islands	28,230	681,200	87	90
Fiji	18,333	887,400	100	104
PNG	462,840	8,558,700	61	67
<b>Pacific average</b>			<b>110</b>	<b>106</b>

Table 1 documents the four-year average and the 2018 trade-to-GDP ratios of PICTs according to their 2018 population, ordered from the smallest to the largest population. For a better understanding of the size of each country, the land area has been added to the table. It shows that:

- Niue, Tuvalu, Nauru, Cook Islands, Palau and Marshall Islands, all with a population below one hundred thousand, have ratios higher than the four-year average and the 2018 average except Nauru in 2018 which had the same ratio as the 2018 average; and

- Tonga, FSM, Kiribati, Samoa, Vanuatu, Solomon Islands, Fiji and PNG, all with a

population of more than one hundred thousand, have ratios lower than the four-year and the 2018 average trade-to-GDP ratios.

Data in Table 1 shows that, **generally**, countries with small populations have higher trade-to-GDP ratios than countries with large populations.

Table 2: Relationship between the size of PICTs measured by their GDP and their trade-to-GDP ratios

Country	GDP 2018	Land area km <sup>2</sup>	2018 Population estimates	Trade-to-GDP ratios	
	USD M			Four-year average	2018 ratio
Niue	30	259	1,600	113	119
Tuvalu	46	26	10,400	183	145
Nauru	120	21	11,400	137	106
Kiribati	197	811	114,800	106	99
Marshall Islands	221	181	54,600	119	126
Palau	283	444	17,900	128	124
Cook Islands	363	237	15,200	131	129
FSM	402	701	104,900	102	101
Tonga	480	749	100,400	85	88
Samoa	835	2,934	196,400	81	86
Vanuatu	937	12,281	281,700	101	96
Solomon Islands	1,586	28,230	681,200	87	90
Fiji	5,537	18,333	887,400	100	104
PNG	24,033	462,840	8,558,700	61	67
<b>Pacific average</b>				<b>110</b>	<b>106</b>

Table 2 documents the four-year average and the 2018 trade-to-GDP ratios of PICTs according to their 2018 GDP, ordered from the lowest to the highest. It shows that, **generally**, the smaller the GDP of a country the higher its trade-to-GDP ratio.

Data in Table 2 show that small economies **generally** have higher trade-to-GDP ratios than comparatively larger economies.

## E. Trend of the trade-to-GDP ratio in the Pacific region

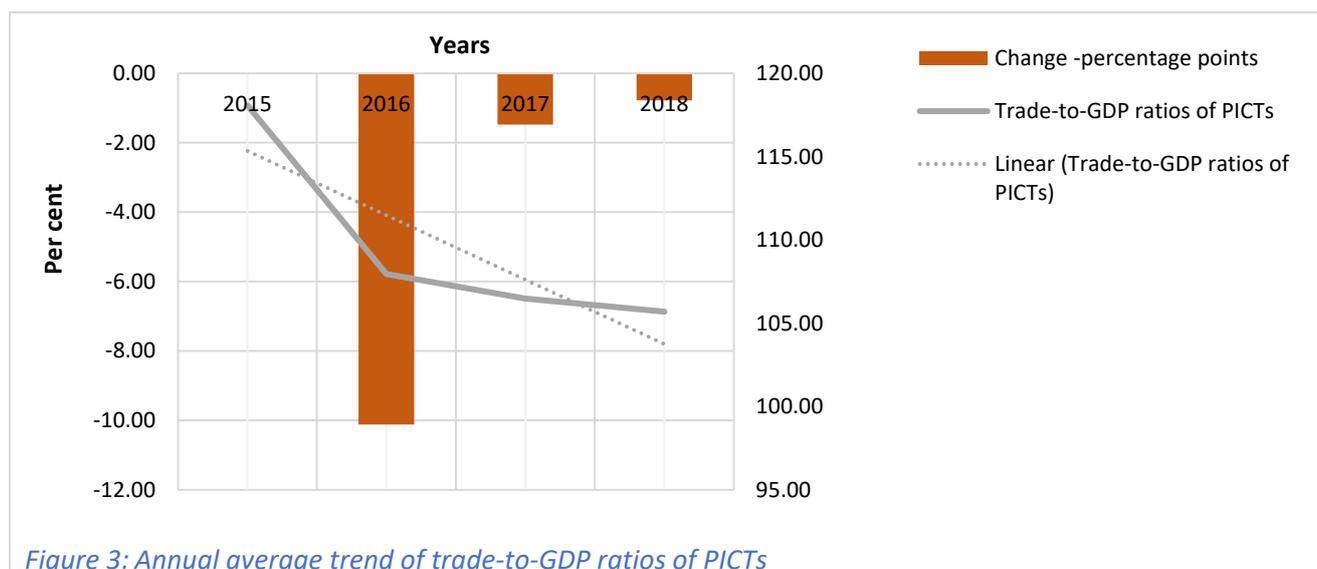


Figure 3: Annual average trend of trade-to-GDP ratios of PICTs

A declining trend is depicted in Figure 3 for the trade-to-GDP ratio in the Pacific region.

- There is a decline of 12 percentage points from 118 per cent in 2015, the earliest year for which data for all fourteen countries were available for the period, to 106 per cent in 2018.
- There is also a decline of 1 percentage point from 107 per cent in 2017 to 106 per cent in 2018.

The highest annual average trade-to-GDP ratio in this period was 118 per cent in 2015 and the lowest was 106 per cent in 2018.

The high average trade-to-GDP ratio for 2015 was due to:

- an import of a non-traditional<sup>10</sup> capital good by Tuvalu, and
- an increase in imports of both goods and services in those islands battered by the intense tropical cyclone PAM in 2015.

## F. Trade-to-GDP ratios: How each country performed

Analysing data by type of trade (export and import) and the changes in the material resources (trade in goods) and services of a country brings out the impact they have on the trade-to-GDP ratios.

- The exports ratio is the sum of exports of goods and services divided by the nominal GDP and the import ratio is the sum of imports of goods and services divided by the nominal GDP.
- The goods ratio is the sum of exports and imports of goods divided by the nominal GDP and the services ratio is the sum of the exports and imports of services divided by the nominal GDP.

The changes in the ratios, given in percentage points, are not only influenced by the performance of international trade in goods and services but as mentioned earlier, they are also influenced by the changes in the nominal GDP, which is the denominator.

<sup>10</sup> A one-off/ad hoc trade, unlike regular trade of food, garments, etc.

The trade-to-GDP ratio for each country has been graphed so performance can be seen easily.

Although the movements in the trade-to-GDP ratios are explained with reference to imports, exports, goods and services ratios to GDP, where data were available on commodities/services (e.g., tourism) influencing the movements of the ratios, they have also been stated.

### **Trade in goods**

For all PICTs, the import of goods for final consumption is the most important component of international trade. Imports of investment goods and goods for intermediate use vary for different countries. They are imported when there is a need; hence the erratic movement of the ratios for certain years, such as in 2015 in Tuvalu. Fiji's imports are also high because, other than using goods imported for consumption, intermediate input and capital formation in Fiji, Fiji also re-exports goods to neighbouring PICTs.

Aside from PNG, Fiji, Solomon Islands and Vanuatu, PICTs do not have much by way of goods exports. PNG is the only Pacific Island country which, for the last couple of years, has recorded trade surpluses due to the exports of liquefied natural gas.

### **Trade in services**

Imports of services components<sup>11</sup> related to but not limited to transport; travel; construction; insurance and pension; financial; telecommunication, computer and information; business; and personal, cultural and recreational activities are very important to all PICTs.

Although most PICTs engage in exports of services on a smaller scale, it is Fiji, Vanuatu, Palau and Cook Islands that benefit most from this through tourism, which is a key contributor to their economies. Cruise tourism was gaining momentum in the Pacific before COVID-19 struck and has the potential to grow again once the pandemic is over and international movement is permitted and considered safe.

### **GDP**

The percentage change of nominal GDP is given for each country and, where possible, the fluctuations are explained.

What follows is the **analysis by individual countries** of their trade-to-GDP ratios.

- The analysis first looks at the 2018 ratio of a country and compares that to the 2018 average ratio of all PICTs and then the four-year (2015–2018) average trade-to-GDP ratio. The graph also shows where in 2018 the country stood relative to the other PICTs.
- Next it looks at the trade-to-GDP ratio of the country itself from 2013 to 2018. The annual percentage change in total trade and the nominal GDP are graphed alongside the trade-to-GDP ratio. This helps in understanding the influence that both trade and GDP have on the ratio.
- This is followed by a look at the structure of the international trade, again from 2013 to 2018, and its effect on the trade-to-GDP ratios.
- Lastly, a summary table of different indicators is given.

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<sup>11</sup> [https://unstats.un.org/unsd/publication/seriesm/seriesm\\_86rev1e.pdf](https://unstats.un.org/unsd/publication/seriesm/seriesm_86rev1e.pdf)



## Cook Islands

### Trade-to-GDP ratio, 2018

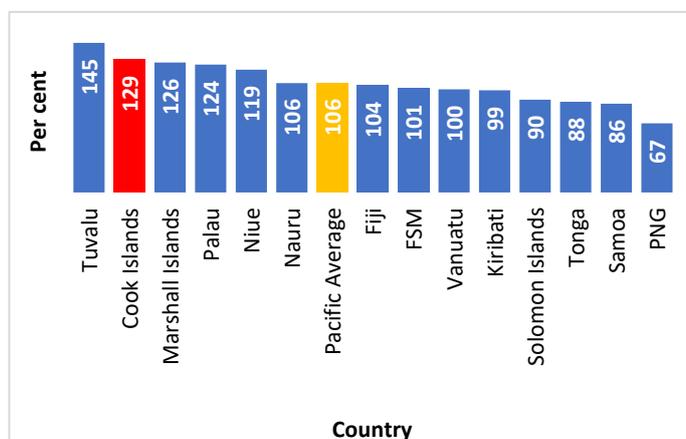
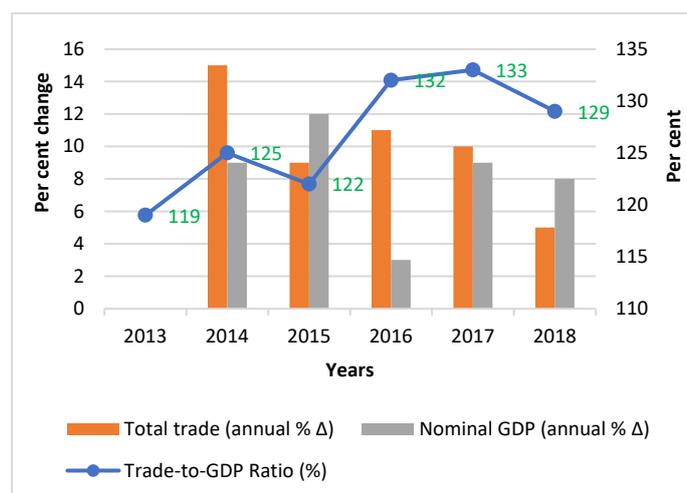


Figure 4 shows that in 2018 the trade-to-GDP ratio for Cook Islands was 129 per cent. This was 23 percentage points higher than the Pacific average of 106 per cent for the same year and the second highest amongst the PICTS in the study.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Cook Islands which was 131 per cent (refer to Figure 1), this was 2 percentage points lower.

Figure 4: Trade-to-GDP ratios, 2018: Cook Islands compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 5, the annual trade-to-GDP ratios over time for the Cook Islands show:

- an increase of 10 percentage points from 119 per cent in 2013, the earliest year of the study, to 129 per cent in 2018, the latest year of the study; and
- a decline of 4 percentage points from 133 per cent in 2017 to 129 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 133 per cent in 2017 and the lowest was 119 per cent in 2013.

Figure 5: Cook Islands' trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

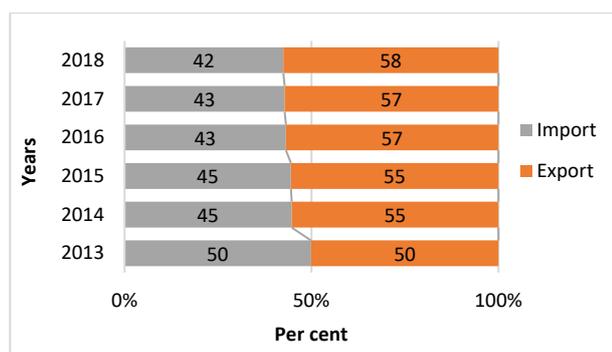


Figure 6: Cook Islands' contribution of imports and exports to total trade

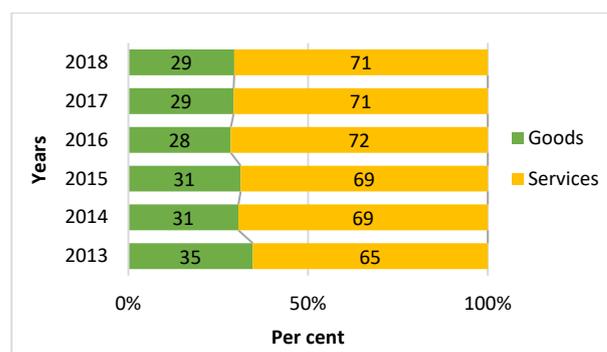


Figure 7: Cook Islands' contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that, except for 2013 when exports and imports each contributed 50 per cent to total trade, for all the other years exports contributed more to total trade than did imports. The highest contribution of exports to total trade in this period was 58 per cent in 2018 and the lowest was 50 per cent in 2013 (refer to Figure 6).

The contribution of goods and services to **total trade** shows that services contributed more to total trade than did goods for all the years in the period under study. The highest contribution of services to total trade in this period was 72 per cent in 2016 and the lowest was 65 per cent in 2013 (refer to Figure 7).

Figures 8 and 9 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The higher contribution of exports and of services to total trade points to the dominant role tourism plays in the economy of Cook Islands.

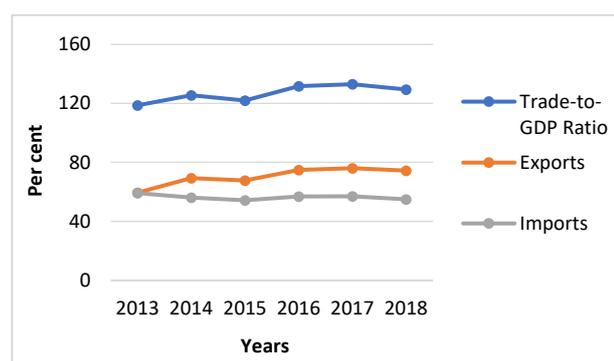


Figure 8: Cook Islands' exports and imports as a percentage of GDP

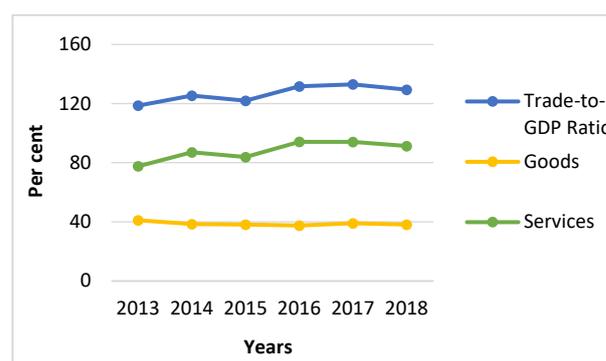


Figure 9: Cook Islands' goods and services as a percentage of GDP

## Summary of trade-to-GDP ratios, 2013–2018

Table 3 gives data for the period 2013–2018 on:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 3: Cook Islands' trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	119	125	122	132	133	129	127
Δ in percentage points		6	-3	10	1	-4	
<b>Export as a % of GDP</b>	59	69	68	75	76	74	70
Δ in percentage points		10	-1	7	1	-2	
<b>Import as a % of GDP</b>	59	56	54	57	57	55	56
Δ in percentage points		-3	-2	3	0	-2	
<b>Goods as a % of GDP</b>	41	38	38	38	39	38	39
Δ in percentage points		-3	0	0	1	-1	
<b>Services as a % of GDP</b>	78	87	84	94	94	91	88
Δ in percentage points		9	-3	10	0	-3	
<b>Total trade (annual % Δ)</b>		15	9	11	10	5	
<b>Nominal GDP (annual % Δ)</b>		9	12	3	9	8	

Source: National authorities.  
Data subject to rounding errors.



## Federated States of Micronesia

### Trade-to-GDP ratio, 2018

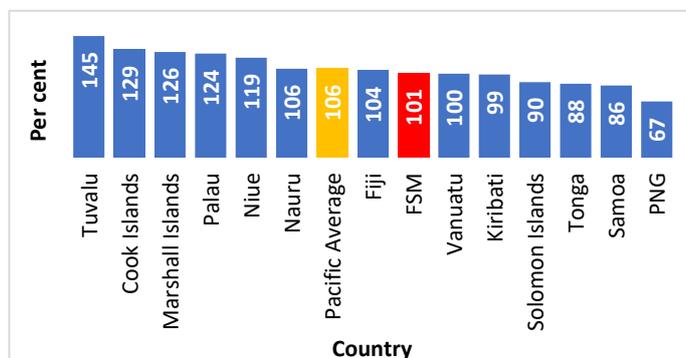
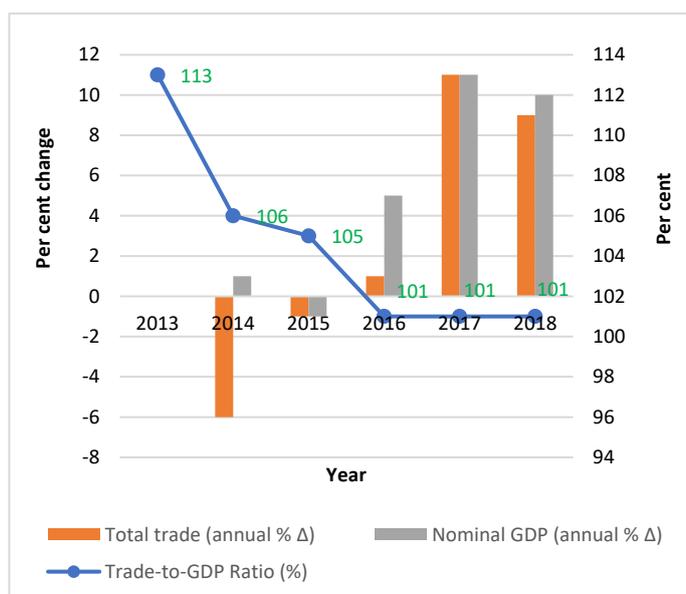


Figure 10 shows that in 2018 the trade-to-GDP ratio for FSM was 101 per cent. This was 5 percentage points lower than the Pacific average of 106 for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of FSM, which was 102 per cent (refer to Figure 1), this was 1 percentage point lower.

Figure 10: Trade-to-GDP ratios, 2018: FSM compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 11, the annual trade-to-GDP ratios over time for FSM show:

- a decline of 12 percentage points from 113 per cent in 2013, the earliest year of the study, to 101 per cent in 2018, the latest year of the study; and
- the 2018 ratio stood at 101 per cent and registered no change from 2017.

Interestingly, the ratio in 2016 was also 101 per cent.

The highest trade-to-GDP ratio in the period 2013–2018 was 113 per cent in 2013 and the lowest was 101 per cent from 2016 to 2018.

Figure 11: FSM's trade-to-GDP ratio, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

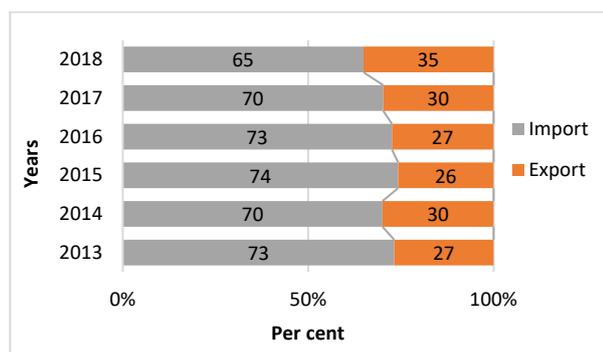


Figure 12: FSM's contribution of imports and exports to total trade

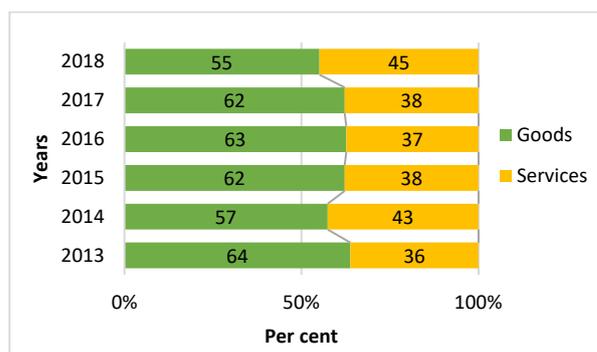


Figure 13: FSM's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 74 per cent in 2015 and the lowest was 65 per cent in 2018 (refer to Figure 12).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services. The highest contribution of goods to total trade in this period was 64 per cent in 2013 and the lowest was 55 per cent in 2018 (refer to Figure 13).

Figures 14 and 15 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The higher contribution of imports of goods to total trade points to FSM's higher dependence on imported goods.

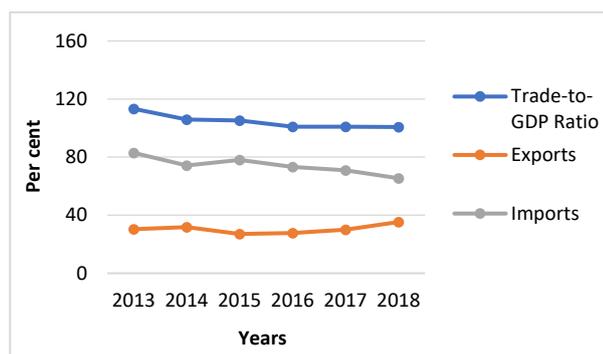


Figure 14: FSM's exports and imports as a percentage of GDP

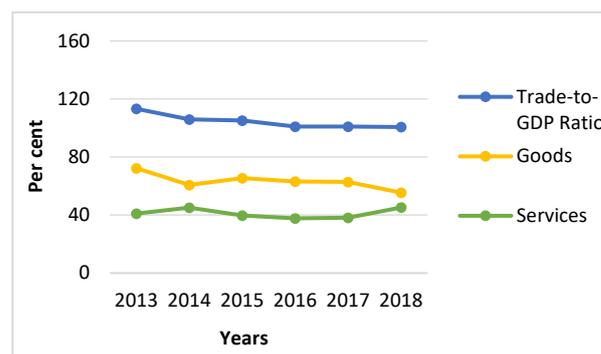


Figure 15: FSM's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 4 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 4: FSM's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	113	106	105	101	101	101	105
Δ in percentage points		-7	-1	-4	0	0	
<b>Export as a % of GDP</b>	30	32	27	28	30	35	30
Δ in percentage points		2	-5	1	2	5	
<b>Import as a % of GDP</b>	83	74	78	73	71	65	74
Δ in percentage points		-9	4	-5	-2	-6	
<b>Goods as a % of GDP</b>	72	61	65	63	63	55	63
Δ in percentage points		-11	4	-2	0	-8	
<b>Services as a % of GDP</b>	41	45	40	38	38	45	41
Δ in percentage points		4	-5	-2	0	7	
<b>Total trade (annual % Δ)</b>		-6	-1	1	11	9	
<b>Nominal GDP (annual % Δ)</b>		1	-1	5	11	10	

Source: National authorities.  
Data subject to rounding errors.



### Trade-to-GDP ratio, 2018

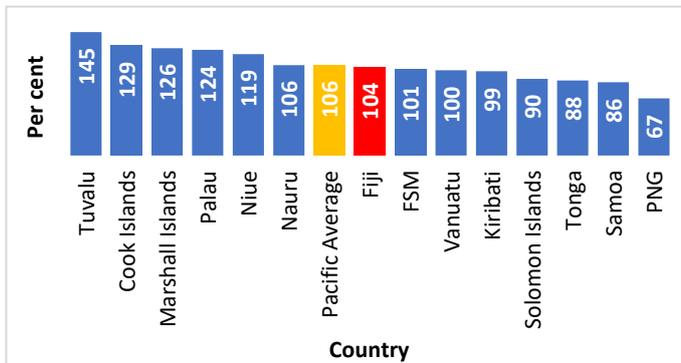
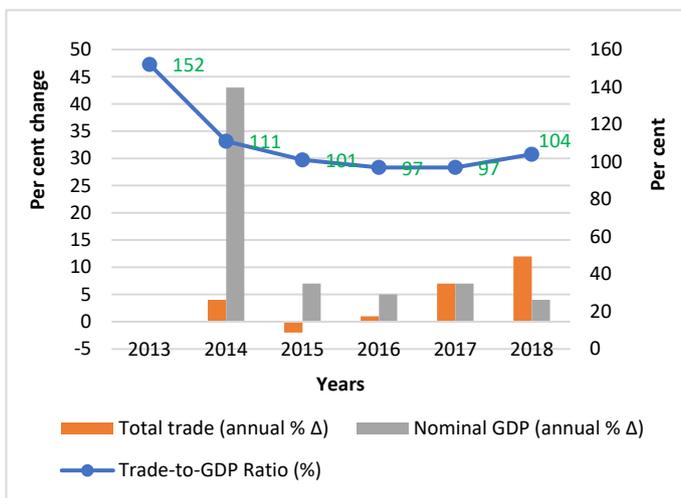


Figure 16 shows that in 2018 the trade-to-GDP ratio for Fiji was 104 per cent. This was 2 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Fiji, which was 100 per cent (refer to Figure 1), this was 4 percentage points higher.

Figure 16: Trade-to-GDP ratios, 2018: Fiji compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 17, the annual trade-to-GDP ratios over time for Fiji show:

- a decline of 48 percentage points<sup>12</sup> from 152 per cent in 2013, the earliest year of the study, to 104 per cent in 2018, the latest year of the study; and
- an increase of 7 percentage points from 97 per cent in 2017 to 104 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 152 per cent in 2013 and the lowest was 97 per cent in 2016 and 2017.

Figure 17: Fiji's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

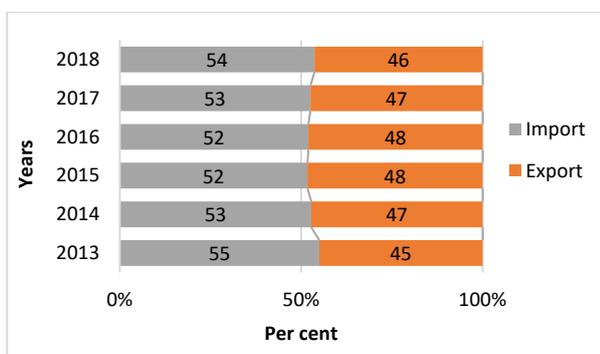


Figure 18: Fiji's contribution of imports and exports to total trade

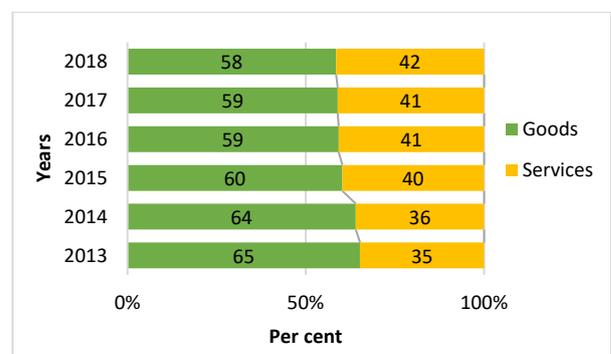


Figure 19: Fiji's contribution of goods and services to total trade

<sup>12</sup> The sharp decline in 2014 of the trade-to-GDP ratio is the result of a sharp increase in GDP as a result of an extensive study of the economy for the purposes of re-weighting the GDP constant series to 2014.

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 55 per cent in 2013 and the lowest was 52 per cent in 2015 and 2016 (refer to Figure 18).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services for all the years. The highest contribution of goods to total trade in this period was 65 per cent in 2013 and the lowest was 58 per cent in 2018 (refer to Figure 19).

Figures 20 and 21 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The higher contribution of imports and of goods to total trade is due to Fiji's importation of not only goods for domestic consumption, intermediate use and capital formation but also **imports of goods for re-exports to neighbouring PICTs**. The re-exports of goods to neighbouring PICTs and the dominant role tourism plays in Fiji's economy contribute substantially to exports.

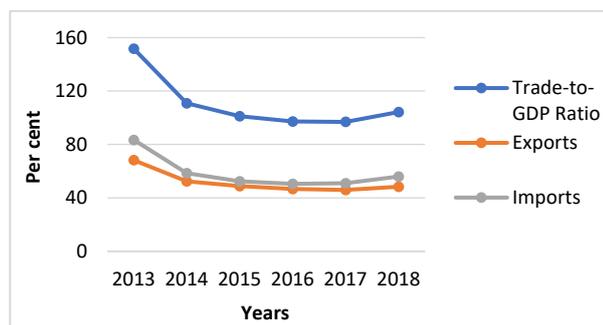


Figure 20: Fiji's exports and imports as a percentage of GDP

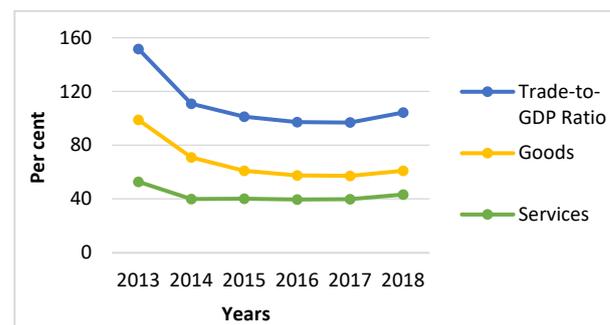


Figure 21: Fiji's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 5 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 5: Fiji's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	152	111	101	97	97	104	110
Δ in percentage points		-41	-10	-4	0	7	
<b>Export as a % of GDP</b>	68	52	49	47	46	48	52
Δ in percentage points		-16	-3	-2	-1	2	
<b>Import as a % of GDP</b>	83	58	52	51	51	56	59
Δ in percentage points		-25	-6	-1	0	5	
<b>Goods as a % of GDP</b>	99	71	61	58	57	61	68
Δ in percentage points		-28	-10	-3	-1	4	
<b>Services as a % of GDP</b>	53	40	40	40	40	43	43
Δ in percentage points		-13	0	0	0	3	
<b>Total trade (annual % Δ)</b>		4	-2	1	7	12	
<b>Nominal GDP (annual % Δ)</b>		43	7	5	7	4	

Source: National authorities.  
Data subject to rounding errors.



## Kiribati

### Trade-to-GDP ratio, 2018

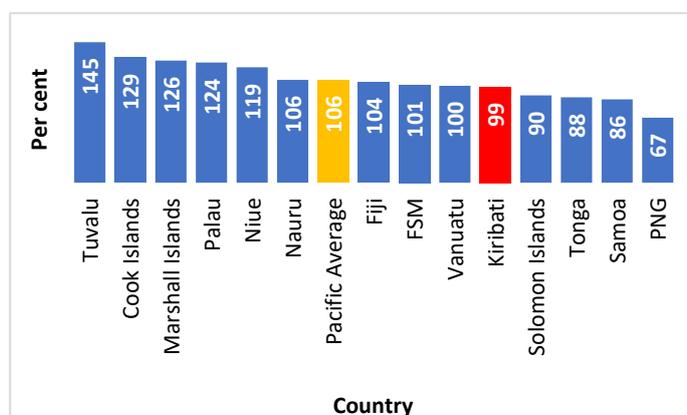
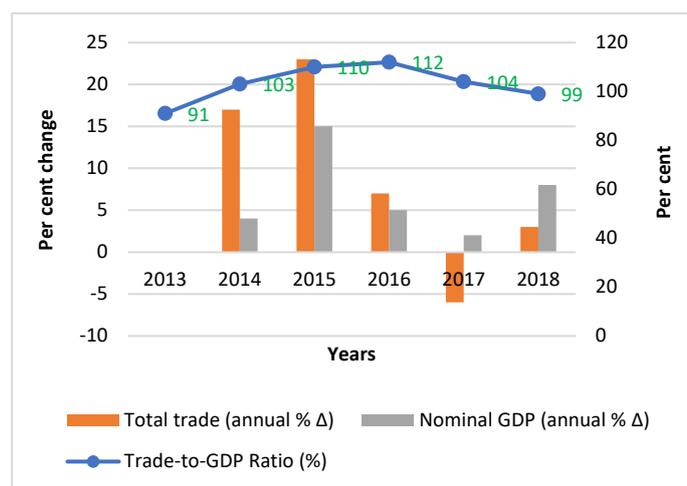


Figure 22 shows that in 2018 the trade-to-GDP ratio for Kiribati was 99 per cent. This was 7 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Kiribati, which was 106 per cent (refer to Figure 1) this was 7 percentage points lower.

Figure 22: Trade-to-GDP ratios, 2018: Kiribati compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 23, the annual trade-to-GDP ratios over time for Kiribati show:

- an increase of eight percentage points from 91 per cent in 2013, the earliest year of the study, to 99 per cent in 2018, the latest year of the study; and
- a decline of 5 percentage points from 104 per cent in 2017 to 99 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 112 per cent in 2016 and the lowest was 91 per cent in 2013.

Figure 23: Kiribati's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of **imports** and **exports** of **goods** and **services**.

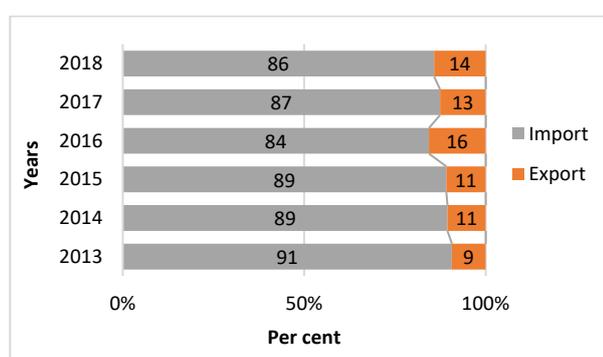


Figure 24: Kiribati's contribution of imports and exports to total trade

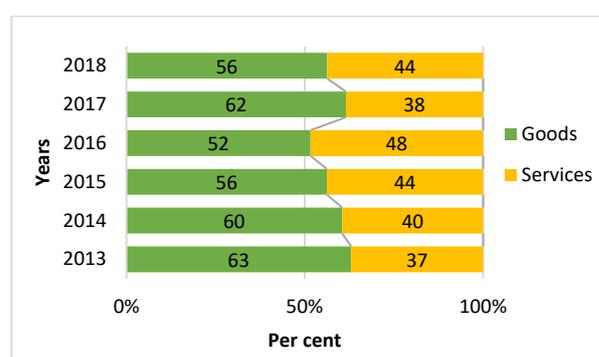


Figure 25: Kiribati's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed much more to total trade than did exports. The highest contribution of imports to total trade in this period was 91 per cent in 2013 and the lowest was 84 per cent in 2016 (refer to Figure 24).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services for all the years. The highest contribution of goods to total trade in this period was 62 per cent in 2017 and the lowest was 52 per cent in 2016 (refer to Figure 25).

Figures 26 and 27 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The higher contribution of imports of goods to total trade points to Kiribati's higher dependence on imported goods.

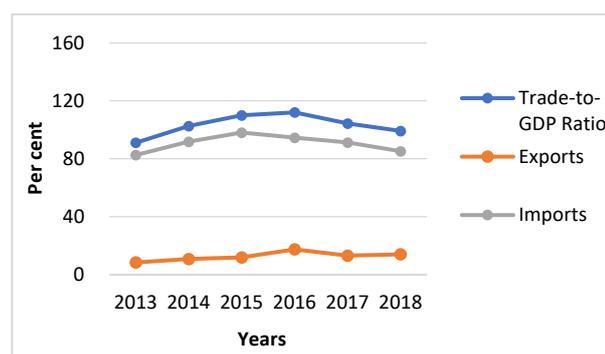


Figure 26: Kiribati's exports and imports as a percentage of GDP

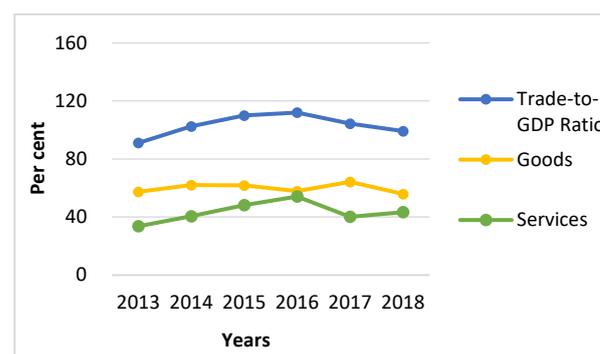


Figure 27: Kiribati's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 6 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 6: Kiribati's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	91	103	110	112	104	99	103
Δ in percentage points		12	7	2	-8	-5	
<b>Export as a % of GDP</b>	8	11	12	18	13	14	13
Δ in percentage points		3	1	6	-5	1	
<b>Import as a % of GDP</b>	83	92	98	95	91	85	91
Δ in percentage points		9	6	-3	-4	-6	
<b>Goods as a % of GDP</b>	57	62	62	58	64	56	60
Δ in percentage points		5	0	-4	6	-8	
<b>Services as a % of GDP</b>	34	41	48	54	40	43	43
Δ in percentage points		7	7	6	-14	3	
<b>Total trade (annual % Δ)</b>		17	23	7	-6	3	
<b>Nominal GDP (annual % Δ)</b>		4	15	5	2	8	

Source: National authorities.  
Data subject to rounding errors.



## Marshall Islands

### Trade-to-GDP ratio, 2018

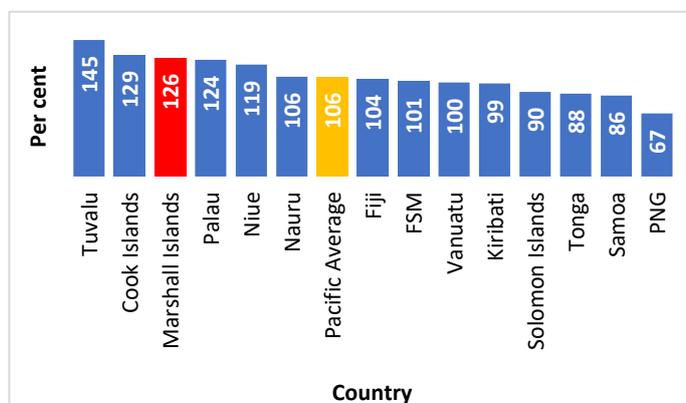
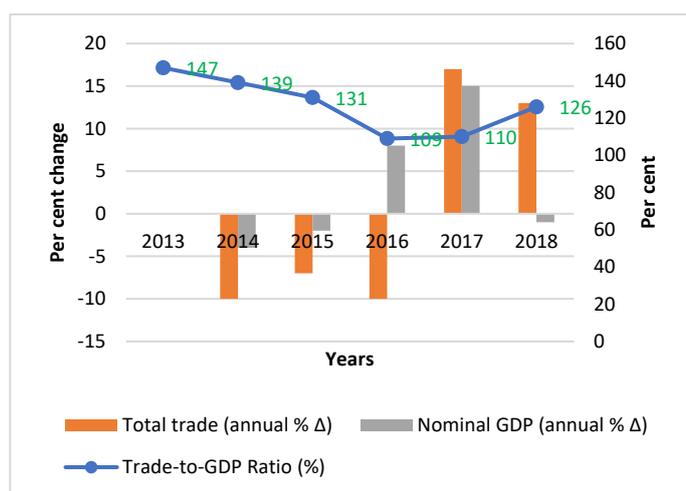


Figure 28 shows that in 2018 the trade-to-GDP ratio for Marshall Islands was 126 per cent. This was 20 percentage points higher than the Pacific average of 106 for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Marshall Islands, which was 119 per cent (refer to Figure 1), this was 7 percentage points higher.

Figure 28: Trade-to-GDP ratios, 2018: Marshall Islands compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 29, the annual trade-to-GDP ratios over time for Marshall Islands show:

- a decline of 21 percentage points from 147 per cent in 2013, the earliest year of the study, to 126 per cent in 2018, the latest year of the study; and
- an increase of 16 percentage points from 110 per cent in 2017 to 126 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 147 per cent in 2013 and the lowest was 109 per cent in 2016.

Figure 29: Marshall Islands' trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

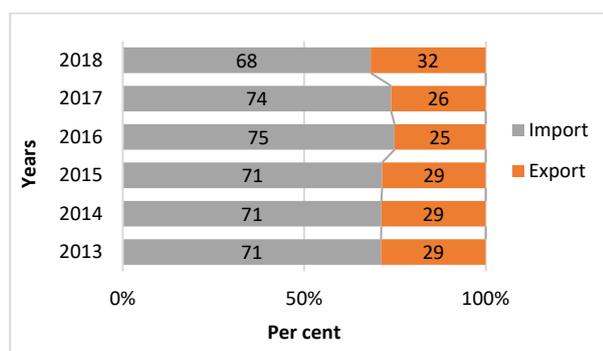


Figure 30: Marshall Islands' contribution of imports and exports to total trade

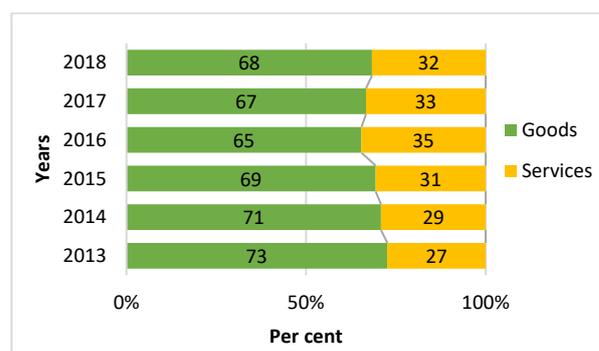


Figure 31: Marshall Islands' contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 75 per cent in 2016 and the lowest was 68 per cent in 2018 (refer to Figure 30).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services for all the years. The highest contribution of goods to total trade in this period was 73 per cent in 2013 and the lowest was 65 per cent in 2016 (refer to Figure 31).

Figures 32 and 33 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The higher contribution of imports of goods to total trade points to Marshall Islands' higher dependence on imported goods.

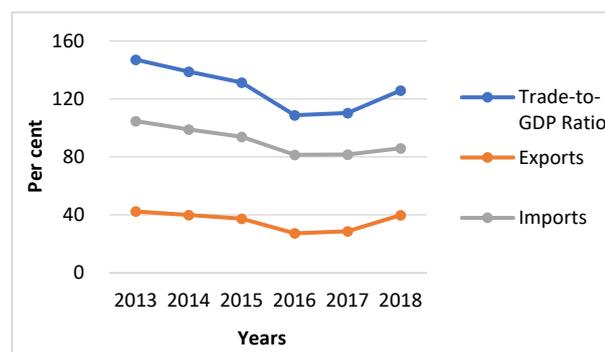


Figure 32: Marshall Islands' exports and imports as a percentage of GDP

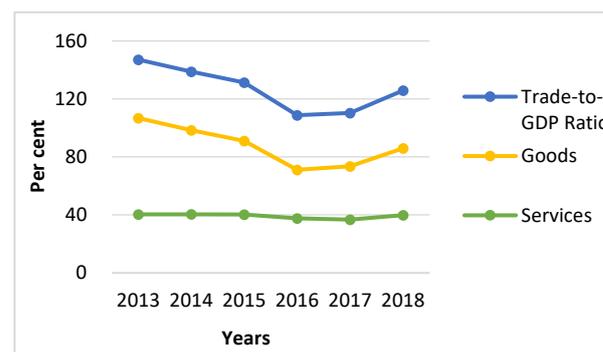


Figure 33: Marshall Islands' goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 7 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 7: Marshall Islands' trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	147	139	131	109	110	126	127
Δ in percentage points		-8	-8	-22	1	16	
<b>Export as a % of GDP</b>	42	40	37	27	29	40	36
Δ in percentage points		-2	-3	-10	2	11	
<b>Import as a % of GDP</b>	105	99	94	81	82	86	91
Δ in percentage points		-6	-5	-13	1	4	
<b>Goods as a % of GDP</b>	107	98	91	71	74	86	88
Δ in percentage points		-9	-7	-20	3	12	
<b>Services as a % of GDP</b>	40	40	40	38	37	40	39
Δ in percentage points		0	0	-2	-1	3	
<b>Total trade (annual % Δ)</b>		-10	-7	-10	17	13	
<b>Nominal GDP (annual % Δ)</b>		-4	-2	8	15	-1	

Source: National authorities.  
Data subject to rounding errors.



## Nauru

### Trade-to-GDP ratio, 2018

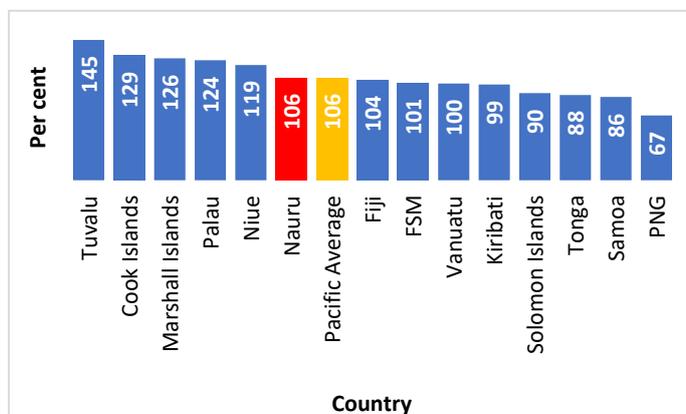
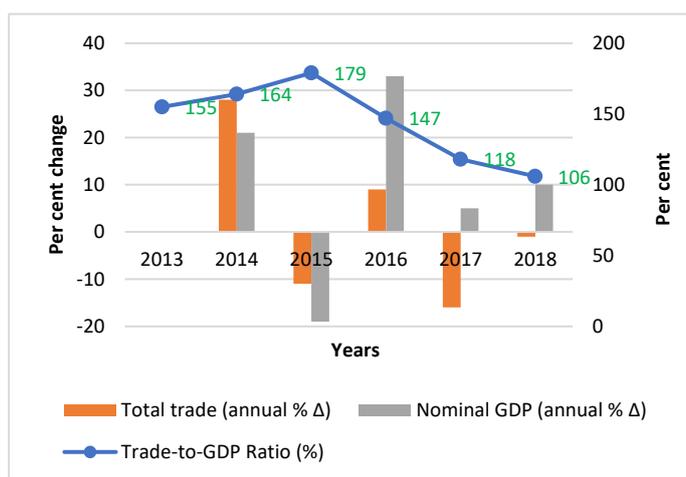


Figure 34 shows that in 2018 the trade-to-GDP ratio for Nauru was 106 per cent. This was the same as the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Nauru, which was 137 per cent (refer to Figure 1), this was 31 percentage points lower.

Figure 34: Trade-to-GDP ratios, 2018: Nauru compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 35, the annual trade-to-GDP ratios over time for Nauru show:

- a decline of 49 percentage points from 155 per cent in 2013, the earliest year of the study, to 106 per cent in 2018, the latest year of the study; and
- a decline of 12 percentage points from 118 per cent in 2017 to 106 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 179 per cent in 2015 and the lowest was 106 per cent in 2018.

Figure 35: Nauru's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

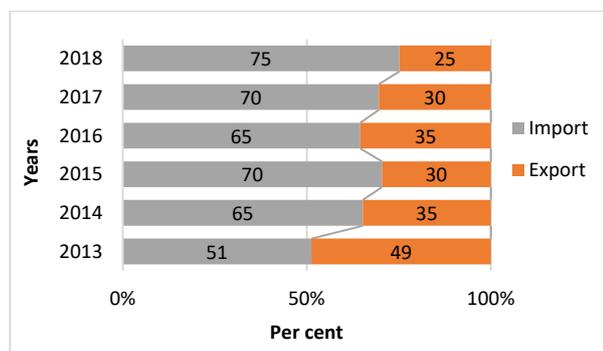


Figure 36: Nauru's contribution of imports and exports to total trade

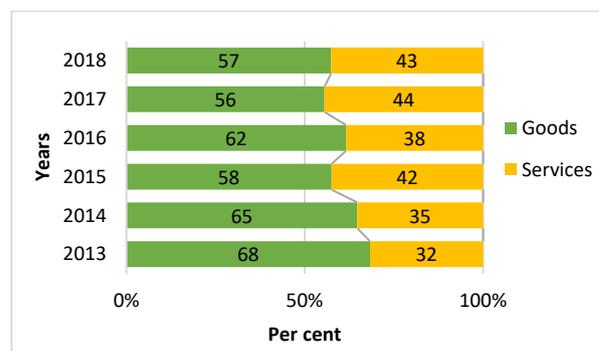


Figure 37: Nauru's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 75 per cent in 2018 and the lowest was 51 per cent in 2013 (refer to Figure 36).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services for all the years. The highest contribution of goods to total trade in this period was 68 per cent in 2013 and the lowest was 56 per cent in 2017 (refer to Figure 37).

Figures 38 and 39 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. In 2013, both imports and exports were about the same. Thereafter, whilst imports increased, exports showed considerable decline. The higher imports can be linked to the importation of goods and services for the re-construction of the Regional Processing Centre that had burnt down and the construction of accommodation for the Regional Processing Centre's security officers from Australia. The lower exports can be linked to the decline in the exports of phosphate due to its low production.

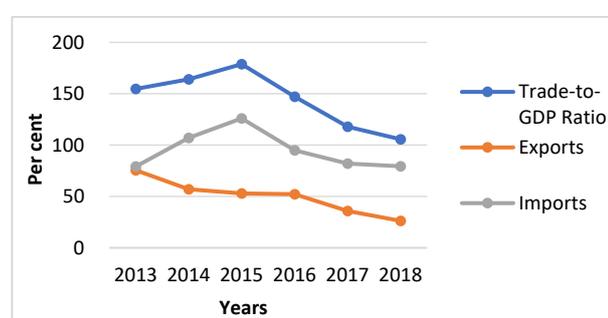


Figure 38: Nauru's exports and imports as a percentage of GDP

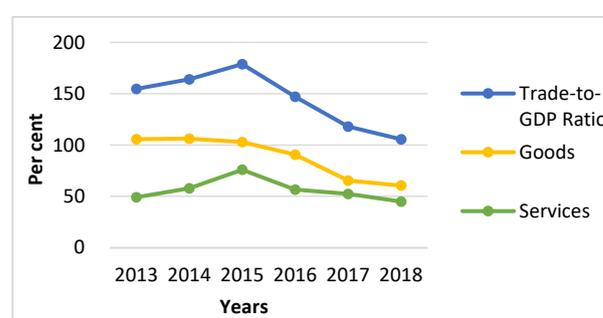


Figure 39: Nauru's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 8 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 8: Nauru's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	<b>155</b>	<b>164</b>	<b>179</b>	<b>147</b>	<b>118</b>	<b>106</b>	<b>145</b>
Δ in percentage points		9	15	-32	-29	-12	
<b>Export as a % of GDP</b>	<b>75</b>	<b>57</b>	<b>53</b>	<b>52</b>	<b>36</b>	<b>26</b>	<b>50</b>
Δ in percentage points		-18	-4	-1	-16	-10	
<b>Import as a % of GDP</b>	<b>79</b>	<b>107</b>	<b>126</b>	<b>95</b>	<b>82</b>	<b>79</b>	<b>95</b>
Δ in percentage points		28	19	-31	-13	-3	
<b>Goods as a % of GDP</b>	<b>106</b>	<b>106</b>	<b>103</b>	<b>91</b>	<b>66</b>	<b>61</b>	<b>89</b>
Δ in percentage points		0	-3	-12	-25	-5	
<b>Services as a % of GDP</b>	<b>49</b>	<b>58</b>	<b>76</b>	<b>57</b>	<b>52</b>	<b>45</b>	<b>56</b>
Δ in percentage points		9	18	-19	-5	-7	
<b>Total trade (annual % Δ)</b>		<b>28</b>	<b>-11</b>	<b>9</b>	<b>-16</b>	<b>-1</b>	
<b>Nominal GDP (annual % Δ)</b>		<b>21</b>	<b>-19</b>	<b>33</b>	<b>5</b>	<b>10</b>	

Source: National authorities.  
Data subject to rounding errors.



## Niue

### Trade-to-GDP ratio, 2018

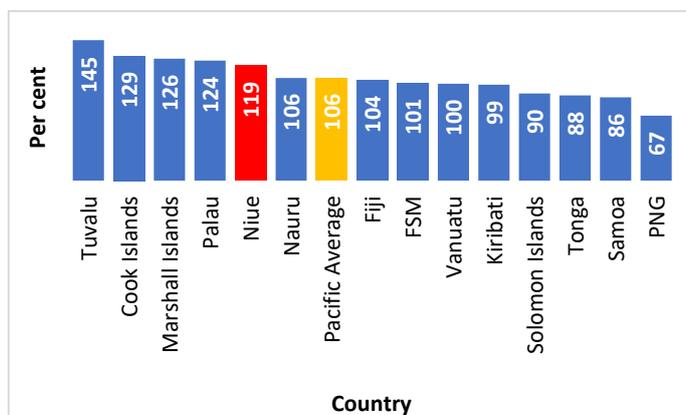
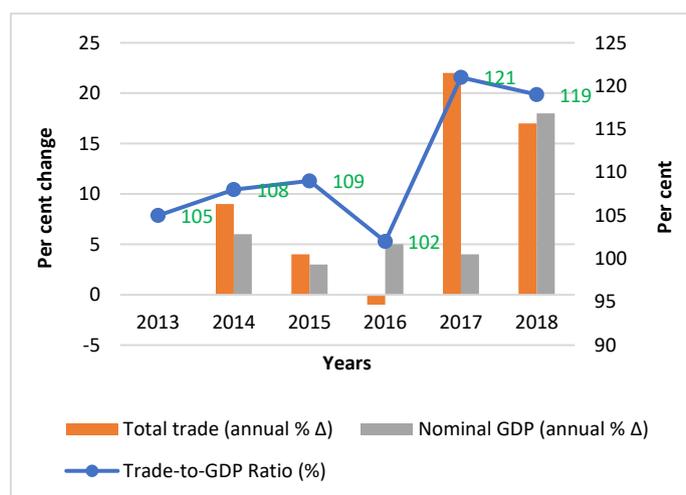


Figure 40 shows that in 2018 the trade-to-GDP ratio for Niue was 119 per cent. This was 13 percentage points higher than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Niue, which was 113 per cent (refer to Figure 1), this was 6 percentage points higher.

Figure 40: Trade-to-GDP ratios, 2018: Niue compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 41, the annual trade-to-GDP ratios over time for Niue show:

- an increase of 14 percentage points from 105 per cent in 2013, the earliest year of the study, to 119 per cent in 2018, the latest year of the study; and
- a decline of 2 percentage points from 121 per cent in 2017 to 119 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 121 per cent in 2017 and the lowest was 102 per cent in 2016.

Figure 41: Niue's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of **imports** and **exports** of **goods** and **services**.

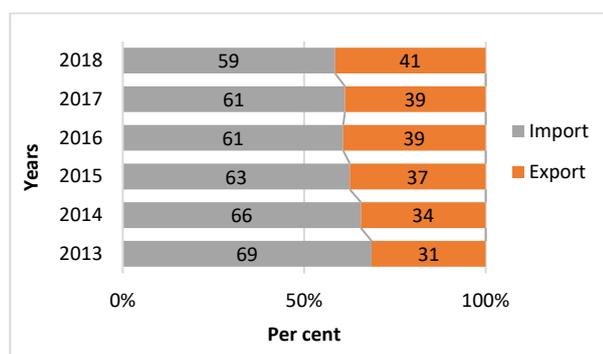


Figure 42: Niue's contribution of imports and exports to total trade

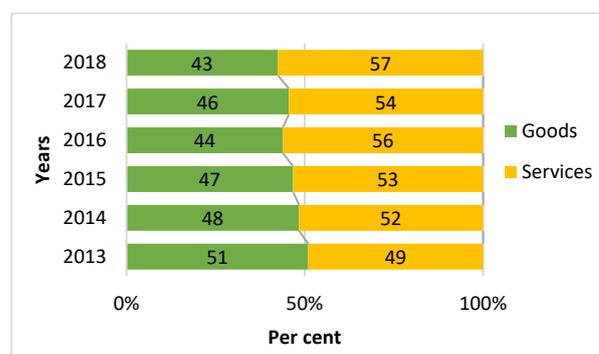


Figure 43: Niue's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** show that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 69 per cent in 2013 and the lowest was 59 per cent in 2018 (refer to Figure 42).

The contribution of goods and services to **total trade** shows that, except for 2013, services contributed more to total trade than did goods. The highest contribution of services to total trade in this period was 57 per cent in 2018 and the lowest was 49 per cent in 2013 (refer to Figure 43).

Figures 44 and 45 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018.

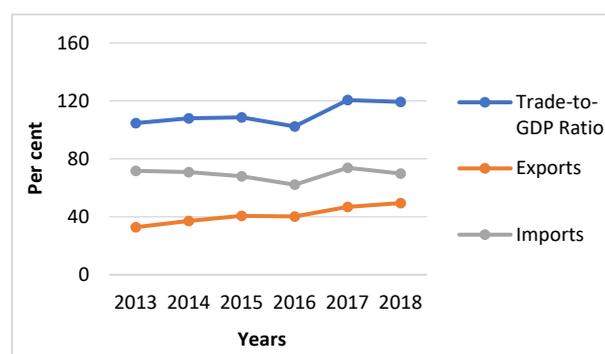


Figure 44: Niue's exports and imports as a percentage of GDP

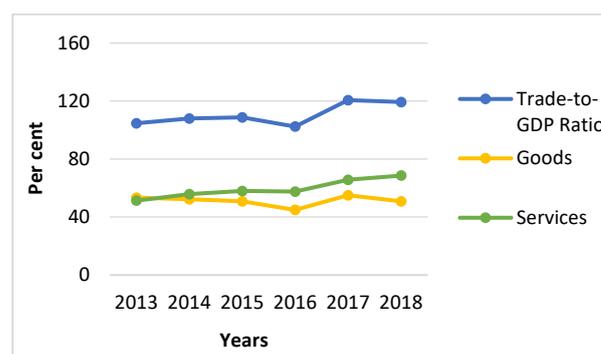


Figure 45: Niue's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 9 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 9: Niue's Trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	<b>105</b>	<b>108</b>	<b>109</b>	<b>102</b>	<b>121</b>	<b>119</b>	<b>111</b>
Δ in percentage points		3	1	-7	19	-2	
<b>Export as a % of GDP</b>	<b>33</b>	<b>37</b>	<b>41</b>	<b>40</b>	<b>47</b>	<b>49</b>	<b>41</b>
Δ in percentage points		4	4	-1	7	2	
<b>Import as a % of GDP</b>	<b>72</b>	<b>71</b>	<b>68</b>	<b>62</b>	<b>74</b>	<b>70</b>	<b>70</b>
Δ in percentage points		-1	-3	-6	12	-4	
<b>Goods as a % of GDP</b>	<b>53</b>	<b>52</b>	<b>51</b>	<b>45</b>	<b>55</b>	<b>51</b>	<b>51</b>
Δ in percentage points		-1	-1	-6	10	-4	
<b>Services as a % of GDP</b>	<b>51</b>	<b>56</b>	<b>58</b>	<b>58</b>	<b>66</b>	<b>69</b>	<b>60</b>
Δ in percentage points		5	2	0	8	3	
<b>Total trade (annual % Δ)</b>		<b>9</b>	<b>4</b>	<b>-1</b>	<b>22</b>	<b>17</b>	
<b>Nominal GDP (annual % Δ)</b>		<b>6</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>18</b>	

Source: National authorities.  
Data subject to rounding errors.



## Palau

### Trade-to-GDP ratio, 2018

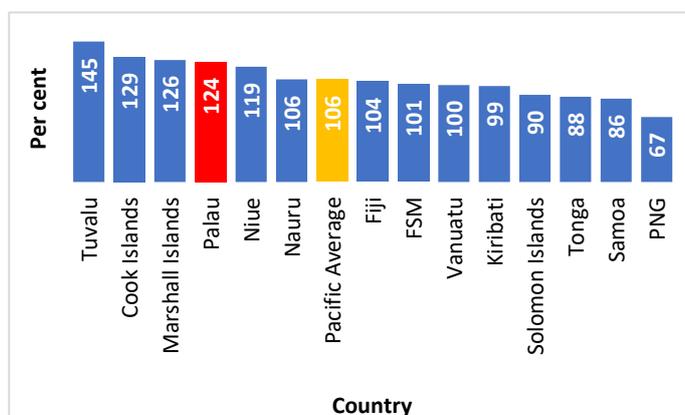
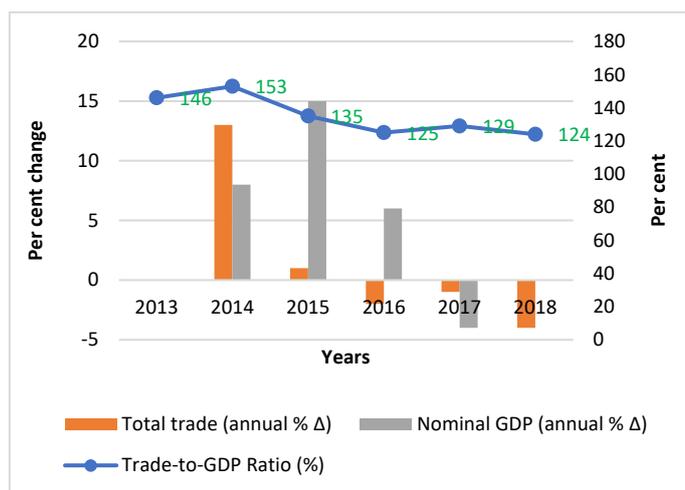


Figure 46 shows that in 2018 the trade-to-GDP ratio for Palau was 124 per cent. This was 18 percentage points higher than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Palau, which was 128 per cent (refer to Figure 1), this was 4 percentage points lower.

Figure 46: Trade-to-GDP ratios, 2018: Palau compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 47, the annual trade-to-GDP ratios over time for Palau show:

- a decline of 22 percentage points from 146 per cent in 2013, the earliest year of the study, to 124 per cent in 2018, the latest year of the study; and
- a decline of 5 percentage points from 129 per cent in 2017 to 124 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 153 per cent in 2014 and the lowest was 124 per cent in 2018.

Figure 47: Palau's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of **imports** and **exports** of **goods** and **services**.

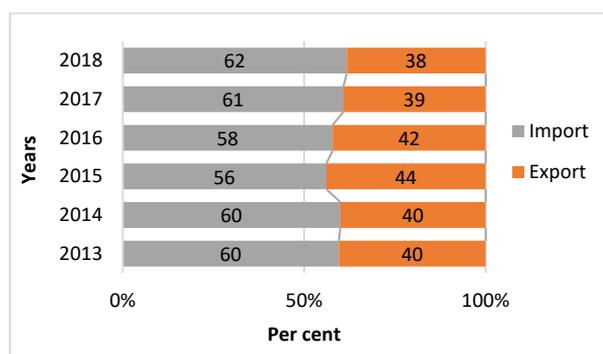


Figure 48: Palau's contribution of imports and exports to total trade

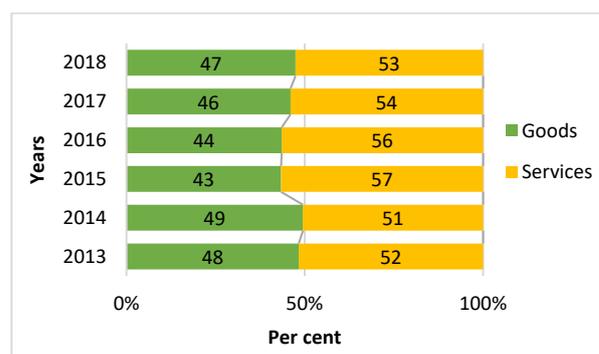


Figure 49: Palau's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 62 per cent in 2018 and the lowest was 56 per cent in 2015 (refer to Figure 48).

The contribution of goods and services to **total trade** shows that services contributed more to total trade than did goods. The highest contribution of services to total trade in this period was 57 per cent in 2015 and the lowest was 51 per cent in 2014 (refer to Figure 49).

Figures 50 and 51 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. A major contributor to services in Palau is tourism.

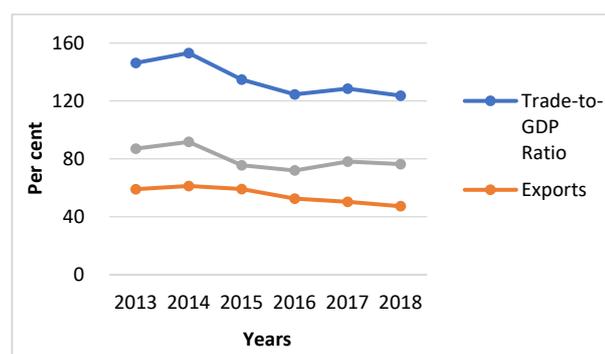


Figure 50: Palau's exports and imports as a percentage of GDP

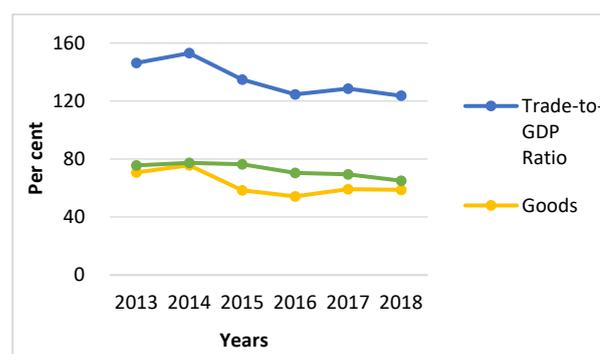


Figure 51: Palau's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 10 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 10: Palau's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	146	153	135	125	129	124	135
Δ in percentage points		7	-18	-10	4	-5	
<b>Export as a % of GDP</b>	59	61	59	53	50	47	55
Δ in percentage points		2	-2	-6	-3	-3	
<b>Import as a % of GDP</b>	87	92	76	72	78	76	80
Δ in percentage points		5	-16	-4	6	-2	
<b>Goods as a % of GDP</b>	71	76	58	54	59	59	63
Δ in percentage points		5	-18	-4	5	0	
<b>Services as a % of GDP</b>	76	77	76	70	69	65	72
Δ in percentage points		1	-1	-6	-1	-4	
<b>Total trade (annual % Δ)</b>		13	1	-2	-1	-4	
<b>Nominal GDP (annual % Δ)</b>		8	15	6	-4	0	

Source: National authorities.  
Data subject to rounding errors.



## Papua New Guinea

### Trade-to-GDP ratio, 2018

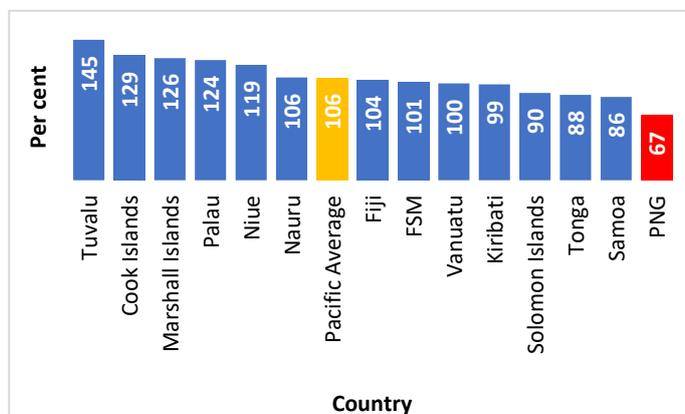
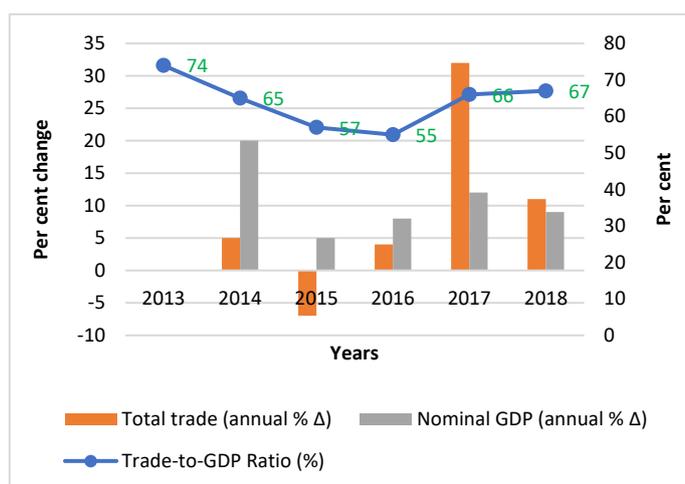


Figure 52 shows that in 2018, the trade-to-GDP ratio for PNG was 67 per cent. This was 39 percentage points higher than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of PNG, which was 61 per cent (refer to Figure 1), this was 6 percentage points higher.

Figure 52: Trade-to-GDP ratios, 2018: PNG compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 53, the annual trade-to-GDP ratios over time for PNG show:

- a decline of 7 percentage points from 74 per cent in 2013, the earliest year of the study, to 67 per cent in 2018, the latest year of the study; and
- an increase of 1 percentage point from 66 per cent in 2017 to 67 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 74 per cent in 2013 and the lowest was 55 per cent in 2016.

Figure 53: PNG's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

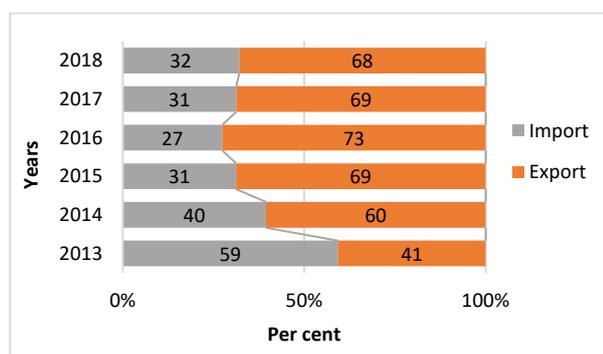


Figure 54: PNG's contribution of imports and exports to total trade

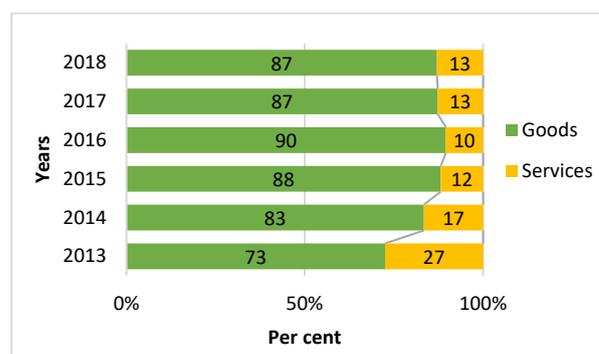


Figure 55: PNG's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that exports contributed more to total trade than did imports except in 2013. The highest contribution of exports to total trade in this period was 73 per cent in 2016 and the lowest was 41 per cent in 2013 (refer to Figure 54).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services. The highest contribution of goods to total trade in this period was 90 per cent in 2016 and the lowest was 73 per cent in 2013 (refer to Figure 55).

Figures 56 and 57 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The commercialisation of PNG's gas resources, the LNG project that commenced in mid-2014 had a noticeable impact on the trade-to-GDP ratios. The project led to a strong growth in exports.

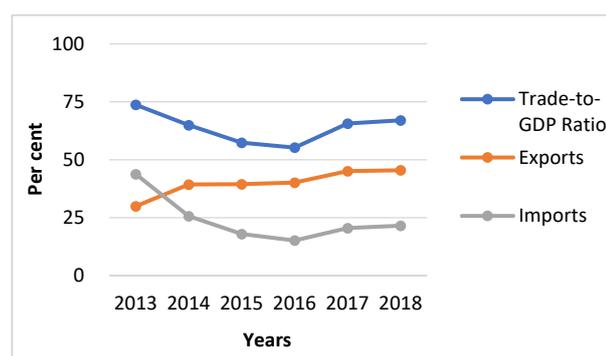


Figure 56: PNG's exports and imports as a percentage of GDP

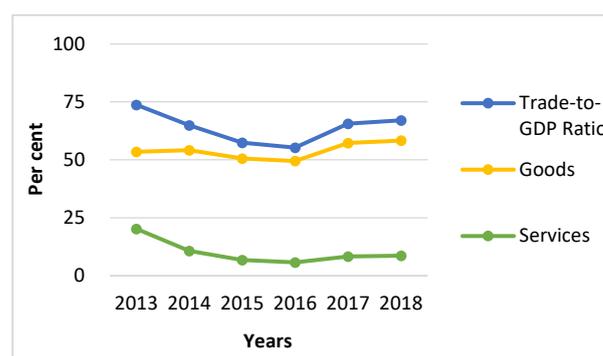


Figure 57: PNG's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 11 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 11: PNG's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	74	65	57	55	66	67	64
Δ in percentage points		-9	-8	-2	11	1	
<b>Export as a % of GDP</b>	30	39	39	40	45	45	40
Δ in percentage points		9	0	1	5	0	
<b>Import as a % of GDP</b>	44	26	18	15	21	22	24
Δ in percentage points		-18	-8	-3	6	1	
<b>Goods as a % of GDP</b>	53	54	51	50	57	58	54
Δ in percentage points		1	-3	-1	7	1	
<b>Services as a % of GDP</b>	20	11	7	6	8	9	10
Δ in percentage points		-9	-4	-1	2	1	
<b>Total trade (annual % Δ)</b>		5	-7	4	32	11	
<b>Nominal GDP (annual % Δ)</b>		20	5	8	12	9	

Source: National authorities.  
Data subject to rounding errors.



## Samoa

### Trade-to-GDP ratio, 2018

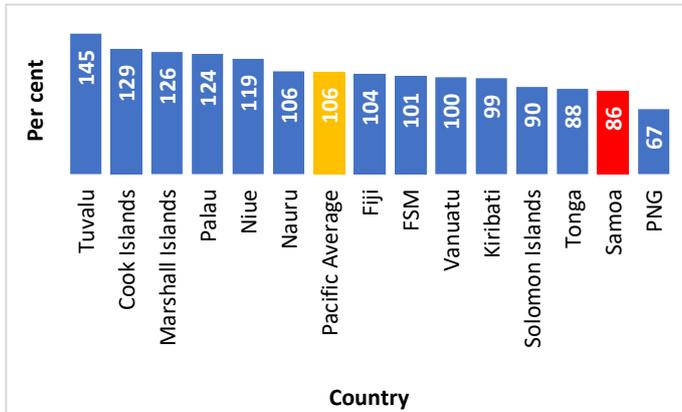
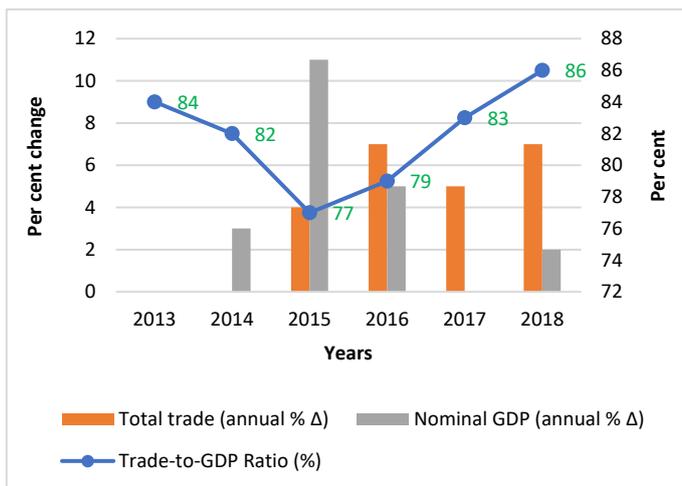


Figure 58 shows that in 2018 the trade-to-GDP ratio for Samoa was 86 per cent. This was 20 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Samoa, which was 81 per cent (refer to Figure 1), this was 5 percentage points higher.

Figure 58: Trade-to-GDP ratios, 2018: Samoa compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 59, the annual trade-to-GDP ratios over time for Samoa show:

- an increase of 2 percentage points from 84 per cent in 2013, the earliest year of the study, to 86 per cent in 2018, the latest year of the study; and
- an increase of 3 percentage points from 83 per cent in 2017 to 86 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 86 per cent in 2018 and the lowest was 77 per cent in 2015.

Figure 59: Samoa's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of **imports** and **exports** of **goods** and **services**.

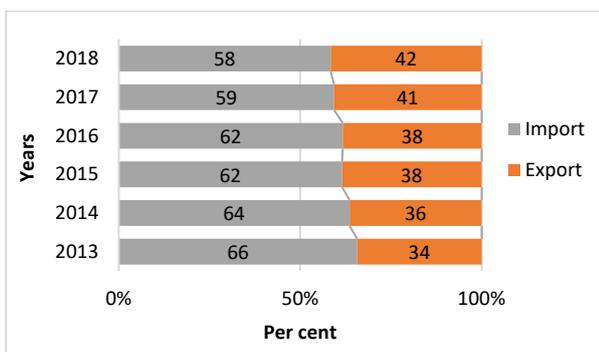


Figure 60: Samoa's contribution of imports and exports to total trade

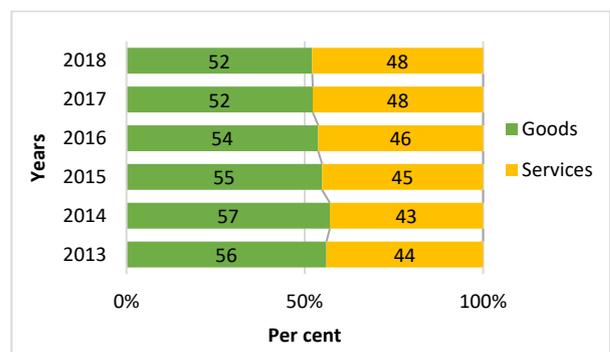


Figure 61: Samoa's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 66 per cent in 2013 and the lowest was 58 per cent in 2018 (refer to Figure 60).

The contribution of goods and services to **total trade** shows that imports contributed more to total trade than did services. The highest contribution of goods to total trade in this period was 57 per cent in 2014 and the lowest was 52 per cent in 2017 and 2018 (refer to Figure 61).

Figures 62 and 63 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018.

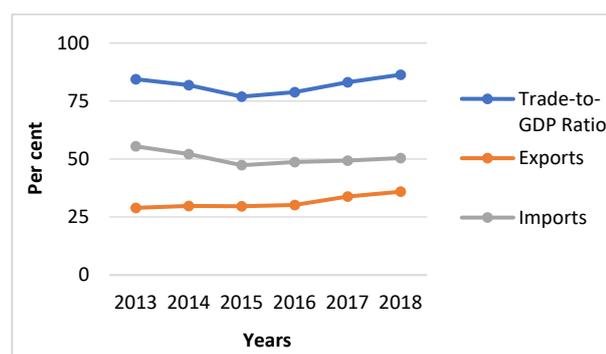


Figure 62: Samoa's exports and imports as a percentage of GDP

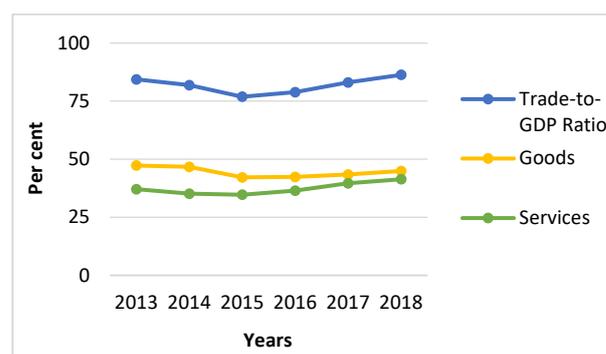


Figure 63: Samoa's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 12 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 12: Samoa's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	84	82	77	79	83	86	82
Δ in percentage points		-2	-5	2	4	3	
<b>Export as a % of GDP</b>	29	30	30	30	34	36	32
Δ in percentage points		1	0	0	4	2	
<b>Import as a % of GDP</b>	55	52	47	49	49	50	50
Δ in percentage points		-3	-5	2	0	1	
<b>Goods as a % of GDP</b>	47	47	42	42	43	45	44
Δ in percentage points		0	-5	0	1	2	
<b>Services as a % of GDP</b>	37	35	35	36	40	41	37
Δ in percentage points		-2	0	1	4	1	
<b>Total trade (annual % Δ)</b>		0	4	7	5	7	
<b>Nominal GDP (annual % Δ)</b>		3	11	5	0	2	

Source: National authorities.  
Data subject to rounding errors.



## Solomon Islands

### Trade-to-GDP ratio, 2018

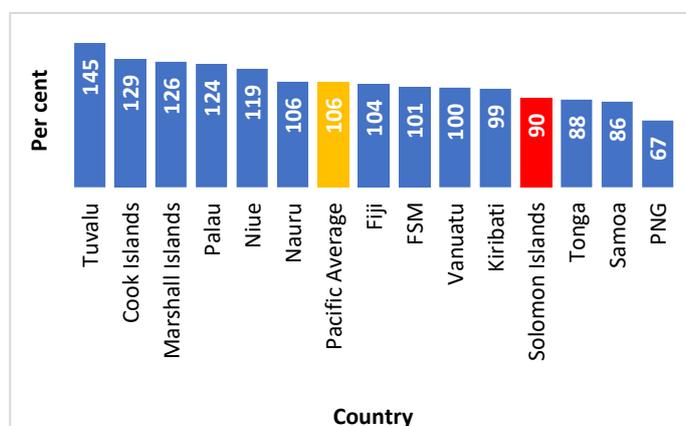
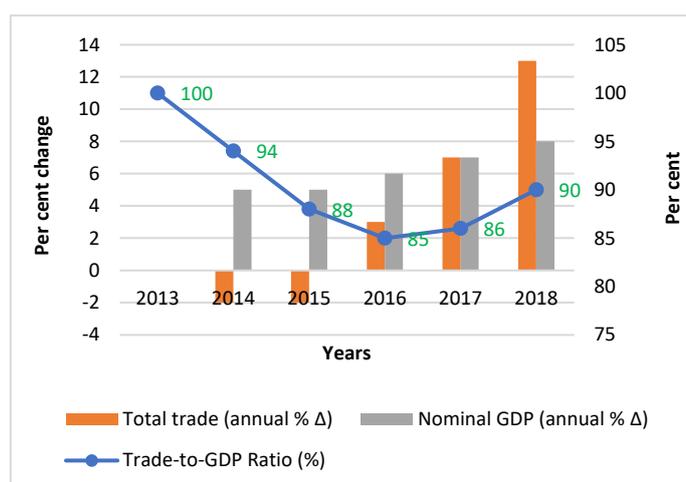


Figure 64 shows that in 2018, the trade-to-GDP ratio for Solomon Islands was 90 per cent. This was 16 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Solomon Islands, which was 87 per cent (refer to Figure 1), this was 3 percentage points higher.

Figure 64: Trade-to-GDP ratios, 2018: Solomon Islands compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 65, The annual trade-to-GDP ratios over time for Solomon Islands show:

- a decline of 10 percentage points from 100 per cent in 2013, the earliest year of the study, to 90 per cent in 2018, the latest year of the study; and
- an increase of 4 percentage points from 86 per cent in 2017 to 90 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 100 per cent in 2013 and the lowest was 85 per cent in 2016.

Figure 65: Solomon Islands' trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

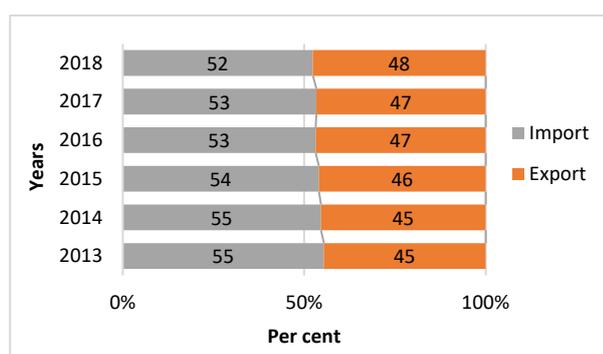


Figure 66: Solomon Islands' contribution of imports and exports to total trade

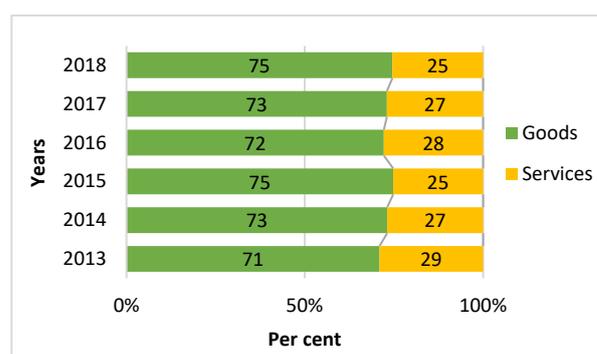


Figure 67: Solomon Islands' contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than exports. The highest contribution of imports to total trade in this period was 55 per cent in 2013 and 2014 and the lowest was 52 per cent in 2018 (refer to Figure 66).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services. The highest contribution of goods to total trade in this period was 75 per cent in 2015 and 2018 and the lowest was 71 per cent in 2013 (refer to Figure 67).

Figures 68 and 69 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018.

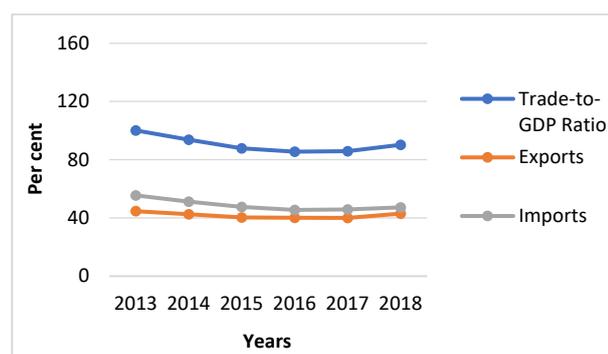


Figure 68: Solomon Islands' exports and imports as a percentage of GDP

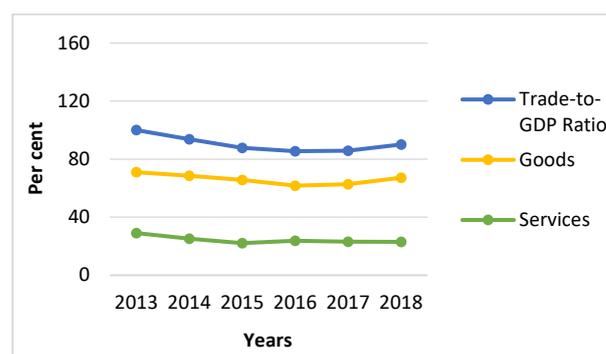


Figure 69: Solomon Islands' goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 13 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 13: Solomon Islands' trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	<b>100</b>	<b>94</b>	<b>88</b>	<b>85</b>	<b>86</b>	<b>90</b>	<b>91</b>
Δ in percentage points		-6	-6	-3	1	4	
<b>Export as a % of GDP</b>	<b>45</b>	<b>43</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>43</b>	<b>42</b>
Δ in percentage points		-2	-3	0	0	3	
<b>Import as a % of GDP</b>	<b>55</b>	<b>51</b>	<b>47</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>49</b>
Δ in percentage points		-4	-4	-2	1	1	
<b>Goods as a % of GDP</b>	<b>71</b>	<b>69</b>	<b>66</b>	<b>62</b>	<b>63</b>	<b>67</b>	<b>66</b>
Δ in percentage points		-2	-3	-4	1	4	
<b>Services as a % of GDP</b>	<b>29</b>	<b>25</b>	<b>22</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>24</b>
Δ in percentage points		-4	-3	2	-1	0	
<b>Total trade (annual % Δ)</b>		<b>-2</b>	<b>-2</b>	<b>3</b>	<b>7</b>	<b>13</b>	
<b>Nominal GDP (annual % Δ)</b>		<b>5</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	

Source: National authorities.  
Data subject to rounding errors.



## Tonga

### Trade-to-GDP ratio, 2018

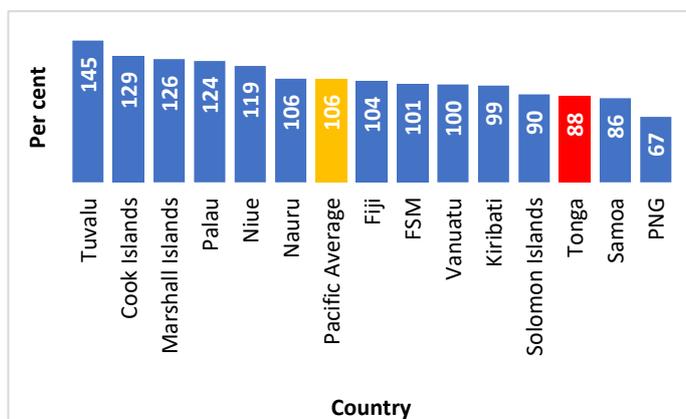
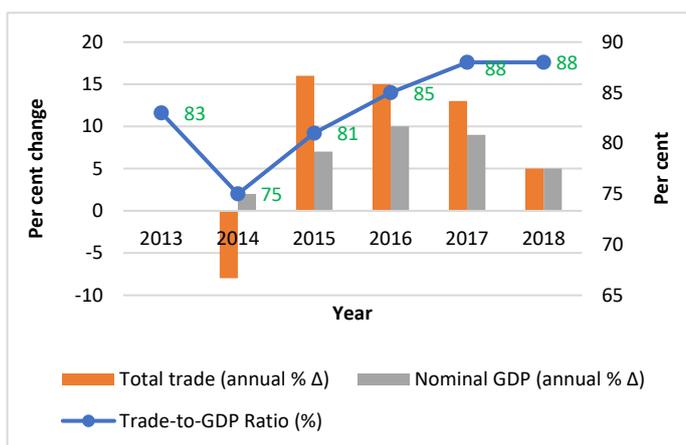


Figure 70 shows that in 2018, the trade-to-GDP ratio for Tonga was 88 per cent. This was 18 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Tonga, which was 85 per cent (refer to Figure 1), this was 3 percentage points higher.

Figure 70: Trade-to-GDP ratios, 2018: Tonga compared to the Pacific average

### Trade-to-GDP Ratios for the period 2013–2018



In Figure 71, The annual trade-to-GDP ratios over time for Solomon Islands show:

- an increase of 5 percentage points from 83 per cent in 2013, the earliest year of the study, to 88 per cent in 2018, the latest year of the study; and
- no change between 2017 and 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 88 per cent in 2017 and 2018 and the lowest was 75 per cent in 2014.

Figure 71: Tonga's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

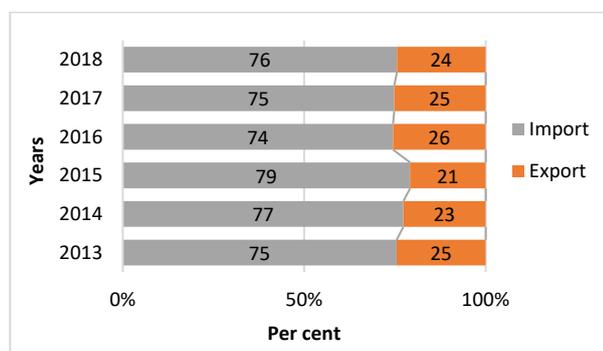


Figure 72: Tonga's contribution of imports and exports to total trade

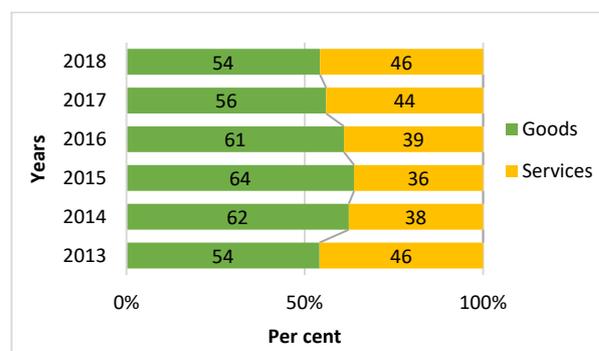


Figure 73: Tonga's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 79 per cent in 2015 and the lowest was 74 per cent in 2016 (refer to Figure 72).

The contribution of goods and services to **total trade** shows that goods contributed more to total trade than did services. The highest contribution of goods to total trade in this period was 64 per cent in 2015 and the lowest was 54 per cent in 2013 and 2018 (refer to Figure 73).

Figures 74 and 75 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018.

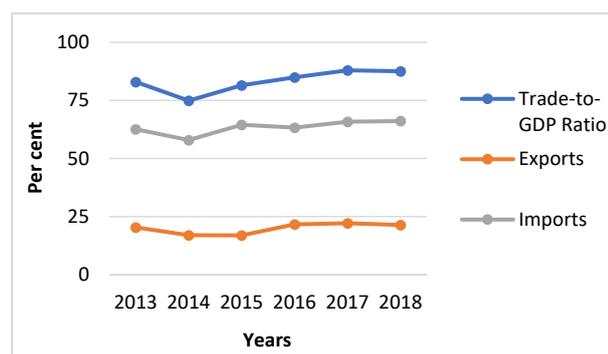


Figure 74: Tonga's exports and imports as a percentage of GDP

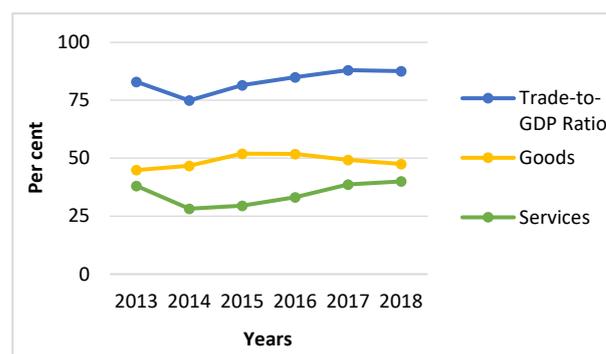


Figure 75: Tonga's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 14 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 14: Tonga's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	<b>83</b>	<b>75</b>	<b>81</b>	<b>85</b>	<b>88</b>	<b>88</b>	<b>83</b>
Δ in percentage points		-8	6	4	3	0	
<b>Export as a % of GDP</b>	<b>20</b>	<b>17</b>	<b>17</b>	<b>22</b>	<b>22</b>	<b>21</b>	<b>20</b>
Δ in percentage points		-3	0	5	0	-1	
<b>Import as a % of GDP</b>	<b>63</b>	<b>58</b>	<b>64</b>	<b>63</b>	<b>66</b>	<b>66</b>	<b>63</b>
Δ in percentage points		-5	6	-1	3	0	
<b>Goods as a % of GDP</b>	<b>45</b>	<b>47</b>	<b>52</b>	<b>52</b>	<b>49</b>	<b>48</b>	<b>49</b>
Δ in percentage points		2	5	0	-3	-1	
<b>Services as a % of GDP</b>	<b>38</b>	<b>28</b>	<b>29</b>	<b>33</b>	<b>39</b>	<b>40</b>	<b>35</b>
Δ in percentage points		-10	1	4	6	1	
<b>Total trade (annual % Δ)</b>		<b>-8</b>	<b>16</b>	<b>15</b>	<b>13</b>	<b>5</b>	
<b>Nominal GDP (annual % Δ)</b>		<b>2</b>	<b>7</b>	<b>10</b>	<b>9</b>	<b>5</b>	

Source: National authorities.  
Data subject to rounding errors.



## Tuvalu

### Trade-to-GDP ratio, 2018

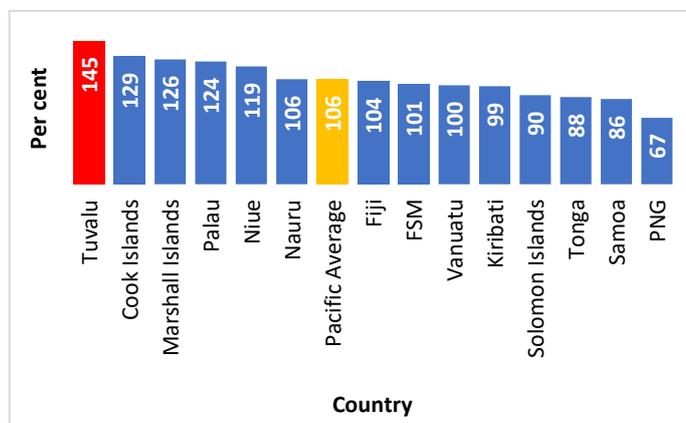
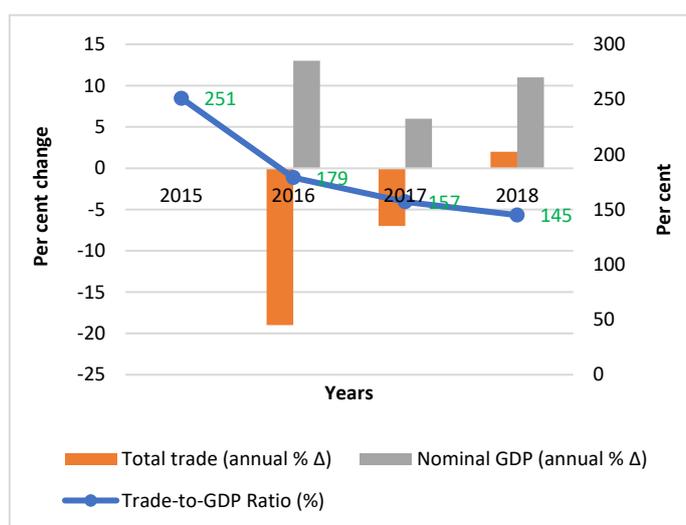


Figure 76 shows that in 2018, the trade-to-GDP ratio for Tuvalu was 145 per cent, the highest amongst the PICTs considered in the study. This was 39 percentage points higher than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Tuvalu, which was 183 per cent (refer to Figure 1), this was 38 percentage points lower.

Figure 76: Trade-to-GDP ratios, 2018: Tuvalu compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 77, The annual trade-to-GDP ratios over time for Tuvalu show:

- a decline of 106 percentage points from 251 per cent in 2015, the earliest year of the study, to 145 per cent in 2018, the latest year of the study; and
- a decline of 12 percentage points from 157 per cent in 2017 to 145 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 251 per cent in 2015 and the lowest was 145 per cent in 2018.

Figure 77: Tuvalu's trade-to-GDP ratios, 2013–2018

### International trade structure, 2015–2018

International trade is made up of *imports* and *exports* of *goods* and *services*.

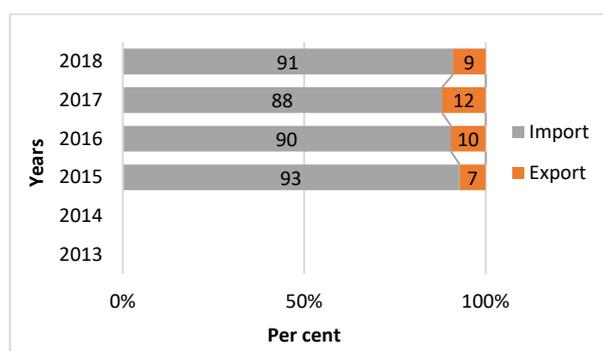


Figure 78: Tuvalu's contribution of imports and exports to total trade

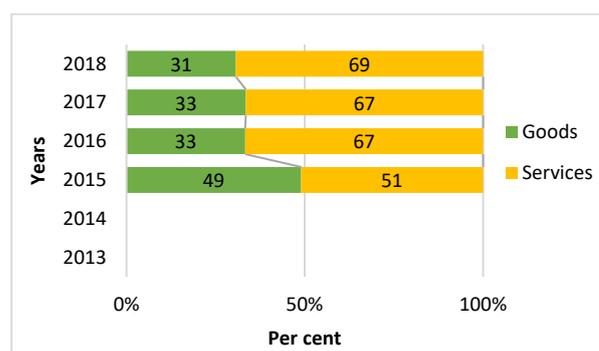


Figure 79: Tuvalu's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 93 per cent in 2013 and the lowest was 88 per cent in 2017 (refer to Figure 78).

The contribution of goods and services to **total trade** shows that services contributed more to total trade than did goods. The highest contribution of services to total trade in this period was 69 per cent in 2018 and the lowest was 51 per cent in 2015 (refer to Figure 79).

Figures 80 and 81 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. The high goods ratio in 2015 is due to the import of a non-traditional investment good.

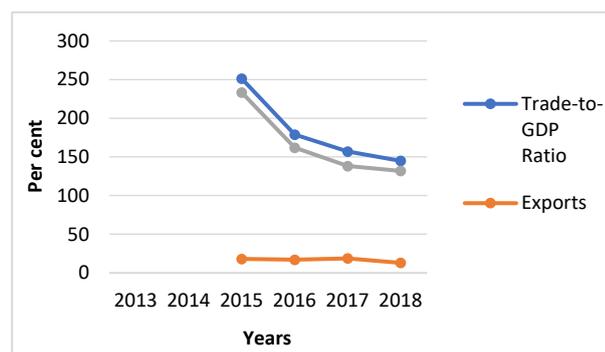


Figure 80: Tuvalu's exports and imports as a percentage of GDP

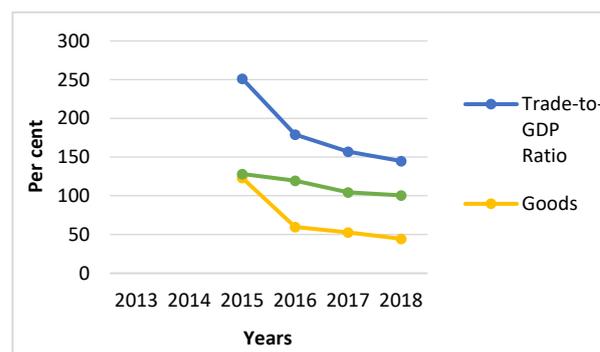


Figure 81: Tuvalu's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2015–2018

Table 15 gives data for the period 2015–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 15: Tuvalu's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>			251	179	157	145	183
Δ in percentage points				-72	-22	-12	
<b>Export as a % of GDP</b>			18	17	19	13	17
Δ in percentage points				-1	2	-6	
<b>Import as a % of GDP</b>			233	162	138	132	166
Δ in percentage points				-71	-24	-6	
<b>Goods as a % of GDP</b>			123	60	53	44	70
Δ in percentage points				-63	-7	-9	
<b>Services as a % of GDP</b>			128	119	105	101	113
Δ in percentage points				-9	-14	-4	
<b>Total trade (annual % Δ)</b>				-19	-7	2	
<b>Nominal GDP (annual % Δ)</b>				13	6	11	

Source: National authorities, PFTAC and SPC.  
Data subject to rounding errors.



## Vanuatu

### Trade-to-GDP ratio, 2018

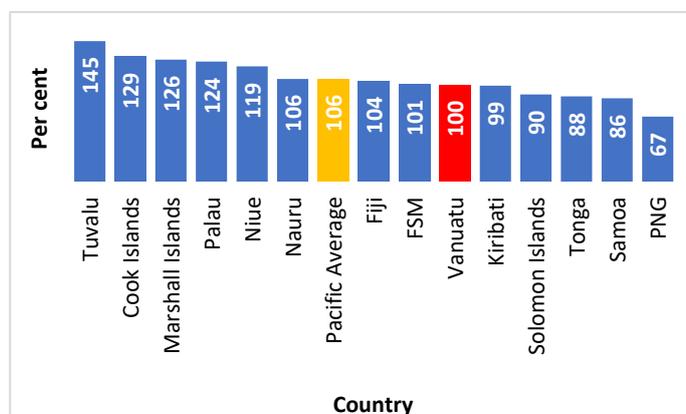
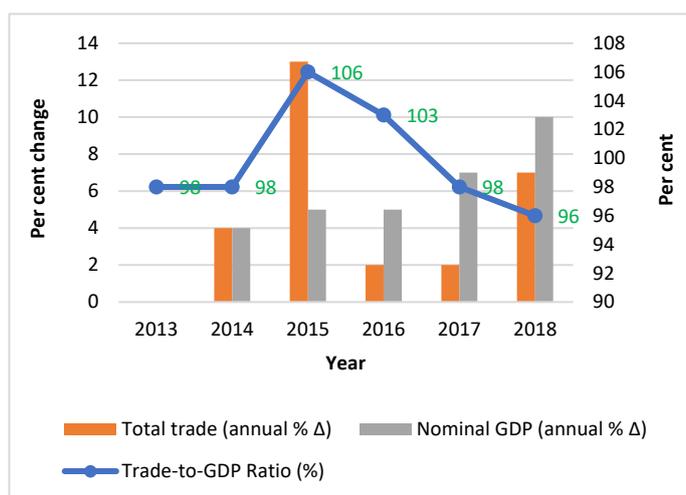


Figure 82 shows that in 2018, the trade-to-GDP ratio for Vanuatu was 100 per cent. This was 6 percentage points lower than the Pacific average of 106 per cent for the same year.

However, compared to the four-year (2015–2018) average trade-to-GDP ratio of Vanuatu, which was 101 per cent (refer to Figure 1), this was 1 percentage point lower.

Figure 82: Trade-to-GDP ratios, 2018: Vanuatu compared to the Pacific average

### Trade-to-GDP ratios for the period 2013–2018



In Figure 83, the annual trade-to-GDP ratios over time for Vanuatu show:

- a decline of 2 percentage points from 98 per cent in 2013, the earliest year of the study, to 96 per cent in 2018, the latest year of the study; and
- a decline of 2 percentage points from 98 per cent in 2017 to 96 per cent in 2018.

The highest trade-to-GDP ratio in the period 2013–2018 was 106 per cent in 2015 and the lowest was 96 per cent in 2018.

Figure 83: Vanuatu's trade-to-GDP ratios, 2013–2018

### International trade structure, 2013–2018

International trade is made up of **imports** and **exports** of **goods** and **services**.

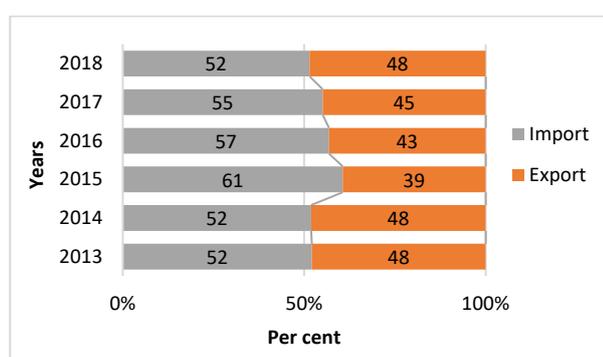


Figure 84: Vanuatu's contribution of imports and exports to total trade

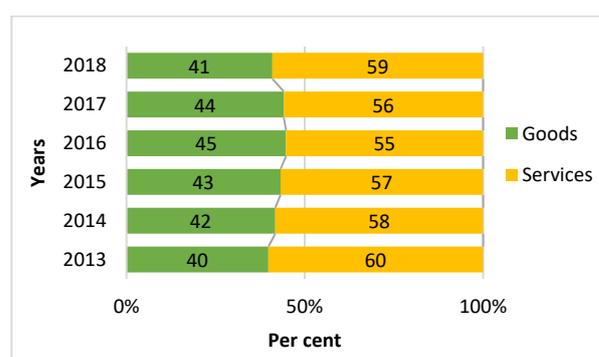


Figure 85: Vanuatu's contribution of goods and services to total trade

The contribution of imports and exports to **total trade** shows that imports contributed more to total trade than did exports. The highest contribution of imports to total trade in this period was 61 per cent in 2015 and the lowest was 52 per cent in 2013, 2014 and 2018 (refer to Figure 84).

The contribution of goods and services to **total trade** shows that services contributed more to total trade than did goods. The highest contribution of services to total trade in this period was 60 per cent in 2013 and the lowest was 55 per cent in 2016 (refer to Figure 85).

Figures 86 and 87 show how **imports** and **exports** of **goods** and **services** influenced the trade-to-GDP ratios from 2013 to 2018. Despite imports having a stronger influence on the trade-to-GDP ratios, trade in services, which is driven by tourism, was an important driver of the Vanuatu economy.

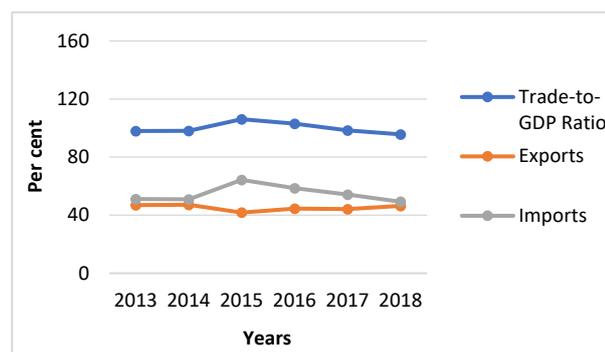


Figure 86: Vanuatu's exports and imports as a percentage of GDP

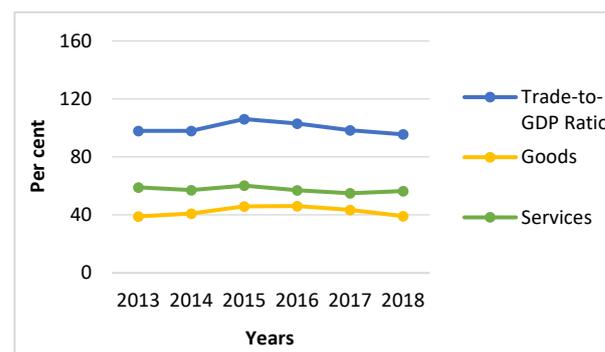


Figure 87: Vanuatu's goods and services as a percentage of GDP

### Summary of trade-to-GDP ratios, 2013–2018

Table 16 gives data for the period 2013–2018 on the:

- trade-to-GDP ratios
- export as a percentage of GDP
- import as a percentage of GDP
- goods as a percentage of GDP
- services as a percentage of GDP
- total trade annual percentage change
- nominal GDP annual percentage change.

Table 16: Vanuatu's trade-to-GDP ratios, 2013–2018

Types of aggregates	2013	2014	2015	2016	2017	2018	Average for 2013–2018
<b>Trade-to-GDP ratio (%)</b>	98	98	106	103	98	96	100
Δ in percentage points		0	8	-3	-5	-2	
<b>Export as a % of GDP</b>	47	47	42	44	44	46	45
Δ in percentage points		0	-5	2	0	2	
<b>Import as a % of GDP</b>	51	51	64	59	54	49	55
Δ in percentage points		0	13	-5	-5	-5	
<b>Goods as a % of GDP</b>	39	41	46	46	43	39	42
Δ in percentage points		2	5	0	-3	-4	
<b>Services as a % of GDP</b>	59	57	60	57	55	56	57
Δ in percentage points		-2	3	-3	-2	1	
<b>Total trade (annual % Δ)</b>		4	13	2	2	7	
<b>Nominal GDP (annual % Δ)</b>		4	5	5	7	10	

Source: National authorities.  
Data subject to rounding errors.

## G. Conclusion

The paper has looked at international trade relative to GDP for fourteen PICTs (Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu). The results are summarised below:

- In Cook Islands, the trade-to-GDP ratio increased between 2013 and 2018, with a slight decline in 2014–2015 and 2017–2018. The shares of export and service trade remained dominant over the imports and goods trade.
- For FSM, the ratio declined during 2013 and 2016 but remained the same thereafter. The shares of import and goods trade remained dominant.
- In Fiji, the trade-to-GDP ratio declined sharply between 2013 and 2015, remained stagnant during 2016–2017 and increased slightly during 2017–2018. The shares of import and goods trade remained dominant.
- Kiribati's ratio increased during 2013–2016 but declined in recent years. The international trade is heavily dominated by imports, with goods having an edge over services.
- For Marshall Islands, the trade-to-GDP ratio fell sharply between 2013 and 2016 but has improved since then. The shares of import and goods trade remained dominant.
- Nauru's trade-to-GDP ratio increased marginally from 2013 to 2015 but then fell sharply. The shares of import and goods trade remained dominant.
- For Niue, there was no substantial change in the trade-to-GDP ratio between 2013 and 2015. It showed a decline in 2015–2016 but increased considerably in 2016–2017 before declining again in 2017–2018. The shares of import and services trade remained dominant.
- In Palau, the trade-to-GDP ratio declined over 2014–2016 and 2017–2018. The shares of import and services trade remained dominant.
- For PNG, the trade-to-GDP ratio fell between 2013 and 2016 but increased thereafter. The shares of export and goods trade remained dominant.
- For Samoa, the ratio did not change substantially. The trade structure remained dominated by imports and goods.
- In Solomon Islands, there was a decline in the ratio between 2013 and 2016, followed by some improvement in recent years. Contributions of imports and goods remained dominant in the total trade.
- Tonga's trade-to-GDP ratio declined between 2013 and 2014 but increased after 2014. The shares of imports and goods were higher in the total trade.
- For Tuvalu, the ratio has been declining since 2015. It remains an importing country dominated by shares of services.
- Vanuatu's trade-to-GDP ratio remained steady, despite a peak during 2014–2015. The shares of imports and services were higher throughout this period.

The analysis shows that the performance of the trade-to-GDP ratios in PICTs is driven by several factors, including the following:

- a. Trade in small PICTs mostly comprises traditional goods and services, that is commodities that are traded regularly, e.g. food and clothes. The import of goods, particularly non-traditional goods, affects the trade-to-GDP ratio of the year in which the import happens, as was the case in Tuvalu.
- b. PICTs are also subject to weather conditions that affect not only trade but also GDP. For example, damage caused by a cyclone:
  - leads to a decline in domestic production and wealth creation of the country. The cyclone destroys crops, both for domestic consumption as well as for export, e.g., sugarcane in Fiji; and

- increases imports of goods such as shelters and food (through aid as well), and services.
- c. A commodity price-change globally or in a partner country affects the purchasing power of consumers in PICTs.

Based on other catastrophic events in the region, it is likely that the global pandemic (COVID-19) will have caused profound impacts through disruptions in trade and in traditional services such as tourism and transport. This paper does not account for these developments. However, the data in this paper will be posted on the Pacific Data Hub of the Pacific Community and the intention is for them to be updated regularly: the impact of COVID-19 on the trade-to-GDP ratios will eventually be seen then.

The international trade in goods and services is an important component of globalisation and plays a pivotal role in the economies of PICTs, as is visible from their high trade-to-GDP ratios.