

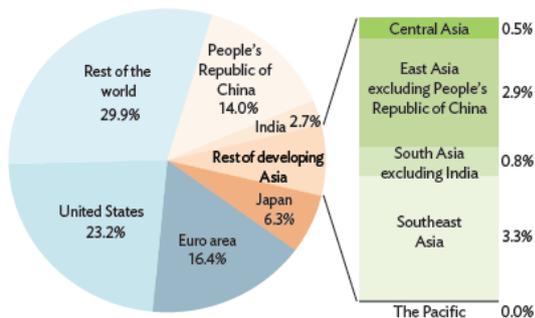
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Highlights

- The first quarter of 2018 continued to see a steady upward swing in global growth, with the IMF anticipating GDP growth of 3.9% in 2018. Prospects continue to be bright in major advanced economies, led by the US and the Eurozone. However, protectionist policies and retaliation from China could derail this growth momentum.
- The US economy is expected to grow by 1.3% in the first quarter and by 2.5% this year. A weaker dollar, more stable commodity prices and stronger exports and manufacturing have boosted activity in the US. The recently enacted tax cut should boost income for consumers and businesses, however there is concern on the potential trade war between the US and China.
- Commodity prices continued their upward trend this quarter, with the World Bank's *Energy Price Index* and *Non-Energy Price Index* increasing by 4.0% and 4.3% respectively over the first quarter 2018. The Brent crude oil price rose to \$66.45/bbl, in response to unplanned outages and stronger economic growth. Agriculture prices rose slightly and are expected to stabilise in 2018.
- Economic growth in the Pacific subregion has been downgraded to 2.2% in 2018, due to the impact of natural disasters, especially the earthquake in PNG Highlands, Fiji and Tonga's cyclones. Australia's foreign aid and China's growing influence in the region has been a hot discussion topic in the first quarter.
- PNG's GDP is projected to grow between 1.8% and 2.5% in 2018, compared to 2.2% in the previous year. ADB projects GDP growth of 1.8%, taking into consideration the impact of the recent earthquake in PNG Highlands, which disrupted gas production and other business activities for around 2 months. 2018 will be a challenging year, given the on-going foreign exchange shortages, fiscal challenges and rebuilding after the Highlands earthquake. Debt concerns have culminated in S&P downgrading PNG's sovereign rating from 'B+' to 'B' in April 2018.

Global share of income, 2016



Note: Weights are based on gross national income in current US\$, Atlas method.

Source: ADB estimates using data from World Development Indicators online database (accessed 30 March 2018).

Source: ADB Outlook, April 2018



Global Economy

The IMF estimated that the world economy grew by 3.8% [World Bank estimated 3.0% growth] in 2017, supported by a rebound in global trade and its impact on global investment. Global growth is expected to increase to 3.9% in 2018 and 2019. The steady upward swing in growth continued around the world in the first quarter of 2018.

Global trade is estimated to have increased by 4.9% in 2017, with emerging economies experiencing improved investment growth rates led by formerly stressed commodity exporters. Investment and domestic demand have recovered as well. The IMF growth projections are shown in table 1.

Table 1: Growth projections (%)

Global Growth Forecasts (% change)					
	2015	2016	2017	2018F	2019F
World	2.8	3.2	3.8	3.9	3.9
Advanced economies	2.2	1.7	2.3	2.5	2.2
US	2.9	1.5	2.3	2.9	2.7
Euro Area	2.1	1.8	2.3	2.4	2.0
Japan	1.4	0.9	1.7	1.2	0.9
Emerging market & developing economies	3.6	4.4	4.8	4.9	5.1
China	6.9	6.7	6.9	6.6	6.4
India	8.0	7.1	6.7	7.4	7.8
Australia	2.4	2.5	2.3	3.0	3.1
New Zealand	3.2	3.6	3.0	2.9	2.9

Source: IMF World Economic Outlook, April 2018

Prospects continue to be relatively bright in the major advanced economies, led by a synchronous acceleration in economic activity in the United States (US) and the Eurozone. Industrial production in advanced economies is growing at the fastest pace since February 2011, when the world's economies were still recovering from the Global Financial Crisis.

A weaker dollar, more stable commodity prices and stronger global investment and trade have helped boost exports and manufacturing in US. The recently enacted tax package [cutting corporate income tax from 35.0% to 21.0%], boosted after-tax income for consumers and businesses, and a second fiscal stimulus tied to the spending side of the budget should also begin to take effect next quarter, providing another boost to domestic demand. The US economy is expected to grow by 2.5% in 2018, compared to 2.3% in the previous year.

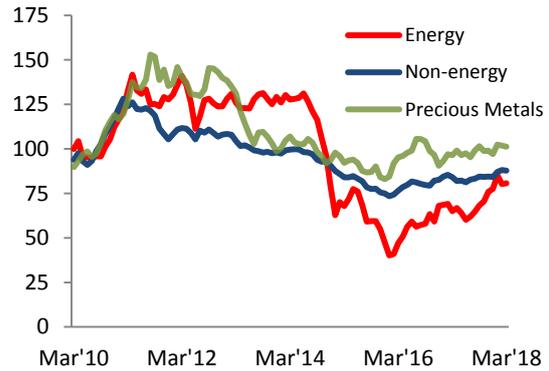
Economic growth in China remained solid at 6.9%, fuelled by the consumer sector, while investment spending decelerated due to high leverage in the business sector. Retaliatory actions from China regarding the recent import restrictions [10% tariff on aluminium imports and a 25% tariff on steel imports] announced in early March by the US, raise concerns and threaten to damage global and domestic activity and sentiment. Climate change, geopolitical tensions, and cybersecurity breaches pose additional threats to the subdued medium-term global outlook.



Commodities

Commodity prices increased in the first quarter of 2018 on the back of supply outages and stronger-than-expected global economic growth. The World Bank's *Energy Price Index* and *Non-Energy Index* rose by 4.0% and 4.3% respectively during the first quarter, reversing the declines in the corresponding quarter of 2017. *Precious Metals Index* increased by 4.3%, following strong growth in all major economies and production cuts in China (Figure 1). Agricultural prices rose less than those of other commodities, but they have been catching up following unfavorable weather, especially in the Western Hemisphere.

Figure 1: World Bank Commodity Indices



Source: World Bank [Pink Sheet], BSP

Brent crude oil price rose 3.5% to \$66.45/bbl in the first quarter of 2018, compared to \$64.21/bbl in the fourth quarter of 2017. Over the 12-months, oil prices have risen by 26.1%, attaining their highest level since 2015, in response to unplanned outages and stronger global economic growth. Natural gas prices increased sharply as a result of winter heating use and strong demand from China.

Metal prices rose in line with better-than-expected growth in all major economies. Purchasing Managers' Indices (PMI) for major economies have been well above the 50-point mark, led by the US and the Eurozone, and were about 60 as of February 2018. Prices for most of PNG's export commodities are expected to rise in 2018, which will be positive for the economy. However, the impact of the Highlands earthquake on economic growth will be significant.



Pacific Overview

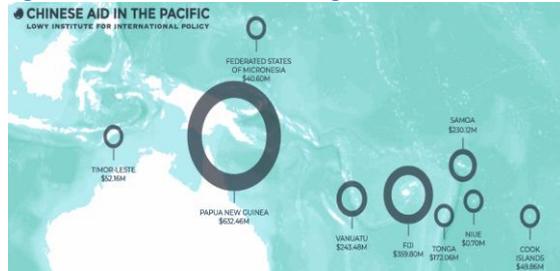
The first quarter of 2018 was marked by natural disasters in the Pacific region with ADB projecting GDP growth to decline to 2.2% [3.2% projected in October 2017] this year, from 2.9% in 2017. The PNG Highlands earthquake has been the main factor for the downgrade in growth projections.

Australia's foreign aid and China's growing influence in the Pacific region was one of the main points of discussion in the Pacific. Though Australia is the largest provider of development assistance in the Pacific, China's investment has grown significantly. According to

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Jonathan Pyke, Chinese total committed aid in the Pacific region was US\$1.7bn between 2006 and June 2016 (Figure 2). China typically engages in large infrastructure projects by providing low interest, or 'concessional', loans that eventually have to be repaid.

Figure 2: Chinese Aid in the Pacific region



Source: Lowly Institute, January 2018

Beside the above agenda, there are some developments that will impact growth projections. First, developments in the ongoing potential trade-war between the US and China may have larger ramifications. The US has shown interest to returning to the Trans-Pacific Partnership (TPP) trade pact as a contingency measure in case of China's retaliation. Second, the expansion in the US may prompt the US Federal Reserve to raise interest rates more rapidly than markets currently anticipate. Finally, caution is necessary when private debt grows very quickly, as this is found to be correlated with larger subsequent declines in GDP. Developments in these agendas will impact global growth and economic activities in the Pacific region.



Papua New Guinea

PNG's GDP is projected to grow between 1.8% and 2.5% in 2018, compared to 2.2% in the previous year. This increase in growth is expected to be driven by increased activity in the non-mining sector, supported by spending relating to the APEC summit. ADB's growth projection takes into consideration the impact of the earthquake, while IMF and Treasury are yet to factor that into their growth projections (Figure 3). 2018 will be a challenging year, given the on-going foreign exchange shortages, fiscal challenges and rebuilding after the natural disaster.

Figure 3: PNG GDP Projections [%]



Source: IMF, ADB, 2018 National Budget, BSP

The APEC meetings have commenced as planned with digital driven trade and development being discussed in the First Senior Official Meeting in Port Moresby. Construction is still going on in Port Moresby with the Poreporena freeway reconstruction. There are meetings around the world as a build-up to the APEC main event to be attended by global leaders between 12th and 18th November 2018 in Port Moresby.

Moody's 2018 PNG's sovereign rating was maintained at B2, however the outlook was lowered to 'negative' from 'stable' in 2017. *Standard & Poor's* has downgraded PNG's sovereign rating to 'B', from 'B+' due to slower economic growth and lower government revenues leading to fiscal deficits and rising government debt and debt service costs. PNG's Treasury Secretary, Mr. Dairi Vele criticised the report stating that; it was 'misconceived' and based on outdated data.

Business Council of PNG reported that sales have been flat, with retailers and manufacturers facing challenges mainly due to the foreign exchange shortage. Despite temporary intervention by the Bank of PNG, there is need for the government and the Bank to work in collaboration to find a long-term solution.



Consumer Price Index

Headline Inflation was estimated at 4.7% in 2017, compared to 6.6% in 2016. This is in contrast to the 5.9% estimated in the 2018 budget. Bank of PNG stated that the decline reflected lower economic growth, stable exchange rate and lower prices of seasonal food items. According to National Statistics Office (NSO), alcohol beverages, tobacco and bettlenut, health and household equipment increased by 12%, 10% and 6.9% respectively.

Figure 4: Inflation (% quarterly)



Source: Bank of PNG, BSP

Inflation is projected to be slightly higher at 5.0% in 2018 - lower than the 5.5% projected 6-months ago and 5.9% estimated in the 2018 budget.

According to the Independent Consumer & Competition Commission (ICCC) statistics, indicative retail prices have increased by 6.5% (18 toea) on average for Petrol (+2.5%), Diesel (+10.8%) and Kerosene (+6.3%). ICCC expects fuel prices to increase by around 15.7% in 2018, exerting a flow-on effect on the prices of other goods and services. This reflects increase of excise tariff on petrol from K0.10 to K0.23 per Litre as passed in the 2018 budget. Inflation is likely to increase as excise tariff on petrol, commodity prices and APEC spending pushes prices in 2018.



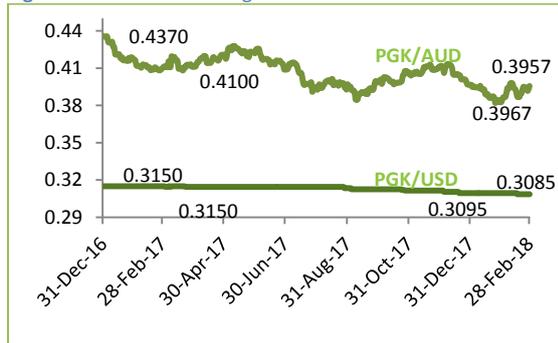
PNG Exchange Rate

The foreign exchange shortage continues to be a challenge for businesses. Over the quarter, PNG Kina depreciated against the USD by 0.6% to 0.3075. Against the AUD, the kina appreciated slightly to 0.3873 (1.2%) reflecting broader based weakness for the

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Australian unit. Compared to a year earlier, PGK/USD was down by 2.4% while PGK/AUD was 5.8% weaker.

Figure 5: Kina movement against USD and AUD



Source: Bank of PNG, BSP

The foreign exchange shortage continues to weigh on business activities and economic growth. Many external commentators view this as evidence of kina overvaluation. Indeed, BSP had expected more kina weakness following signaling from the authorities that they were comfortable with a greater degree of foreign exchange liquidity. However, to date this has not manifested itself in a significantly lower exchange rate.

Foreign exchange turnover for the first quarter was PGK 6.821bn, down 6.5% in Kina terms or 8.6% in US\$ terms. Lack of foreign exchange inflows has pushed non-resource sector imports down to 10.0% of GDP from a PNG LNG induced peak of 26.0% in 2009-11. The Bank of PNG's foreign reserve position is currently at US\$1.7bn or 5-months of total import cover. Significant improvements in the reserve position are only likely if the sovereign state can access external US\$ financing, be it commercial bank debt, agency bank loans or a sovereign bond issue. There is a need for the government and Bank of PNG to work in collaboration to find a long-term solution.



Fiscal Position

The government's revenue was 5.0% or K546m higher at K11.5bn, compared to K10.9bn projected in the 2017 supplementary budget. The higher than expected revenue reflected improved GST collections and higher than budgeted donor grants.

Total expenditure was 3.6% or K464m higher at K13.3bn, compared to projection of K12.9bn in the supplementary budget. The increase in revenue more than offset the increase in expenditure resulting in a budget deficit of 2.4% in 2017.

Comparison with the 2016 actuals show that revenue increased by 9.9% or K1.0bn, while expenditure declined by 1.9% or K1.3bn in 2017. According to the Final Budget Outcome (FBO), total revenue increase was driven by GST collection and supported by other revenue, especially donor grants. Table 2 summarises the fiscal position of the government.

Table 2: Budget summary

2018 National Budget, FBO 2017					
	2016 Actual	2017 Budget	2017 Supp. Budget	2017 Actual	2018 Projection
Revenue (K'm)	10,486	11,473	10,979	11,525	12,731
Expenditure (K'm)	13,572	13,350	12,856	13,320	14,718
Net Deficit (K'm)	3,087	1,877	1,877	1,795	1,987
Deficit as % of GDP	4.6	2.5	2.5	2.4	2.5
Debt (K'm)	21,944	21,623	23,808	23,558	25,808
Debt as a % of GDP	32.4	28.8	32.1	31.9	32.2
Real GDP growth rate (%)	2.0	2.8	2.2	2.2	2.4
Inflation (%)	6.7	7.0	5.9	4.7	6.9

Source: FBO 2017, 2018 National Budget

Though expenditure was lower than 2016 figure, it is 3.6% higher than the 2018 Supplementary budget - this reflects expenditure overruns, especially in compensation of employees (PE), debt servicing, donor grant related expenditure and project expenditure funded by concessional loans.

Financing of the K2.0bn budget deficit will be challenging with most domestic financiers reaching their sovereign exposure limits. Public debt is expected to be K25.8bn or 32.2% of nominal GDP in 2018. The government have so far announced external financing of US\$790mn (K2.6bn) from World Bank (US\$300m), ADB (US\$300m) and Credit Suisse (US\$190m). Debt concerns have culminated in S&P downgrading PNG's credit rating to 'B', from 'B+' which has been maintained since 2007. A lower credit rating means that investors or financiers wishing to invest in PNG will seek higher returns (mostly reflected in higher interest rate) to compensate for the risks. In light of this, the government's plan to issue sovereign bond of US\$500m (K1.6bn) will be challenging.



Fiji

ADB projects economic growth to moderate to 3.6% this year, compared to 4.2% in 2017. The deceleration is mainly due to the slow-down in construction activities following the impact of the tropical cyclone in 2016. All economic sectors are expected to be positive in 2018, led by manufacturing, public administration & defense and transport & storage. In April, tropical cyclone Josie hit the Western Division, with Reserve Bank of Fiji (RBF) activating the rehabilitation facility with funding of FJD40m to assist affected businesses and homeowners.

Figure 6: GDP growth [%]



Source: ADB, IMF, RBF, BSP

Inflation declined to 2.3% in February, from 2.8% in December 2017 and 5.5% registered in the same period of 2017. Prices were higher for alcoholic beverages, tobacco & narcotics; housing, water, electricity, gas & other fuels; and transport. The year-end inflation is

projected at 3.0% on account of higher actual inflation outcomes in the first two months of the year coupled with upward pressure from global commodity prices and trading partner inflation.

Visitor arrivals declined by 3.5% to 62,648 in January 2018, due to lower arrivals from China, Australia, and the rest of Asia. However, the tourism sector is expecting a record year, with benefits from new direct flights to Japan and increased flights to Singapore and San Francisco. High tourism receipts and remittance have supported foreign reserves which remained at FJD2.2bn as at 29 March. This is sufficient to cover 4.9 months of retained import.

In this quarter, the *South Pacific Stock Exchange (SPSE)* surpassed the FJD2bn mark for market capitalization compared to FJD1.8bn in 2017, FJD1.3bn in 2016 and around FJD0.8bn five years ago. The market capitalization to GDP ratio is around 18%. There is also international interest on Fiji's Green Bond, with the government planning to list it on *London Stock Exchange (LSE)* and SPSE.



Solomon Islands

Economic growth in Solomon Islands is expected to stabilize around 3.0% in 2018 and 2019.

Though log production is expected to decline, the anticipated increase in nickel and bauxite output and construction activities associated with the planned rehabilitation of the Gold Ridge gold mine will support growth. IMF and ADB projections are presented in Figure 7 below.

Figure 7: GDP growth [%]



Source: ADB, IMF, BSP

Anecdotal indicators show that production rebounded in January 2018, reflecting a pick-up in round log production, following a decline in the previous month. Improvements in palm oil production and an expected strong pickup in fish catches will further support the rise in the production. The average international price for all major commodities improved in the first quarter.

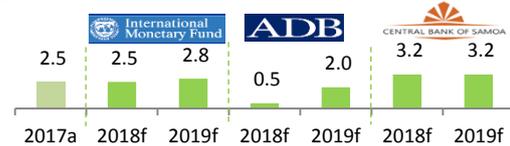
The government's fiscal position improved with a surplus of SBD100m recorded in January 2018. The government is operating on an interim budget while awaiting passage of the 2018 national budget, which is expected to be passed in April 2018. The government is likely to face spending pressures in the approach to elections in early 2019.



Samoa

Samoa's economic growth declined to 2.5% in 2017. GDP growth is expected to moderate in 2018, reflecting the closure of the Yazaki manufacturing plant. GDP growth in 2019 is projected between 2.0% and 3.2% (Figure 8), supported by infrastructure spending, preparation for the Pacific Games (PG).

Figure 8: GDP growth [%]



Source: IMF, ADB, CBS

The replacement of job loss and economic contribution resulting from the closure of Yazaki will be challenging. On the positive side, preparations on the hosting of the 2019 Pacific Games will support construction and economic activities in 2018 and 2019.

Inflation is expected to remain within the Central Bank of Samoa's 3% target. This outlook is subject to downside risks related to natural disasters, and spillovers from the partial withdrawal of correspondent banking relationship.

The Central Bank of Samoa (CBS) has come out strongly on scams and cryptocurrency. CBS warned that such schemes are very risky and people who invest stand to lose their investment. Cryptocurrency is unregulated, which makes it difficult to put in place procedures that will protect the public, as lack of regulation will attract criminal participation such as fraudsters and scammers. It can also be used for money laundering purposes and tax evasion. The same sentiment has been expressed in other Pacific Island Countries.



Tonga

Economic growth in Tonga improved with real GDP

increasing by 3.1% in 2017. Growth has been supported by infrastructure rehabilitation, upgrade of the Fua domestic wharf [US\$30m], improved tourism, and continued recovery in remittances. There is wide variance in projections for 2018 with ADB taking into consideration the impact of the recent cyclone in its projections (Figure 9).

Figure 9: GDP growth [%]



Source: ADB, IMF, NRBT

Tonga is recovering from the impact of Cyclone Gita that hit the country on 12 February 2018. Initial findings across the island revealed that 119 homes were destroyed and another 1,131 damaged. Agriculture was

devastated, with damage estimated at US\$152m. Damages to the power grid reached US\$14.6m as well. With agriculture, fishing, and tourism affected, the economy is now forecast by ADB to shrink in 2018.

Headline inflation rose to 5.7% over the year to January 2018, slightly above the National Reserve Bank of Tonga (NRBT's) reference rate of 5.0%. The increase in inflation rate was due to higher prices of food, transportation, alcohol, electricity and kava.



Cook Islands

Economic growth in the Cook Islands was 3.2% in 2017, compared to 8.4% in 2016. The lower than anticipated growth was primarily due to low investment, which more than offset the impact of tourism growth. Economic growth is expected to grow between 1.6% and 3.5% in 2018 as illustrated in Figure 10.

Figure 10: GDP growth [%]



Source: ADB, MF&EM

Headline inflation for December quarter 2017 was 0.5% lower than September quarter 2017 and was 0.4% higher when compared to December quarter 2016. This reflected the decrease in transportation and household operations basket.

According to ADB, visitor arrivals rose by 14.9% in 2017, which contributed to growth in retail, hotels, restaurants, transport and communications. Utilities also expanded with the implementation of water supply, sanitation, and renewable energy projects. Meanwhile, S&P has affirmed 'B/B+' rating of the country citing sound tourism prospects and donor support.

According to the preliminary financial results for the year [ending June 2017], the operating revenue of the government was up 15% to NZ\$ 171.5m due to improved tax revenue resulting from record number of tourist arrivals in 2016/17 and higher than expected fishing revenue. Operating expenditure was managed well at NZ\$125.8m [2% below budget]. The net operating balance was a surplus of NZ\$45.7m. In 2017, fiscal surplus equalled 7.3% of GDP, up from 3.9% in 2016. These surpluses will be required to fund capital projects - Te Mato Vai and Mei Ti Vai Ki Te Vai, in addition to new capital projects such as the Manatua Cable, which are planned for the next four years.



Vanuatu

Economic growth in Vanuatu is expected to moderate between 3.2% and 3.8% in 2018, from 4.5% in 2017 (Figure 11). The services sector, which provides nearly two-thirds of GDP, is projected to continue to expand slightly on higher tourism and public administration. Growth this year is expected to be

driven by recovery in tourism and agriculture, and scaling up of infrastructure.

Figure 11: GDP growth [%]



Source: ADB, IMF, BSP

According to IMF, inflation is estimated to have picked up to 3.1% in 2017 driven by domestic demand mainly from a temporary increase in VAT from 12.5% to 15.0%. The increase in VAT will boost revenue, particularly from tourist spending. ADB expects inflation to increase to 4.8% in 2018.

IMF expects the fiscal deficit to remain high at around 7.0% to 8.0% of GDP in 2017 and 2018 reflecting elevated spending on reconstruction and infrastructure. The public and publicly-guaranteed debt increased since 2014 mainly due to disbursements for reconstruction and infrastructure projects, though the new external borrowing was highly concessional.

The Reserve Bank of Vanuatu (RBV) launched the country's National Financial Inclusion Strategy (NFIS) 2018-2023 on 28 March 2018. The NFIS will provide an important road map of the financial inclusion journey with the ultimate aim of improving access to and usage of appropriate financial services by the underserved adult population and Micro, Small and Medium Enterprises (MSME) in Vanuatu.



Cambodia¹

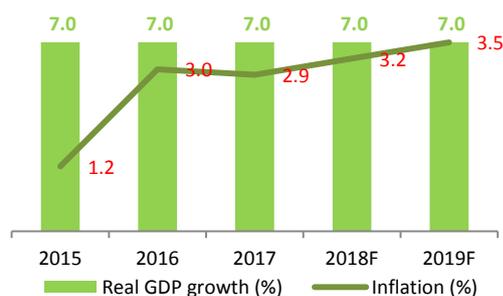
Cambodia's economy continued to grow at 7.0%, supported by higher public spending and robust construction and tourism activity. Growth is projected to remain stable at 7.0% in 2018 and 2019, sustained by robust expansion in exports, strong FDI inflows, solid tourist arrivals, and buoyant domestic demand. Downside risks to the outlook include a sharp slowdown in the Chinese economy and potential election-related uncertainty.

Inflation moderated to 2.9% [IMF: 3.5%] in 2017, compared to 3.0% in 2016. Inflation declined to 2.0% in January 2018, and is forecast to rise to 3.2% this year and 3.5% in 2019, with continued strong GDP growth and international food and oil prices trending higher (Figure 12).

¹ Cambodia is now covered in our analysis given BSP Finance commencing its operations in 2017.

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Figure 12: GDP growth and Inflation



Source: ADB Outlook, April 2018

The general government's deficit is estimated to have widened to 2.6% of GDP in 2017, as revenue growth more than offset by higher spending. The 2018 budget includes further increases in public wages and capital spending, highlighting education, health and social protection among priority development areas. The government targets a higher deficit at about 5.0% of GDP.

Leaders of the Greater Mekong Subregion (GMS) celebrated their 25-years cooperation on 31 March 2018. The GMS Program has supported projects worth US\$21bn since its establishment in 1992 in sectors such as transport, tourism, health, urban development, environment, human resources development, agriculture, and energy.

The program is expected to support 227 projects worth US\$66bn from 2018 to 2022, of which ADB will finance US\$7bn. The Plan calls for an expansion of economic corridors to boost connectivity between countries, as well as between rural and urban centers, to ensure a more equitable distribution of the benefits of economic growth.

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MACRO-DATA

FX DEVELOPMENTS

Real GDP Growth (% annual)

	2016	2017	2018f	2019f
PNG	2.0	2.2	2.4	2.5
Fiji	0.4	4.2	3.6	3.3
Solomon Islands	3.2	3.0	3.0	3.0
Samoa	7.1	2.5	2.1	2.7
Tonga	3.1	3.1	2.3	2.6
Cook Islands	8.4	3.2	2.6	1.8
Vanuatu	4.0	4.5	3.5	3.3
Cambodia	7.0	7.1	7.0	6.9

Inflation (%)

	2016	2017	2018f	2019f
PNG	6.6	4.7	5.0	4.8
Fiji	3.9	3.8	3.3	3.0
Solomon Islands	0.5	-0.5	1.7	4.0
Samoa	0.1	1.8	1.9	3.0
Tonga	2.6	7.5	2.7	2.5
Cook Islands	1.6	1.6	1.1	1.3
Vanuatu	0.9	2.6	2.8	3.0
Cambodia	3.0	3.4	3.5	2.9

Fiscal Balance (% of GDP)

	2016	2017	2018f	2019f
PNG	-4.6	-2.5	-2.5	-2.2
Fiji	-4.0	-2.0	-3.4	-3.3
Solomon Islands	-1.2	-0.5	1.7	1.6
Samoa	7.4	-9.3	-4.1	0.1
Tonga	-3.1	-1.2	-2.2	-2.2
Cook Islands	3.7	1.4	-6.0	-6.0
Vanuatu	0.1	-7.6	-10.0	-10.0
Cambodia	-2.8	-0.9	na	na

Sources: **Commodities & FX:** Bloomberg, WB, PNG: 2017 Supplementary Budget, Department of Treasury, Bank of PNG, ADB, BSP **Fiji:** Reserve Bank of Fiji, ADB, IMF, BSP: **Solomon Islands:** Central Bank of Solomon Islands, ADB, IMF, BSP: **Samoa:** Samoa Bureau of Statistics, ABD, IMF, BSP: **Cook Islands:** Financial Supervisory Commission, ADB, IMF, BSP: **Tonga:** Tonga Department of Statistics, IMF, ADB, BSP: **Vanuatu:** ADB, IMF, Reserve Bank of Vanuatu, BSP: **Cambodia:** ADB, IMF, National Bank of Cambodia, BSP

FOREIGN EXCHANGE

	JAN	FEB	MAR
PGK/USD	0.3095	0.3085	0.3075
FJD/USD	0.4984	0.4913	0.4885
SBD/USD	0.1291	0.1286	0.1279
WST/USD	0.3962	0.3962	0.3962
TOP/USD	0.4626	0.4600	0.4551
NZD/USD	0.7329	0.7236	0.7208
VUV/USD	105.04	107.13	107.89
KHR/USD	4,015.96	4,011.9	3,998.95

COMMODITIES

	JAN	FEB	MAR
Oil (US\$ per barrel WTI)	64.73	61.64	64.94
Gold (US\$ per troy ounce)	1,345	1,318	1,325
Copper (US\$ per metric ton)	7,118	6,931	6,714
Nickel (US\$ per metric ton)	13,600	13,790	13,300
Palm Oil (MYR per metric ton)	2,490	2,571	2,380
Coffee (US\$ per LB)	121.85	121.05	118.15
Cocoa (US\$ per metric ton)	2,035	2,241	2,584
Sugar (US\$ per LB)	13.23	13.48	12.35
Lumber (US\$ per 1,000 feet)	470.90	16.60	515.70

Foreign Exchange Reserves (USD m)

	2016	2017	2018f	2019f
PNG	1,678	1,700	1,900	na
Fiji	972	960	1,156	na
Solomon Islands	514	520	542	561
Samoa	113	125	132	na
Tonga	140	na	na	na
Cook Islands	na	na	na	na
Vanuatu	na	na	na	na

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