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# Statistical Release

Balance of Payments and International  
Investment Position Estimates of Niue  
2006/07 – 2011/12



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## **Introduction**

Fakaalofa lahi atu.

Statistics Niue is very happy to put out this statistical release of the Balance of Payments and International Investment Position (BoP/IIP) Estimates of Niue which in brief highlights the accounting record of all monetary transactions between Niue and the rest of the world for the period of 2006/07 to 2011/12.

This is the second year of the compilation of BoP/IIP estimates for Niue since it was ceased in 2001 and Statistics Niue office is very grateful for the on-going assistance of Michael Andrews from the Pacific Financial Technical Assistance Centre of the International Monetary Fund (PFTAC/IMF).

Fakaaue lahi.

This compilation of the BoP/IIP estimates of Niue was compiled with the guidelines of the IMF BPM6 Framework.

In this release there has been some improvements in the availability of data for this compilation but there were still a lot of gaps in the data used (some of them were still not all available at the time of compilation, especially in the private sector business) hence this release remains to be preliminary once again. Therefore we would like to advise users, to use it with cautious. We endeavour to improve it in due time. Fakaaue lahi.

We would also like to take this opportunity to acknowledge and thank all the assistance we received from different sectors of Government and various Private Sector Businesses in realising this statistical compilation of Niue. It is our aim to maintain this partnership and cooperation with all parties, and the use of statistics for decision making and policy making in order to achieve our common goal of making Niue a better place for all to live and enjoy.

If you have any questions or comments about this compilation and how we can improve it, please let us know.

Kia monuina e totouaga. Fakaaue lahi.



*KimRay Vaha*

***Government Statistician***



## 1. FIGURES AT A GLANCE

Niue Balance of Payments and  
International Investment Position (NZ,\$000's)

Year ended 30 June 2011/12

### Current and Capital Accounts:

▪ Goods and Services	=	-12,762	
▪ Primary Income	=	3,172	
▪ Secondary income	=	11,869	
▪ Current Account balance	=	2,280	
▪ Capital Account balance	=	<u>341</u>	
▪ Net lending/borrowing	=	<u>2,621</u>	

### Financial Account:

▪ Net incurrence of Assets	=	3,050	
▪ Net incurrence of Liabilities	=	-3,106	
▪ Net lending/borrowing	=	<u>6,153</u>	

Net errors & omissions = -3,534

### Niue International Investment Position (IIP)

Assets	=	57,371	
Liabilities	=	<u>1,002</u>	
Net IIP	=	<u>56,369</u>	

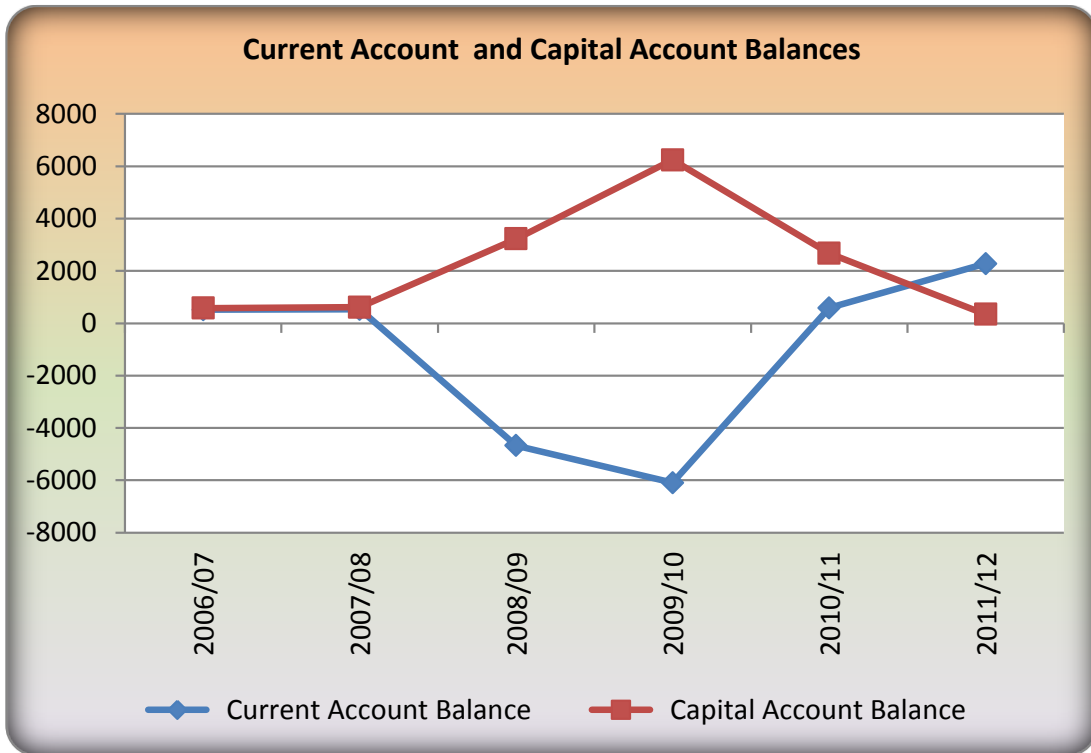
## 2. Niue Balance of Payments: 2006/07-2011/12 *(preliminary)*

**Table 1: Niue Balance of Payments Summary \$'000**

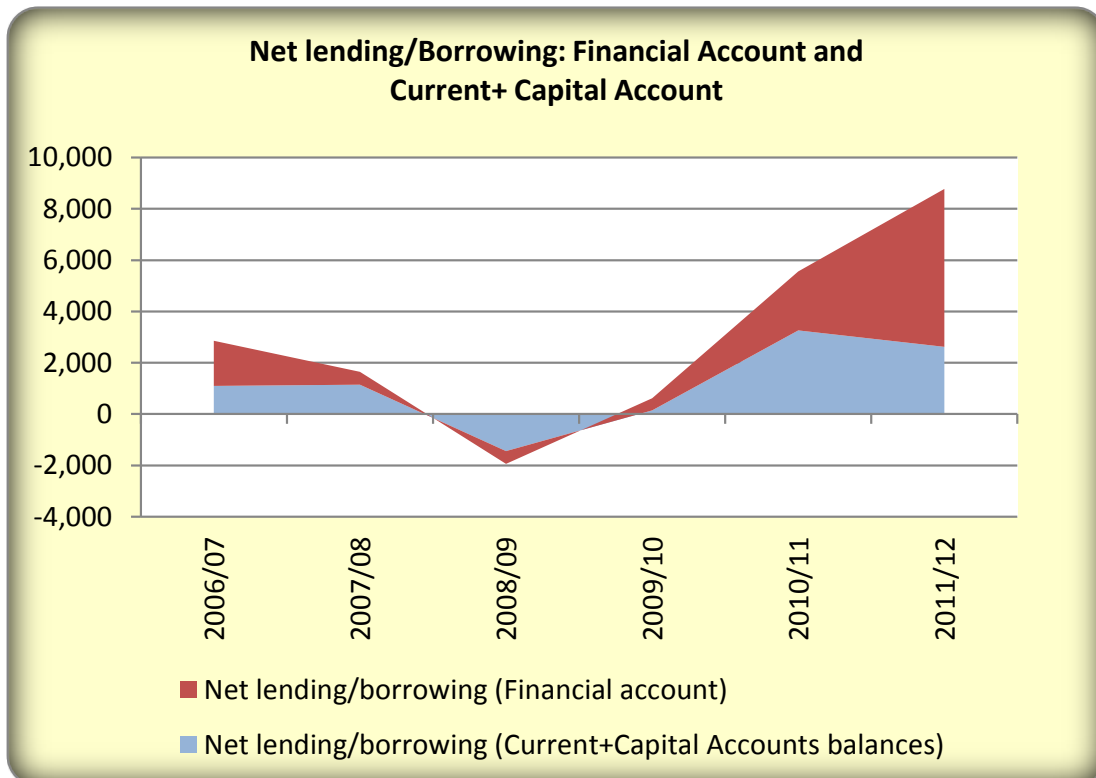
Year ended 30 June	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12
<b><u>Current account</u></b>						
Goods credit	3,805	3,241	1,905	1,669	1,729	1,706
Goods debit	9,746	10,302	11,485	11,091	12,609	13,523
<b>Goods balance</b>	<b>-5,941</b>	<b>-7,061</b>	<b>-9,580</b>	<b>-9,422</b>	<b>-10,879</b>	<b>-11,817</b>
Services credit	2,925	4,120	4,654	5,085	5,716	6,325
Services debit	4,697	5,381	10,618	12,962	7,938	7,270
<b>Services balance</b>	<b>-1,772</b>	<b>-1,261</b>	<b>-5,964</b>	<b>-7,877</b>	<b>-2,222</b>	<b>-944</b>
<b>Goods and services balance</b>	<b>-7,713</b>	<b>-8,322</b>	<b>-15,544</b>	<b>-17,299</b>	<b>-13,101</b>	<b>-12,762</b>
Primary income credit	524	484	547	498	3,145	3,267
Primary income debit	95	95	95	95	95	95
<b>Primary income balance</b>	<b>429</b>	<b>389</b>	<b>452</b>	<b>403</b>	<b>3,050</b>	<b>3,172</b>
Secondary income credit	10,270	11,128	13,500	13,937	14,236	15,890
Secondary income debit	2,466	2,666	3,080	3,139	3,597	4,021
<b>Secondary income balance</b>	<b>7,804</b>	<b>8,462</b>	<b>10,419</b>	<b>10,798</b>	<b>10,638</b>	<b>11,869</b>
<b>Current Account Balance</b>	<b>519</b>	<b>529</b>	<b>-4,673</b>	<b>-6,098</b>	<b>587</b>	<b>2,280</b>
<b><u>Capital account</u></b>						
Capital transactions credit	578	615	3,229	6,241	5,187	341
Capital transactions debit	-	-	-	-	2,512	-
<b>Capital Account Balance</b>	<b>578</b>	<b>615</b>	<b>3,229</b>	<b>6,241</b>	<b>2,675</b>	<b>341</b>
<b>Net lending/borrowing (Current+Capital Accounts balances)</b>	<b>1,097</b>	<b>1,145</b>	<b>-1,445</b>	<b>143</b>	<b>3,261</b>	<b>2,621</b>
<b><u>Financial Account</u></b>						
Net acquisition of assets	1,149	501	-232	886	3,364	3,050
Net incurrence of liabilities	-611	-202	263	414	1,065	-3,106
<b>Net lending/borrowing (Financial account)</b>	<b>1,760</b>	<b>501</b>	<b>-496</b>	<b>473</b>	<b>2,299</b>	<b>6,155</b>
<b>Net errors and omissions</b>	<b>-663</b>	<b>644</b>	<b>-949</b>	<b>-329</b>	<b>962</b>	<b>-3,534</b>
NEO as % of gross merchandise	-4.9%	4.8%	-7.1%	-2.6%	6.7%	-23.2%



**Graph 1. Current account and Capital account**



**Graph 2. Current account and Capital account**



### 3. Niue International Investment Position *(preliminary)*

**Table 2. Niue International Investment Position \$'000**

<i>At end of year</i>	<b>2006-7</b>	<b>2007-8</b>	<b>2008-9</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Assets	4,656	5,157	4,925	5,811	54,360	57,371
Liabilities	2,594	2,391	2,655	3,069	4,134	1,002
<b>Net international investment position</b>	<b>2,063</b>	<b>2,766</b>	<b>2,270</b>	<b>2,743</b>	<b>50,226</b>	<b>56,369</b>
<i>Change in net international investment position during the year</i>	1,760	703	-496	473	2,299	6,155
<i>Of which: BOP financial transactions</i>	1,760	703	-496	473	2,299	6,155
<i>Valuation changes</i>	0	0	0	0	0	0
<i>Volume changes</i>	0	0	0	0	0	0

### 4. Services Account *(preliminary)*

**Table 3: Services \$'000**

	<b>2006-7</b>	<b>2007-8</b>	<b>2008-9</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Services credit</b>	<b>2,925</b>	<b>4,120</b>	<b>4,654</b>	<b>5,085</b>	<b>5,716</b>	<b>6,325</b>
Transport	123	171	283	360	314	350
Travel	2,702	3,849	4,271	4,625	5,302	5,875
Other services	100	100	100	100	100	100
<b>Services debit</b>	<b>4,697</b>	<b>5,381</b>	<b>10,618</b>	<b>12,962</b>	<b>7,938</b>	<b>7,270</b>
Transport	2,851	3,374	3,779	3,668	3,814	4,604
Travel	1,143	1,322	1,489	1,816	1,825	1,967
Of which business	1,143	1,322	1,489	1,816	1,825	1,967
Of which personal	376	408	466	587	509	686
Education	767	915	1,024	1,229	1,315	1,281
Health	514	519	551	524	374	374
Other	200	229	100	100	0	0
Construction	0	0	2,376	5,202	1,035	0
Financial services	7	7	1	1	0	0
Other business services	626	603	2,896	2,200	1,169	622
Government goods and services n.i.e.	70	75	77	77	96	76



## 5. Primary and Secondary Income Accounts *(preliminary)*

**Table 4: Primary Income** \$'000

	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12
<b>Primary income credit</b>	<b>524</b>	<b>484</b>	<b>547</b>	<b>498</b>	<b>3,145</b>	<b>3,267</b>
Compensation of employees	108	108	108	108	108	108
Investment income	0	0	0	0	2,755	2,945
Other primary income	416	376	439	390	282	214
<b>Primary income debit</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>
Compensation of employees	95	95	95	95	95	95
Investment income	-	-	-	-	-	-
Other primary income	-	-	-	-	-	-

**Table 5: Secondary income** \$'000

	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12
<b>Secondary income credit</b>	<b>10,270</b>	<b>11,128</b>	<b>13,500</b>	<b>13,937</b>	<b>14,236</b>	<b>15,890</b>
General government	9,509	10,344	12,681	13,025	13,390	15,000
International co-operation	9,509	10,344	12,681	13,025	13,390	15,000
Other	-	-	-	-	-	-
Other sectors	761	784	818	912	845	890
Personal transfers	55	55	55	55	55	55
Insurance (net premiums and claims)	91	95	106	102	116	124
Other	616	634	658	755	675	712
<b>Secondary income debit</b>	<b>2,466</b>	<b>2,666</b>	<b>3,080</b>	<b>3,139</b>	<b>3,597</b>	<b>4,021</b>
General government	300	330	419	340	527	703
Other sectors	2,166	2,337	2,661	2,799	3,070	3,318
Personal transfers	1,521	1,682	1,896	2,117	2,276	2,437
Insurance premiums and claims	195	205	227	220	248	266
Other	450	449	538	461	546	616





## 6. Capital Transactions *(preliminary)*

**Table 6: Capital transactions \$'000**

	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12
<b>Capital transactions credit</b>	<b>578</b>	<b>615</b>	<b>3,229</b>	<b>6,241</b>	<b>5,187</b>	<b>341</b>
Disposal of non-produced nonfinancial assets	0	0	0	0	500	0
Capital transfers	578	615	3,229	6,241	4,687	341
Government	578	615	3,229	6,241	4,687	341
Other sectors	0	0	0	0	0	0
<b>Capital transactions debit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,512</b>	<b>0</b>
Acquisition of non-produced nonfinancial assets	0	0	0	0	2,512	0
Capital transfers	0	0	0	0	0	0
Government	0	0	0	0	0	0
Other sectors	0	0	0	0	0	0

## 7. Revision Tables *(preliminary)*

**Table 1: Niue Balance of Payments Summary \$'000**

Year ended 30 June	2006-7	2007-8	2008-9	2009-10
<b>Current account</b>				
Goods credit	0	0	0	230
Goods debit	-1,222	-2,029	-4,316	-5,136
Goods balance	1,222	2,029	4,316	5,367
Services credit	248	562	384	1,216
Services debit	-1,907	-4,685	-3,901	-981
Services balance	2,155	5,247	4,284	2,197
Goods and services balance	3,377	7,276	8,600	7,563
Primary income credit	0	0	102	0
Primary income debit	0	0	0	0
Primary income balance	0	0	102	0
Secondary income credit	252	325	2,156	1,350
Secondary income debit	1,214	1,367	1,683	1,646
Secondary income balance	-963	-1,042	473	-296
Current Account Balance	2,414	6,234	9,175	7,267
<b>Capital account</b>				
Capital transactions credit	0	5	3,229	6,241
Capital transactions debit	-	-	-	-
Capital Account Balance	0	5	3,229	6,241
<b>Net lending/borrowing (Current+Capital Accounts balances)</b>	<b>2,414</b>	<b>6,239</b>	<b>12,404</b>	<b>13,508</b>
<b>Financial Account</b>				
Net incurrence of assets	0	-1,109	-133	35
Net incurrence of liabilities	-611	-202	263	414
<b>Net lending/borrowing (Financial account)</b>	<b>611</b>	<b>-1,109</b>	<b>-396</b>	<b>-378</b>
<b>Net errors and omissions</b>	<b>2,103</b>	<b>7,678</b>	<b>13,219</b>	<b>14,339</b>

**Table 2. Niue International Investment Position \$'000**

At end of year	2006-7	2007-8	2008-9	2009-10
<b>Assets</b>	38	-1,092	-1,225	-1,189
<b>Liabilities</b>	1,300	796	1,159	722
<i>Net international investment position</i>	-1,262	-1,888	-2,384	-1,911
<i>Change in net international investment position during the year</i>	100	-626	-496	473
<i>Of which: BOP financial transactions</i>	100	-626	-496	473
Valuation changes	0	0	0	0
Volume changes	0	0	0	0



## 8. Technical Notes

### Concepts and Compilation Methods

#### Introduction

1. This section discusses some of the conceptual issues and methods used in developing Niue's draft balance of payments statistics, building on earlier explanations of the broad conceptual framework such as residence, the double entry system, and economic transactions. Additional information can be found in BPM6 and the Balance of Payments Compilation Guide.
2. The following describes the main changes made since the previous mission. For further detail, refer to the previous mission's report.

#### Compilation System

3. Tables showing revisions to the previous estimates are now included in the spreadsheets. Each item which is substantially revised has explanatory notes.

#### Goods

4. As noted above, the methodology for imports was changed to use IMTS data derived from Niue Customs where available and mirror data from StatsNZ. The estimates closely align with an independent indicator based on NCT available for 2010-11.

#### Transportation, Travel, Other Services

5. **Freight services** debit was revised to incorporate analysis done by the NSO with SPC on IMTS data. The analysis indicated that the rate of freight and insurance services on imported goods is approximately 20%, of which 2.5% is insurance.
6. **Travel services** credit refers to the expenditure by nonresidents visiting Niue and travel services debit is expenditure by Niuean residents abroad, excluding passenger fares. The data models used to compile these estimates are included in the compilation system. Some parameters of the model were revised, to adjust for cruise ship visitors which had previously been included in holiday tourists in some years, to use actual June year data (previously simply averaged calendar years), and reviewed the average spending per day of visitors to Niue. Note that travel services debit also include health and education services provided to Niue residents abroad (students and Niueans receiving medical treatment overseas, even if for more than one year, remain residents for ESS purposes).
7. **Construction** includes the value of donated assets recorded in the GoN accounts. The construction was undertaken largely by non-resident enterprises (operating in Niue for less than one year). The total value of the donated asset is included here, the contra entry being recorded as a capital grant in the Capital Account. Goods imported by the non-resident construction enterprise are not included in the Goods Account.
8. **Other business services** includes the value of donated services recorded in the GoN accounts. Included are legal, medical, technical assistance and other services provided by development partners. The contra entry is International Cooperation (Aid) in the Secondary Income Account.



## Households

9. Niue's financial system is very limited. Consequently, superannuation is managed by financial institutions in NZ. Contributions to the superannuation funds and receipts of superannuation from the funds are recorded in the Secondary Income Account. The mission could not get sufficient information to determine the nature of the funds and they have been treated as social security type funds, assuming a pay-as-you-go type arrangement with no pension supplement adjustments to account for investment returns, etc.

## Reserve Assets

10. Niue uses the NZ dollar as its official currency. Cash holdings and deposits of the GoN meet most of the criteria to be considered reserves. However, the GoN does not consciously undertake the functions of a monetary authority (BPM6, paragraph 6.66 – “Such operations include the issuance of currency; maintenance and management of reserve assets, including those resulting from transactions with the IMF; and operation of exchange stabilization funds.”). Reserve assets are, therefore, not shown in the ESS.

## Other Financial Assets and Liabilities

11. Estimates were made of (New Zealand) currency in circulation, as this is a financial claim by Niue residents on nonresidents, and are included in the balance of payments compilation system. At present, only the GoN holdings of New Zealand currency are included in the estimates. Some of the GoN holdings of currency are in trust funds for unspent project funds provided by development partners. The value held in these project trust funds is also recorded as a liability of the GoN because the funds are targeted for a specific purpose.

12. A loan from the NZ Government has been included in the IIP and transactions in repaying the loan included in the Financial Account. Part of the loan was forgiven and the debt forgiveness was included in the Capital Account.

13. From 2010-11 the NITF has been included in the IIP and transactions of the NITF are included in the Financial Account (and contributions by donors in the Capital Account) and the Primary Income Account (interest earned which is reinvested via a transaction in the Financial Account).

## Net Errors and Omissions

14. Because the ESS is an integrated, closed, system of accounts with a double entry basis, each entry should have a corresponding contra entry. However, in practice, estimates are derived from a variety of data sources, there are gaps in data and the valuation and timing of transactions and positions may differ from their contra entries. Consequently, errors occur in the estimation process. Net Errors and Omissions is calculated as the difference between net lending or borrowing from the current and capital accounts and net lending or borrowing from the financial account. All errors in the various accounts and positions accumulate into the Net Errors and Omissions. For Niue's preliminary ESS, the Net Errors and Omissions item is acceptable for all but the last year. However, it must be noted that the ESS currently has no data on assets and transactions of the private enterprise or financial sectors. The preliminary ESS should therefore be treated with caution.



## 9. Disclaimer

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