

# Tonga

This factsheet provides the latest statistics on trade and investment between the UK and Tonga.

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**Total trade in goods and services** (exports plus imports) between the UK and Tonga was **£6 million** in the four quarters to the end of Q1 2024, an increase of 500.0% or £5 million in current prices from the four quarters to the end of Q1 2023. Of this £6 million:

- Total UK exports to Tonga amounted to £1 million in the four quarters to the end of Q1 2024 (an increase of £1 million in current prices, compared to the four quarters to the end of Q1 2023);
- Total UK imports from Tonga amounted to £5 million in the four quarters to the end of Q1 2024 (an increase of 400.0% or £4 million in current prices, compared to the four quarters to the end of Q1 2023).

**Tonga was the UK's 213<sup>th</sup> largest trading partner** in the four quarters to the end of Q1 2024 accounting for less than 0.1% of total UK trade.<sup>1</sup>

In 2021, the **outward stock of foreign direct investment (FDI)** from the UK in Tonga was £22 million.

In 2021, the **inward stock of foreign direct investment (FDI)** in the UK from Tonga are not available due to data disclosure.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Trade data sourced from the latest ONS publication of <u>UK total trade: all countries seasonally adjusted</u> data.

<sup>&</sup>lt;sup>2</sup> Investment data sourced from the ONS <u>ad-hoc data release</u> if not provided in the latest ONS <u>main FDI release</u>.

## About these statistics

This factsheet presents the latest statistics on trade and investment between the UK and Tonga. It summarises a wide range of publicly available data, from data providers such as the Office for National Statistics (ONS) and HM Revenue and Customs (HMRC), as well as international data providers.

This factsheet is part of a wider range produced by the Department for Business and Trade which draws together many data sources into one single compendium document for each individual trade and investment partner. The full set of factsheets for different individual partners can be found on the <u>Trade</u> and Investment Factsheets website on GOV.UK.

Where data are available, these factsheets contain metrics on:

- Headline trade statistics between the UK and each trading partner for the latest four quarters.
- Trade statistics by commodity and service type.
- <u>Trade between the UK and each trading partner, broken down by UK country and English region.</u>
- Trade in services between the UK and each trading partner, broken down by mode of supply
- UK's market share as a total of all imports for each trading partner.
- Number of VAT-registered businesses trading goods.
- UK's Foreign Direct Investment (FDI) with each investment partner.
- <u>Summary trade and investment data as reported by each trade and investment partner, as well</u> <u>as economic data and projections.</u>

All statistics are correct at the time of publication, with upcoming release dates available on the <u>Government update schedule for Official Statistics</u>. The Department for Business and Trade strongly recommends users download the latest factsheet to ensure the most up-to-date statistics are used. Please do not use previous factsheets to analyse earlier time periods than those shown in the most recent factsheets, as the data will have been revised and previous factsheets will no longer be correct. For analysis of earlier time periods, please use the published source data.

For the most up to date snapshot of the UK's trade and investment position with all partners, please see the <u>UK trade in numbers</u> publication or the <u>trade and investment core statistics book</u>. These statistics are based on the same data sources as this factsheet and therefore are comparable. A list of all <u>Official</u> <u>Statistics</u> publications from the Department for Business and Trade can be found online.

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## Summary trade and investment statistics for Tonga

UK trade with Tonga, in current prices (based on the latest four quarters)<sup>3</sup>:

Trade	Value in the four quarters to the end of Q1 2024	Change from the four quarters to the end of Q1 2023
Total trade	£6 million	an increase of 500.0% or £5 million
Ranking out of all the UK's trading partners	213th	
Total UK exports	£1 million	an increase of £1 million
Ranking out of all the UK's export partners	215th	
UK exports in goods (percentage of total UK exports that were goods)	£1 million	an increase of £1 million
UK exports in services (percentage of total UK exports that were services)	less than £1 million	a change of less than £1 million
Total UK imports	£5 million	an increase of 400.0% or £4 million
Ranking out of all the UK's import partners	Joint 185th	
UK imports in goods (percentage of total UK imports that were goods)	£1 million (20.0%)	a change of less than £1 million
UK imports in services (percentage of total UK imports that were services)	£4 million (80.0%)	an increase of £4 million

### <u>UK trade</u> with Tonga, in current prices (based on the latest calendar year)<sup>4</sup>:

Trade	Value in 2023	Change from 2022
Total trade	£6 million	an increase of £6 million
Ranking out of all the UK's trading partners	Joint 211th	
Total UK exports	£1 million	an increase of £1 million
Ranking out of all the UK's export partners	Joint 214th	
UK exports in goods (percentage of total UK exports that were goods)	£1 million	an increase of £1 million
UK exports in services (percentage of total UK exports that were services)	less than £1 million	a change of less than £1 million
Total UK imports	£5 million	an increase of £5 million
Ranking out of all the UK's import partners	184th	
UK imports in goods (percentage of total UK imports that were goods)	£2 million (40.0%)	an increase of £2 million
UK imports in services (percentage of total UK imports that were services)	£3 million (60.0%)	an increase of £3 million

## UK market share in Tonga<sup>5</sup>:

Value in 2022	Change from 2021
0.0%	unchanged
0.0%	unchanged
0.0%	unchanged
	0.0%

 <sup>&</sup>lt;sup>3</sup> Trade data sourced from Office for National Statistics data on <u>UK total trade (seasonally adjusted data)</u>.
 <sup>4</sup> Trade data sourced from Office for National Statistics data on <u>UK total trade (seasonally adjusted data)</u>.
 <sup>5</sup> UK market share data calculated using the methodology outlined in the <u>market share section</u> in the factsheet, based on data from the Office for National Statistics and United Nations Conference on Trade and Development.

## UK Foreign Direct Investment (FDI) with Tonga<sup>6</sup>:

UK FDI	Value in 2021	Change from 2020
Total UK outward FDI	£22 million	Not available due to data disclosure
Total UK inward FDI	Data not available due to data disclosure	Comparison not available

## Economic statistics and projections using gross domestic product (GDP) for Tonga<sup>7</sup>:

Economic statistics	2020	2021	2022	2023
Economic growth, using GDP in real terms, compared to the previous year	0.5%	-2.7%	-2.0%	2.6%
GDP per capita in \$USD (in thousands)	4.9	4.7	5.0	5.5

Tonga was the 185<sup>th</sup> largest economy in 2023, in terms of gross domestic product (GDP).

 <sup>&</sup>lt;sup>6</sup> FDI data sourced from the Office for National Statistics <u>ad-hoc data release for FDI with all partners</u>.
 <sup>7</sup> Economic data sourced from the International Monetary Fund <u>World Economic Outlook</u> databases; Estimates and projections are given in italics; GDP rankings where provided are based on values in current prices (nominal terms) in \$USD, where some partner values are based on estimates which may influence the rankings when revised.

## Trade with Tonga, in current prices (ONS)<sup>8 9 10</sup>

#### Trade definitions

UK exports - Goods and services that were produced or sourced in the UK, which were sold to Tonga.

UK imports - Goods and services that were sold to the UK, which were produced or sourced by Tonga.

Total or 'bilateral' trade - The value of total trade between the UK and Tonga (exports plus imports).

Trade balance - The difference between exports and imports, calculated by UK exports minus UK imports.

Trade surplus - This occurs when the value of UK exports to Tonga is greater than the value of UK imports from Tonga.

Trade deficit - This occurs when the value of UK exports to Tonga is less than the value of UK imports from Tonga.

Headline trade statistics include trade in non-monetary gold (reported within the unspecified goods category), which can significantly affect trends for some partners. Please see the factsheet <u>quality and methodology report</u> for more information. These statistics are given on a balance of payments (change of ownership) basis.

**Note:** The latest data include trade between January 2023 and December 2023. Trade has been affected by the COVID-19 pandemic and the associated lockdown measures globally. Consequently, data quality has been affected and may be subject to larger revisions than normal. All figures are reported in current prices (not adjusted for inflation), unless otherwise stated. We recognise that some of the recent increases in UK trade values will be partly due to price increases.

**Total trade** in goods and services (exports plus imports) between the UK and Tonga was £6 million in the four quarters to the end of Q1 2024, an increase of 500.0% or £5 million in current prices from the four quarters to the end of Q1 2023.

In the four quarters to the end of Q1 2024, **total UK exports** to Tonga amounted to £1 million (an increase of £1 million in current prices, compared to the four quarters to the end of Q1 2023).

Of all UK exports to Tonga in the four quarters to the end of Q1 2024, £1 million (almost 100%) were **goods** and less than £1 million (less than 0.1%) were **services**. In the four quarters to the end of Q1 2024, UK **exports of goods** to Tonga increased by £1 million in current prices, compared to the four quarters to the end of Q1 2023 while UK **exports of services** to Tonga changed by less than £1 million in current prices, compared to the four quarters to the end of Q1 2023.

In the four quarters to the end of Q1 2024, **total UK imports** from Tonga were £5 million (an increase of 400.0% or £4 million in current prices, compared to the four quarters to the end of Q1 2023).

Of all UK imports from Tonga in the four quarters to the end of Q1 2024, £1 million (20.0%) were **goods** and £4 million (80.0%) were **services**. In the same period, UK **imports of goods** from Tonga changed by less than £1 million in current prices, compared to the four quarters to the end of Q1 2023 while UK **imports of services** from Tonga increased by £4 million in current prices, compared to the four quarters to the end of Q1 2023.

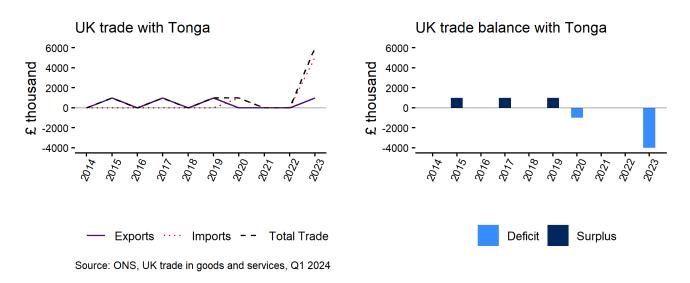
This means the UK reported a **total trade deficit** of £4 million with Tonga, compared to a trade deficit of £1 million in the four quarters to the end of Q1 2023. In the four quarters to the end of Q1 2024, the UK had a **trade in goods balance** of less than £1 million with Tonga, compared to a trade in goods deficit of £1 million in the four quarters to the end of Q1 2023. Meanwhile, in the four quarters to the end of Q1 2024 the UK reported a **trade in services deficit** of £4 million with Tonga, compared to a trade in services deficit of £4 million with Tonga, compared to a trade in services deficit of £4 million with Tonga, compared to a trade in services balance of less than £1 million in the four quarters to the end of Q1 2023.

<sup>&</sup>lt;sup>8</sup> Office of National Statistics (ONS) data source for total trade: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>9</sup> This factsheet contains data as reported by the UK, users are advised to use UK-reported data where possible for consistency between partners. These data are subject to <u>asymmetries</u> e.g. the value of UK exports to Tonga (reported by the UK) may not match the value of Tonga imports from the UK (reported by Tonga).

<sup>&</sup>lt;sup>10</sup> Data are in nominal terms, meaning no adjustment has been made to account for changes in inflation or exchange rate. The totals may not exactly match the sum of their parts due to rounding.

The charts below present a time series for trade between the UK and Tonga for each year between 2014 and 2023:



The data that are presented in the charts above are given in the table below in £ thousand:

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Value of total trade	0	1000	0	1000	0	1000	1000	0	0	6000
Value of exports	0	1000	0	1000	0	1000	0	0	0	1000
Value of imports	0	0	0	0	0	0	1000	0	0	5000
Trade balance	0	+1000	0	+1000	0	+1000	-1000	0	0	-4000

In the four quarters to the end of Q1 2024, Tonga was the UK's:<sup>11</sup>

- **213<sup>th</sup> largest trading partner** (accounting for less than 0.1% of total UK trade).
  - 194<sup>th</sup> largest **goods** trading partner (less than 0.1% of UK goods trade).
  - 207<sup>th</sup> largest **services** trading partner (less than 0.1% of UK services trade).
- 215<sup>th</sup> largest export market (accounting for less than 0.1% of total UK exports).
  - Joint 198<sup>th</sup> largest **goods** export market (less than 0.1% of UK goods exports).
  - 222<sup>nd</sup> largest **services** export market (less than 0.1% of UK services exports).
- Joint 185<sup>th</sup> largest import market (accounting for less than 0.1% of total UK imports).
  - 155<sup>th</sup> largest goods import market (less than 0.1% of UK goods imports).
  - Joint 174<sup>th</sup> largest **services** import market (less than 0.1% of UK services imports).

**More timely data, for trade in goods only**<sup>12</sup>, show that UK exports of goods to Tonga decreased by 100.0% the 12 months to May 2024 in current prices, compared to the same period the previous year. UK imports of goods from Tonga changed by 0.0%, in current prices, over the same period.

**Note:** As these data are presented for the 12 months ending May 2024, the UK and its trading partners have been affected by lockdown and other measures during the COVID-19 pandemic. Data quality has also been affected and may be subject to larger revisions than usual. Please note, these data are in current prices.

<sup>&</sup>lt;sup>11</sup> Rankings are based on the ONS dataset which contains data for all individual partners: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>12</sup> ONS data source for trade in the latest 12 months up to May 2024: <u>UK Trade data (seasonally adjusted)</u>.

## Trade in goods by commodity, in current prices (ONS)<sup>13 14</sup>

Please note, these data are presented on a non-seasonally adjusted basis and are not directly comparable to seasonally adjusted data, including the headline trade statistics presented before.

The top 5 goods exported from the UK to Tonga in the four quarters to the end of Q1 2024 were as follows:

Commodity	Exports in the four quarters to the end of Q1 2024	Percentage of total goods exports	Change from the four quarters to the end of Q1 2023
74K - General industrial machinery (capital)	+ 1 1 million	-	Nil trade in previous period
69 - Miscellaneous metal manufactures	£40 thousand	-	a decrease of 33.3%
89OC - Other manufactures (consumer)	+ 30 thousand	-	an increase of 50.0%
64 - Paper & paperboard	£20 thousand	-	Nil trade in previous period
76I - Telecoms & sound equipment (intermediate)		-	Nil trade in previous period

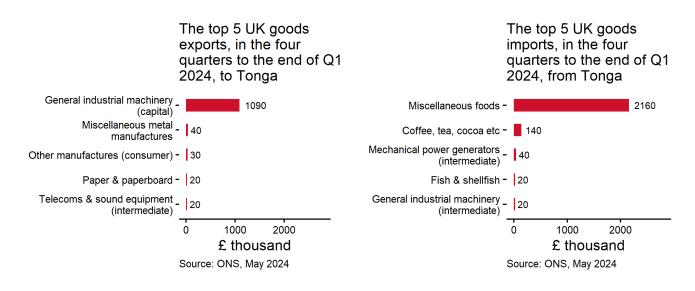
The top 5 goods imported to the UK from Tonga in the four quarters to the end of Q1 2024 were as follows:

Commodity	Imports in the four quarters to the end of Q1 2024	Percentage of total goods imports	Change from the four quarters to the end of Q1 2023
09 - Miscellaneous foods	£2.2 million	-	an increase of 98.2%
07 - Coffee, tea, cocoa etc	£140 thousand	-	Nil trade in previous period
71MI - Mechanical power generators (intermediate)	£40 thousand	-	a decrease of 60.0%
03 - Fish & shellfish	£20 thousand	-	Nil trade in previous period
74I - General industrial machinery (intermediate)	£20 thousand	-	Nil trade in previous period

**Note:** The percentage of the total UK imports and exports from Tonga accounted for by the above commodities are not provided here. This is due to the value of total UK imports and exports of goods being rounded to the nearest £million, with commodity trade values being given to a greater level of accuracy. In some cases, this means the percentages above might sum to more than 100%.

<sup>&</sup>lt;sup>13</sup> Data on trade in goods by commodity are sourced from data by the ONS: <u>UK trade release (non-seasonally adjusted)</u>. These statistics for exports and imports present the latest data from the May 2024 ONS publication which are given on a monthly basis. <sup>14</sup> The commodities are categorised based on <u>SITC</u> codes using a mixture of level 2 and level 3 codes.

The chart below shows the top 5 products exported from the UK to Tonga and the top 5 products imported to the UK from Tonga, by value, in the four quarters to the end of Q1 2024. All data shown in the chart are provided in the text above.



# Trade in services by service type, in current prices (ONS)<sup>15</sup>

**Note:** Service type data for the trade in services between the UK and Tonga in the four quarters to the end of Q1 2024 are not available from UK sources.

<sup>&</sup>lt;sup>15</sup> Trade in services by service type is sourced from data by the ONS: <u>UK trade in services by partner country (non-seasonally adjusted)</u>.

# Trade in goods by UK countries and English regions, in current prices (HMRC)<sup>16</sup>

#### **Regional trade definitions**

**UK regions** - The UK is categorised into 12 regions based on the International Territorial level 1 (ITL1). This level includes 9 regions in England, as well as Wales, Scotland and Northern Ireland.

**Regional trade data** - The data are compiled by merging HM Revenues & Customs (HMRC) trade data with employment data from the Interdepartmental Business Register (IDBR) so a business' trade can be allocated to a UK region based on the proportion of its employees employed in that region. Where a trader is not matched with the IDBR, its trade is matched with ONS postcode data to obtain the UK region in which the Head Office of the VAT-registered business is based.

Note: Data for UK regions are not available from this source for Tonga in 2023.

<sup>&</sup>lt;sup>16</sup> HMRC data source for regional UK trade data: <u>HMRC Regional Trade Statistics</u> (data extracted from the spreadsheet download using the HMRC <u>interactive tables</u>).

# Trade in services by mode of supply, in current prices (ONS)<sup>17 18</sup>

#### Trade in Services by Mode of Supply definitions

**Modes of Supply** define the way services trade is conducted. The World Trade Organisation's <u>General Agreement on Services</u> categorises methods for trade in services into four different modes of supply, which depend upon on the territorial presence of the supplier and the consumer at the time of transaction.

Mode 1 - Remote trade (a supplier in one country sells a service to a customer in another, without the movement of people).

Mode 2 - Consumption abroad (the person receiving the service travels to the supplier's country).

**Mode 3** - Commercial presence (e.g. a company subsidiary) - this mode is not counted as part of UK services trade on a balance of payments basis and is not reported in this release. This means that total figures are only the total of Modes 1, 2 and 4.

Mode 4 - Presence of natural persons (a supplier sends its personnel to the customer's country to provide service).

#### UK services exports to Tonga by mode of supply in 2021:

• Data on services exports to Tonga by mode of supply are not available from this source.

#### UK services imports from Tonga by mode of supply in 2021:

• Data on services imports from Tonga by mode of supply are not available from this source.

 <sup>&</sup>lt;sup>17</sup> ONS data source for UK Trade in Services by Mode of Supply: <u>ONS Imports and exports of services by country, by modes of supply, UK</u>
 <sup>18</sup> Data included in this ONS release are experimental estimates.

## UK Market Share (ONS and UNCTAD)<sup>19 20</sup>

#### Market Share definitions

**UK market share** – Imports from the UK as a percentage of all the goods and services imported by Tonga. Market share is provided for total imports from the UK, as well as for goods and services separately.

**Market share methodology** – These UK market share statistics are derived by the Department for Business and Trade, using publicly available data from the Office of National Statistics (ONS) and the United Nations Conference on Trade and Development (UNCTAD). These new statistics allows users to estimate the importance of UK trade on imports to each trading partner. Market share is calculated as the value of imports from the UK using data from <u>ONS</u>, divided by the value of total imports using data from <u>UNCTAD</u>. Data from UNCTAD are converted from US dollars into pounds sterling by using the annual average spot exchange rate<sup>21</sup>.

The UK's market share for Tonga in 2022 was as follows:

- The total UK market share in Tonga was 0.0% in 2022 for goods and services. This is unchanged from 2021.
- The UK market share in Tonga was 0.0% in 2022 for goods only. This is unchanged from 2021.
- The UK market share in Tonga was 0.0% in 2022 for **services only**. This is unchanged from 2021.

The table below presents the UK's market share for Tonga between 2013 and 2022. Values presented in italics are based on UNCTAD estimates of imports.

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total goods and services	2.2%	0.0%	0.6%	0.0%	0.4%	0.0%	0.4%	0.0%	0.0%	0.0%
Goods only	0.0%	0.0%	0.8%	0.0%	0.6%	0.0%	0.6%	0.0%	0.0%	0.0%
Services only	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

<sup>&</sup>lt;sup>19</sup> ONS data source for market share: <u>UK total trade data (seasonally adjusted)</u>.

<sup>&</sup>lt;sup>20</sup> UNCTAD data source for market share: <u>Goods and Services (BPM6): Exports and imports of goods and services, annual</u>. Some UNCTAD data may be based on estimates.

<sup>&</sup>lt;sup>21</sup> Annual average spot exchange rates for \$USD to £GBP are sourced from the Bank of England.

# Number of VAT-registered businesses trading goods (HMRC)<sup>22 23 24</sup>

#### **Business counts definition (Regional Trade in Goods Statistics)**

Business counts report UK VAT-registered business exporting and importing goods. Data is collected primarily from customs declarations (using the Intrastat survey and VAT returns for Northern Ireland businesses trading with the EU).

Counts exclude businesses trading below the statistical value thresholds for customs declarations and exclude trade in nonmonetary gold.

#### Businesses trading with Tonga in 2023:

- Data on the number of VAT-registered businesses exporting to Tonga are not available from this source.
- Data on the number of VAT-registered businesses importing from Tonga are not available from this source.

#### Businesses trading with the world in 2023:

- In 2023, around 125,500 UK VAT-registered businesses exported goods to the world.
- In 2023, around 251,200 UK VAT-registered businesses imported goods from the world.

<sup>&</sup>lt;sup>22</sup> HMRC data source for Regional Trade Statistics business counts data: <u>UK trade in goods statistics</u>.

<sup>&</sup>lt;sup>23</sup> Data for UK businesses engaged in trade of services with Tonga are not available. A single business may trade with multiple trading partners abroad, so care should be taken when adding figures for multiple trading partners.

<sup>&</sup>lt;sup>24</sup> HMRC does not receive partner country information for customs declarations with commodity line values that fall under the statistical value threshold of £873 (in value) and 1,000kg (in net mass). Therefore, these counts of exporting/importing businesses only capture those businesses with exports/imports (respectively) above the statistical value threshold. The number of businesses has been rounded to the nearest 100.

## Trade in Value Added (OECD)<sup>25 26</sup>

#### Trade in Value Added definitions

**Trade in Value Added (TiVA)** - TiVA is a statistical approach to examine supply chains, which is not possible with conventional ('gross') trade statistics. This is because TiVA treats international trade flows as flows of value added rather than gross flows of final goods and services.

**Domestic and foreign value added** - In TiVA, gross exports are decomposed into domestic and foreign value added. Domestic value added measures the value added generated by the domestic economy in the production of its exports (e.g. the value added by UK car manufacturers and their UK supply chains in car exports). Foreign value added measures the value added contribution that foreign suppliers make to these exports (e.g. the import of foreign car parts).

**TiVA statistics** - Although TiVA offers advantages over traditional ways of measuring trade, these statistics are not fully developed. These results are estimates which should be considered complementary to conventional trade statistics and not be over-interpreted. In addition, the geographical detail is limited for developing countries. More information on TiVA can be found in a recent research report by the Department for Business and Trade and Cambridge Econometrics.

UK forward linkages for exports - Measures the reliance of foreign exporters on UK value added (inputs).

UK backward linkages for exports - Measures the reliance of UK exporters on foreign value added (inputs).

**Employment supported by exports** - This provides an estimate of the number of employees in exporting industries, and their domestic supply chains that are supported by exporting activity.

**Note:** Data for Tonga on forward and backward linkages for exports in 2020 are not available from this data source.

#### Employment supported by exports:<sup>27</sup>

- Data for Tonga on employment supported by exports in 2020 are not available.
- Exporting activity in the UK supported 6.7 million persons in 2020 (20.6% of total UK employment). Data on the number of UK jobs supported by export activity to Tonga in 2020 are not available.

<sup>&</sup>lt;sup>25</sup> The estimates in this factsheet are based on Trade in Value Added statistics published by the Organisation for Economic Co-operation and Development (OECD): a) <u>Trade in Value Added database (origin of value added in gross exports)</u>, <u>January 2024</u>; and b) <u>Trade in Employment (TiM) database: Principal indicators, January 2024</u>, indicators EXGR\_DEM and EMPN\_EXGRDEM.
<sup>26</sup> The data shown in this factsheet is from 2020.

<sup>&</sup>lt;sup>27</sup> These estimates measure employees directly and indirectly supported by exports i.e. workers employed in exporting businesses and in other domestic businesses supplying inputs to the exporting businesses. The estimates should be interpreted as employment *supported* by exports, rather than employment *created* by exports, as the jobs may have previously existed to serve the domestic market. Employees may also be supported by exports from a multiple number of trading partners. As with the core TiVA data, these estimates are based on a number of assumptions and modelling, so should be interpreted with caution.

# Foreign Direct Investment with Tonga (ONS)<sup>28</sup> <sup>29</sup> <sup>30</sup>

#### Foreign direct investment definitions

**Foreign direct investment (FDI)** - Investment made by a firm or individual in one economy ('direct investor') to acquire a 'lasting interest' in an enterprise operating in another economy. The lasting interest is deemed to exist if the direct investor acquires at least 10% of equity, or equivalently 10% of the voting rights, of the company.

**FDI stock** - The accumulated value of all previous investments at the end of a reference period. Figures are net, that is the value of investment minus disinvestment. **UK outward FDI stock** provides the total value of FDI by UK investors in economies abroad (investment of a UK parent company in Tonga), while **UK inward FDI stock** provides the total value of FDI by non-UK investors in the UK (investment of a Tonga parent company in the UK).

**Data disclosure** - It can happen that FDI is coming from only a few investors. In that case, figures are suppressed by the ONS to avoid disclosure of information relating to individual enterprises.

**Note:** The FDI data for 2020 have been affected by changes in sampling methodology. Improvements have been made to the population which has been sampled and the way that businesses are sampled from the population, capturing a wider range of businesses. This means data from 2020 and onward are more representative of UK FDI with overseas partners and are comparable.

More information about the methodology changes can be found on the ONS website.

#### UK outward FDI stock:

- In 2021, the stock of FDI from the UK in Tonga was £22 million. A comparison with the previous year is not available due to data disclosure. In 2021, Tonga accounted for less than 0.1% of the total UK outward FDI stock.
- In 2021, the total UK FDI abroad was £1.8 trillion. In 2021, the top destination for UK FDI was United States, accounting for 26.1% of the total UK outward FDI stock, followed by Netherlands (8.8%) and Luxembourg (7.2%).

#### UK inward FDI stock:

- In 2021, the stock of FDI from Tonga in the UK are not available due to data disclosure.
- In 2021, the total FDI in the UK in was £2.0 trillion. In 2021, the top investor in the UK was United States, accounting for 33.7% of the total UK inward FDI stock, followed by Netherlands (10.9%) and Jersey (9.6%).

<sup>&</sup>lt;sup>28</sup> Data for both inward and outward FDI between the UK and Tonga are not available in the main ONS release (<u>Foreign Direct Investment involving UK companies</u>). Therefore, an <u>ONS FDI ad-hoc data release</u> is used to provide the latest FDI data for Tonga where it is unavailable in the main ONS release.

<sup>&</sup>lt;sup>29</sup> Data are presented on a directional basis which means they are not directly comparable to the asset/liability report prepared by ONS as part of the Balance of Payments statistical release. Figures are on net basis (investments minus disinvestments) and are given in nominal terms. Negative FDI values occur when disinvestments are greater than investments. Data are on an immediate destination/source basis and not an ultimate destination/source, which is likely to overstate financial centres such as the Netherlands and Luxembourg.

<sup>&</sup>lt;sup>30</sup> This factsheet contains data as reported by the UK and are subject to asymmetries e.g. UK outward FDI to Tonga (reported by the UK) may not match Tonga inward FDI from the UK (reported by Tonga). For consistency when comparing between partners, users are advised to use UK-reported data as far as possible.

# Economic statistics (as reported by Tonga)

## Trade and investment data for Tonga (UNCTAD)<sup>31 32 33</sup>

The following data are reported by Tonga and are for reference only. Whenever possible use data from UK sources for trade and investment. All data below are presented in \$USD in billions.

Year	2016	2017	2018	2019	2020	2021	2022	2023
TRADE								
Nominal exports	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-
Nominal imports	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-
Nominal trade balance	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-
INVESTMENT								
Inward FDI stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Outward FDI stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

<sup>&</sup>lt;sup>31</sup> United Nations Conference on Trade and Development (UNCTAD) data sources for trade: Goods and Services (BPM6): Exports and imports of goods and services, annual; and for investment: Foreign direct investment: Inward and outward flows and stock, annual. <sup>32</sup> Estimates are given in italics. Historic data pre-2016 can be found on the <u>UNCTAD website</u>.

<sup>&</sup>lt;sup>33</sup> All trade data are on a Balance of Payments basis. The FDI data are on a directional and net (investment minus disinvestment) basis. These figures are given in current prices and are rounded to the nearest \$0.1 billion, with missing data represented by dashes.

## Economic data and projections for Tonga (IMF)<sup>34 35</sup>

The following table presents economic statistics for Tonga. Projections include assumptions of the effects of COVID-19 and may be subject to change in the future. Estimated data, as well as projections up to 2029, are presented in italics and are subject to revision.

**Note:** For Tonga the data below are not given in calendar years: In the below table, '2021' represents July 2020 to June 2021.

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
TRADE GROWTH										
Change in exports (%)	-4.3	-	-	-	-	-	-	-	-	-
Change in imports (%)	-3.2	-	-	-	-	-	-	-	-	-
CURRENT ACCOUNT										
Current account balance (% of GDP)	-5.3	-5.2	-6.3	-6.8	-7.3	-7.3	-7.3	-7.6	-7.7	-7.7
GDP										
Change in real GDP (%)	0.5	-2.7	-2.0	2.6	2.5	2.4	1.4	1.2	1.2	1.2
GDP per capita (1,000 \$USD)	4.9	4.7	5.0	5.5	5.8	6.1	6.3	6.5	6.7	7.0
GDP PPP (Int'l \$billion)	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9
INFLATION										
Inflation, year average (CPI %)	0.4	1.4	8.5	10.2	5.4	4.2	3.7	3.3	3.4	3.2
UNEMPLOYMENT										
Unemployment rate (% of total labour force)	-	-	-	-	-	-	-	-	-	-
POPULATION										
Population (million)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
INVESTMENT- SAVINGS										
Total investment (% of GDP)	-	-	-	-	-	-	-	-	-	-
Gross national savings (% of GDP)	-	-	-	-	-	-	-	-	-	-
BUDGET DEFICIT- DEBT										
General government net lending/borrowing (% of GDP)	5.4	-1.0	-0.7	0.4	-6.6	-8.1	-9.2	-10.2	-11.6	-12.0
General government gross debt (% of GDP)	43.6	47.5	45.4	41.1	43.8	50.0	57.6	66.0	75.5	85.1

Tonga was the 185<sup>th</sup> largest economy in 2023, in terms of gross domestic product (GDP). The UK was the 6<sup>th</sup> largest economy in 2023.<sup>36</sup>

<sup>&</sup>lt;sup>34</sup> International Monetary Fund (IMF) provide economic commentary in their <u>World Economic Outlook reports</u>. The latest data presented here can be found in the <u>World Economic Database</u>, April 2024.

<sup>&</sup>lt;sup>35</sup> Projections and estimates are given in italics. More information for each metric and each partner, as well as historic data pre-2020, can be found on the <u>IMF website</u>.

<sup>&</sup>lt;sup>36</sup> GDP ranking based on values in current prices (nominal terms) in \$USD. Some GDP values for partners are based on estimates which may influence the rankings when revised.

# Top goods traded with the world by Tonga, in current prices (UN Comtrade)<sup>37 38</sup>

Data presented here show the top commodities traded with the world, not solely the UK, by Tonga. These data are based on a different commodity classification system to the ONS commodity data used earlier in this factsheet, and the two sections should therefore not be directly compared.

### Top goods exported to the world by Tonga

Note: Tonga did not report export data to UN Comtrade by commodity during the past 3 years.

## Top goods imported from the world by Tonga

Note: Tonga did not report import data to UN Comtrade by commodity during the past 3 years.

<sup>&</sup>lt;sup>37</sup> United Nations (UN) Comtrade data are sourced from the online <u>UN Comtrade Database</u>. The data reported above are for , but as the data upload to UN Comtrade is continuous, more timely data may be available from the source.
<sup>38</sup> Data are classified using the <u>Harmonized System</u> and are given on a physical movement basis, with UK data comparable to HMRC data

<sup>&</sup>lt;sup>30</sup> Data are classified using the <u>Harmonized System</u> and are given on a physical movement basis, with UK data comparable to HMRC data sources rather than the headline trade figures presented here from ONS.

# Top services traded with the world by Tonga, in current prices (ITC Trade Map)<sup>39 40 41</sup>

Data presented here shows the top service types traded to the world, not solely the UK, by Tonga.

## Top services exported to the world by Tonga in 2022:

Rank	EBOPS Service Type	\$USD million	% of total services exported
1	Telecommunications, computer, and information services	15	34.5%
2	Transport	10	22.9%
3	Travel	10	21.6%
4	Other business services	7	15.2%
5	Government goods and services n.i.e.	2	4.5%
	All services exported	44	100.0%

## Top services imported from the world by Tonga in 2022:

Rank	EBOPS Service Type	\$USD million	% of total services imported
1	Transport	52	45.7%
2	Travel	21	18.9%
3	Other business services	17	15.5%
4	Telecommunications, computer, and information services	10	8.9%
5	Government goods and services n.i.e.	9	7.7%
	All services imported	113	100.0%

<sup>&</sup>lt;sup>39</sup> International Trade Centre (ITC) Trade Map data are sourced from the online <u>ITC Trade Map tool</u>. The data above are for 2022, but as the data upload to ITC is continuous, more timely data may be available from the source.

 <sup>&</sup>lt;sup>40</sup> Data are classified on the <u>EBOPS 2010</u> basis. 'Other business services' include: Research and development, professional and management consulting services, technical services and trade related services. A full description of all service types can be found on the <u>UN Statistics</u> <u>Division website</u>.
 <sup>41</sup> Estimates are shown in italics, where for some partners only estimates are available - These data have been included for information and

<sup>&</sup>lt;sup>41</sup> Estimates are shown in italics, where for some partners only estimates are available - These data have been included for information and should be treated with caution.

## **Background Notes**

This document is one of a wider set of factsheets between the UK and its individual trade and investment partners which can be found on the <u>Trade and Investment Factsheets website</u>. All of these factsheets are published as <u>Official Statistics</u> as defined by the <u>UK Statistics Authority</u>.

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The publication of these factsheets as Official Statistics was agreed by the Chief Statistician at the Department for Business and Trade, who monitors these factsheets to ensure they continue to adhere to the <u>Code of Practice for Statistics</u>. These factsheets have not been formally assessed by the <u>Office of Statistics Regulation</u> and are therefore not designated as <u>Accredited Official Statistics</u>.

As a requisite of publishing as Official Statistics, a <u>quality and methodology report</u> has been produced which outlines the quality of these factsheets, as well as providing more information on the methodology of the data sources presented here. This report contains hyperlinks to information on the strengths and weaknesses for each data source. Statistics contained in the factsheets from UK data providers all come from Official Statistics publications, with some sources also being from National Statistics publications.

Future updates of these factsheets can be found on the <u>Government update schedule for Official</u> <u>Statistics</u>. These scheduled updates are in line with significant updates from UK data providers when they release new data. Unscheduled releases of the factsheets may also be necessary to accommodate data updates where little or no advanced notice are given, such as in the case of international data updates. Please see the data update schedule and revisions policy in the <u>quality and methodology report</u> for more information. Please note that there may be occasions where more recent data than is provided here can be found directly from the data providers.

The Department for Business and Trade welcome any feedback or comments on these factsheets, please send these to <u>statistics@businessandtrade.gov.uk</u>.



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