

## Rising fiscal pressures in the Pacific in 2014, says ADB

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The latest [Pacific Economic Monitor](#) from the Asian Development Bank (ADB) flags increasing fiscal pressures in a number of Pacific economies in 2014.

Post-cyclone recovery spending in Samoa, rising capital expenditures by the government in Fiji and a declining fiscal surplus in Timor-Leste are giving rise to serious fiscal challenges facing governments in the region in the year ahead. PNG is also planning to run another large fiscal deficit aimed at countering the effects of a slowdown in economic growth.

Weak global growth is continuing to keep commodity prices low, affecting agriculture, mineral, and forestry exports for some Pacific economies.

Revenue performances in smaller Pacific economies such as Kiribati, Marshall Islands and Nauru have been stronger than in some of the larger countries. Revenues from the mineral and petroleum sectors have dropped below budgeted levels in PNG and log exports from the Solomon Islands have also dropped.

On a more positive note, tourism to the Pacific continued to grow, rebounding from a soft start in early 2013. Departures from Australia and New Zealand to the South Pacific grew by 1.2 per cent and 1.3 per cent year on year respectively.

If you are looking for a quick summary, ADB Senior Economist Christopher Edmonds discusses some of the trends in [this short video](#).

Climate change is also a focus of this latest Monitor, including a summary of a recently released report on the economics of climate change in the Pacific. We recently held an event discussing this report with the ADB and you can listen to a podcast of it [here](#).