



Wallis and Futuna at a Glance

STRUCTURAL CHARACTERISTICS

Capital of the Territory	Mata'Utu
Surface area	142 km ²
Geographical location	South Pacific; Paris at 22,000 km, Suva at 780 km; Nouméa at 2,500 km
Languages spoken	French, Wallisian and Futunian
Currency	Pacific franc - F CFP - (XPF) – F CFP 1,000 = EUR 8.38
Status	French Overseas Territory with a special status
National representation	1 MP, 1 senator, 1 representative at the French Economic, Social and Environmental Council
State representation	Prefect, Senior Administrator

From a protectorate to a special status

Wallis and Futuna were originally populated as a result of the migration of Austronesians, who colonized part of Melanesia and Western Polynesia towards 1,500 B.C. The Tongans took possession of the Island of Uvea in the 15th century, while the Samoans settled in Futuna in the 17th century.

In 1616, Futuna and Alofi were discovered by the Dutch navigators Jacob Le Maire and Willem Shouten, who named them the "Hoorn Islands". Uvea was visited in 1767 by the English navigator Samuel Wallis, who gave his name to the island.

European presence increased with the establishment of Marist missionaries in 1837, who were tasked with evangelising the archipelago. A request for French protectorship made by Queen Amelia was subsequently ratified for Wallis in 1887 and for Futuna in 1888.

In 1942, Wallis was used as a rear base by the USA to respond to the advance of Japanese troops in the Pacific. 6,000 soldiers were stationed on the island, which experienced times of plenty.

In 1957, the inhabitants of the archipelago adopted the status of French Overseas Territory, which was legally endorsed by Law n° 61-814 of 29 July 1961.

Institutional organisation

In 2003, the archipelago became a French Overseas Territory with a special status. In addition to the State's own institutions, the status recognises the existence of customary entities. This organisation is based on the following institutions:

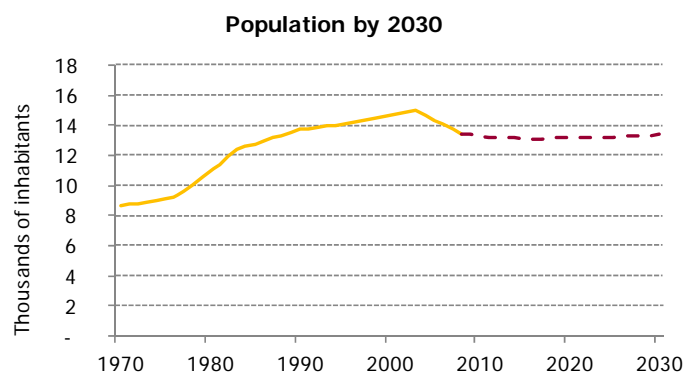
- The State, represented by the Prefect, a Senior Administrator who exercises executive power;
- The Territorial Assembly, comprising 20 members, is the Territory's legislative body. However, its deliberations only come into effect once they have been approved by the Senior Administrator;
- Three Districts (Uvea, Alo and Sigave) hold powers similar to those of a municipality in mainland France;
- Chieftaincies, one per kingdom, with a king and appointed ministers. They manage land problems and the current affairs of the Territory *via* the Territorial Council and District Councils.

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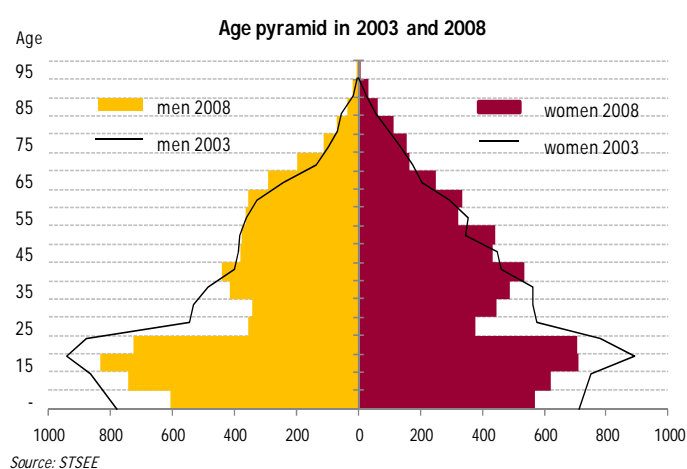
POPULATION DECLINE

Since the end of the Second World War and the development of mining activities in the Pacific, a number of the inhabitants of Wallis and Futuna have emigrated, mainly towards New Caledonia. This community is now home to a Wallisian and Futunian population which exceeds the residents of the Territory (over 20,000 people against less than 14,000 on the archipelago).

In five years, (between 2003 and 2008), the archipelago lost 10% of its population due to the high rate of departures and a decline in the birth rate. The 20-34 year-old bracket of residents has fallen by over a quarter.



Demographic indicators	Wallis and Futuna	France ⁽¹⁾
Population (millions for France, 2008)	13,445	65.4
Population in Wallis (2008)	9,207	
Population in Futuna (2008)	4,238	
Percentage of under 20s (2008)	41.0	25
Percentage of 20-59 year-olds (2008)	47.7	52
Percentage aged 60 and older (2008)	11.3	23
Population density (inhab./km ² , 2008)	94.7	114.8 ⁽²⁾
Annual average growth rate (% , 2003-2008)	-2.1	0.6 ⁽³⁾
Birth rate (‰, 2008)	16.0	12.7
Mortality rate (‰, 2008)	5.4	8.5
Infant mortality rate (‰, 2005-2008)	5.2	3.5
Total fertility rate (2008)	2.0	2.0 ⁽⁴⁾
Life expectancy at birth (years, 2005-2008)	74.3	78.2/ 84.8 ⁽⁵⁾



(1) INSEE 2011 population survey; (2) Population: Population density in mainland France at the 2009 census; (3) Between 2002 and 2012; (4) TFR in 2008; (5) Men/women Sources: STSEE, INSEE

ECONOMY AT A GLANCE

Wallis and Futuna's economy has remained very traditional; there is a high level of own consumption. The public sector drives the economy and accounts for over fifty per cent of wealth creation. Exports are virtually non-existent due to the remoteness from potential markets and tourism is underdeveloped.

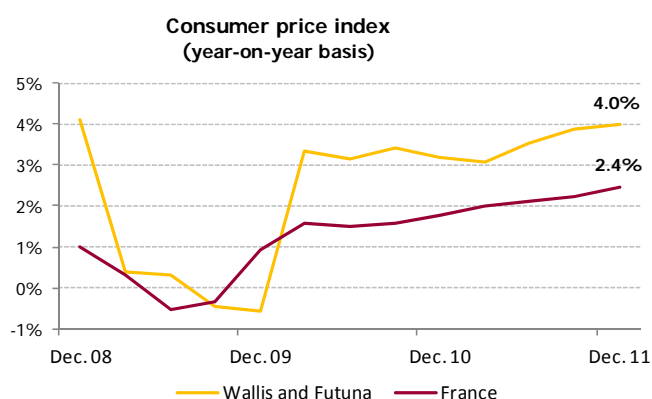
With no income tax or corporate tax, taxes on imports are the Territory's main source of income.

Key economic indicators	Wallis and Futuna	France
GDP (billions of F CFP, 2005)	18 ⁽¹⁾	205,018
GDP per capita (thousands of F CFP, 2005)	1,211	3 256.4
Percentage of public administrations in GDP (% , 2005)	54.0	17.9
Import dependency rate ² (% , 2005)	26.7	27
State expenditure in the Territory (billions of F CFP, 2011)	12.4	-

(1) Cerom estimation; (2) (imports)/(GDP) Sources: CEROM, Customs, Treasury, INSEE

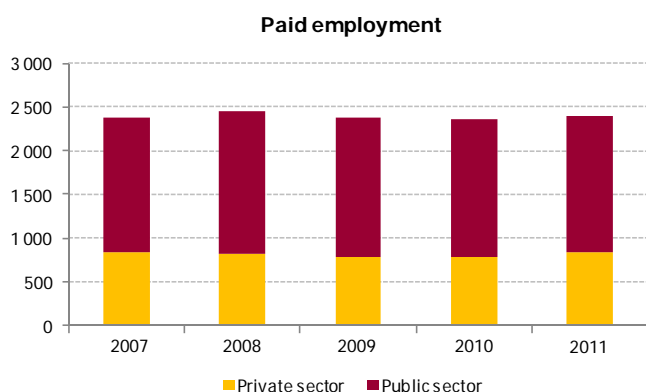
Price hike marked by energy prices

In 2011, the price index rose to 4.0% due to the increase in world oil prices. Over the past four years, food and energy prices have risen by an annual average of 3.9% and 5.9% respectively. The CPI broadly follows the same trend as in France. It is also impacted by the depreciation of the F CFP against the currencies of countries in the region from which over fifty per cent of foodstuffs are imported.



Concentration of employment in the public sector

Over the past five years, the number of paid employees has remained stable with an average of 2,400 employees registered. The public and semi-public sector accounts for two-thirds of paid employment.



Employment	2007	2011 ^(p)	Evol. 2011/2007 ⁽¹⁾
Total employment	2,386	2,404	0.2%
Industry/agriculture	94	88	-1.6%
Construction industry	91	119	6.9%
Trade	287	283	-0.4%
Market services	365	351	-1.0%
Non-market services	1,549	1,563	0.2%

(1) Average annual evolution; (p) provisional
Source: CPSWF

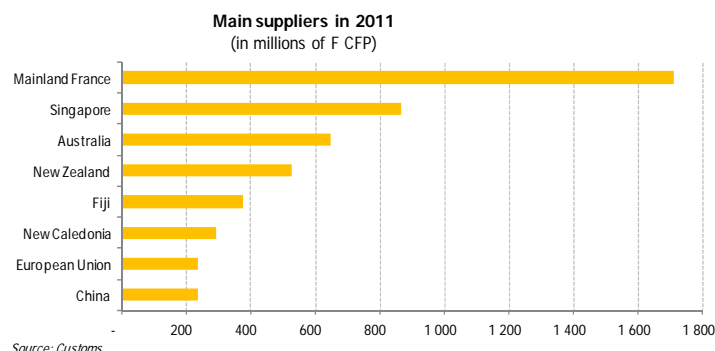
Job declared at the CPSWF and seconded officials
Sources: CPSWF, Adsup, Vice-Rectorate

A predominantly importing Territory

Wallis and Futuna exports very little and depends largely on the outside for its supplies. Despite the 22,000 km separating the archipelago from mainland France, the latter is the Territory's main supplier (27% of the total). Singapore is the second largest supplier and supplies Wallis and Futuna with hydrocarbons. Australia, New Zealand and Fiji account for a quarter of imports.

Import values (millions of F CFP)	2011
Agricultural and food industries	1,639
Intermediate goods industries	1,079
Energy	1,057
Consumer goods industries	987
Capital goods industries	866
Car industry	474
Agriculture, forestry and fisheries	128
Total	6,229

Source: Customs



Source: Customs

MAIN SECTORS OF ACTIVITY

Wallis and Futuna's economy is characterised by the predominance of the administrative sector and its leading role. Consequently, the other sectors (trade, construction and services) are highly dependent on needs generated by the public sector *via* the salaries paid, investment works, etc.

Agriculture accounts for 19% of registered companies, half of which are in the fisheries sector. However, this sector has remained very traditional, mainly informal and employs very few people. Outstanding credits to this sector account for less than 1% of bank lending.

Main sector indicators	2011	2011/ 2001 ⁽¹⁾		2011	2011/ 2001 ⁽¹⁾
Cement imports (millions of F CFP)	91	-1.8%	Public procurement notifications in the construction industry (millions of F CFP)	1,009	N/A
New vehicle registrations (number)	163	0.9%	Pupils in school – 1 st and 2 nd school (number)	4,101	-2.4%
Number of companies (patents)	477	N/A	International air traffic (number of passengers)	29,412	3.5%
Incl. agriculture, livestock, fishing (%)	19		Domestic air traffic (number of passengers)	13,606	1.6%
Incl. construction (%)	15				
Incl. trade (%)	23				

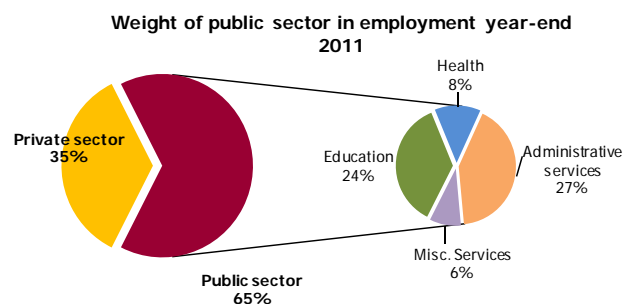
(1) Annual average growth rate; N/A: not available

Sources: Customs and various contributions, Public Procurement Unit, CPSWF, Civil aviation

Public sector, mainspring of the economy

The non-market sector is the Territory's largest employer. Fifty per cent of State transfers serve to remunerate public service staff. Education accounts for a quarter of the total number of employees and half of them are on secondment with two- to three-year contracts on the archipelago. The Health Agency, on which Wallis and Futuna's health system is based, employs 8% of the total number of employees.

In 2011, 18.5% of the total amount of credit allocated (excluding for individuals) went to the public sector and was earmarked to finance diverse infrastructure projects (hospital, electrification, etc.).

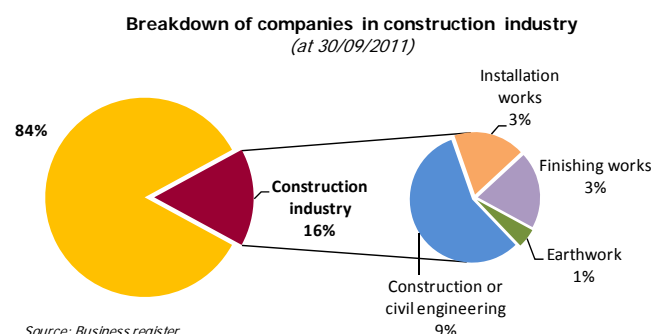


Sources: CPSWF, Adsup, Vice-Rectorate

Construction industry bolstered by public procurement

The construction industry comprises 16% of registered companies and employs 12% of the private sector workforce (excluding casual workers and small undeclared entrepreneurs). This industry is mainly boosted by projects launched by the State *via* development contracts and by those financed by the European Development Fund (EDF).

Household demand is low due to the fact that the property financing mechanisms have been stopped in the Territory.



Source: Business register

FINANCING OF THE ECONOMY

There is only one retail bank, the Wallis and Futuna Bank, which has been established on the archipelago for some twenty years now. In this context, the Treasury continues to provide personal banking services. Other institutions operate in the Territory: AFD, EIB and a few Caledonian banks. ADIE has also been offering micro-credits to small entrepreneurs since 2009.

After several years of decline in outstanding credits, the activity is picking up again thanks to the allocation of new loans to households (+8.1% in 2011) and businesses (+4.1%). The net external position of credit institutions is largely in surplus as investment remains limited.

Monetary and financial indicators	2007	2011
Money supply (millions of F CFP)	6,252	7,815
Net external banking position (millions of F CFP)	2,996	3,117
Number of inhabitants per bank branch	4,387	4,003
Number of inhabitants per ATM	13,732	12,529
Number of bank accounts per inhabitant	0.51	0.61
Financial assets of economic agents ¹ (millions of F CFP)	4,430	5,668
Healthy outstanding credit of economic agents ¹ (millions of F CFP)	1,318	1,504
Rate of doubtful loans – all outstanding credit (%)	17.5	16.2

(1) With local credit institutions.

Source: IEOM

Business indicators	2011	Household indicators	2011
Financial assets ¹ (millions of F CFP)	2,140	Financial assets ¹ (millions of F CFP)	1,980
Bank loans ² (millions of F CFP)	1,137	Bank lending ² (millions of F CFP)	1,357
Share of operating loans (%)	8%	Share of consumer loans (%)	79%
Share of investment loans (%)	74%	Share of home loans (%)	21%
Share of construction loans (%)	12%		
Legal persons banned from holding a bank account	9	Natural persons banned from holding a bank account	399

(1) With local credit institutions.

(2) Lending for all credit institutions.

Source: IEOM

N.B.: The data used in this note are as of 31 December 2011.

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