



Agence de
**Wallis-et
-Futuna**

ECONOMIC CONJUNCTURE

Wallis and Futuna's economy in 2025

Favourable momentum

In 2025, Wallis and Futuna's economy remained broadly dynamic. Inflation stabilised, standing at +2.8% on average over the year, almost unchanged from 2024 (+2.9%). It continued to be driven mainly by higher food prices (+5.7%). The labour market improved over the year, supported by growth in private-sector employment (+5.8%), while the public sector recorded a slight decline in staffing levels.

The territory's imports increased by 4.9% in value terms, driven by consumer goods, particularly food products, whose imports rose significantly, by 22.5%. For businesses, imports of intermediate goods declined by 3.8% due to lower imports of metal products and electrical and electronic components. At the same time, imports of capital goods contracted by 12.1%, although this trend masks strong heterogeneity across sectors of activity.

Activity in the construction and public works sector remained supported by several public works projects. Despite the decline in imports of cement and metal products for construction, down 4.5% and 41.0% respectively, employment in the sector increased in 2025 (+7.8%). Air transport also saw a clear recovery after the disruptions of 2024 linked to the riots in New Caledonia, reaching a record level of traffic, with 46,141 passengers in 2025.

The banking sector continued to show an excess of deposits over loans, in a context of improved corporate cash positions and consolidated household savings. Total outstanding loans declined, excluding the scope effect.

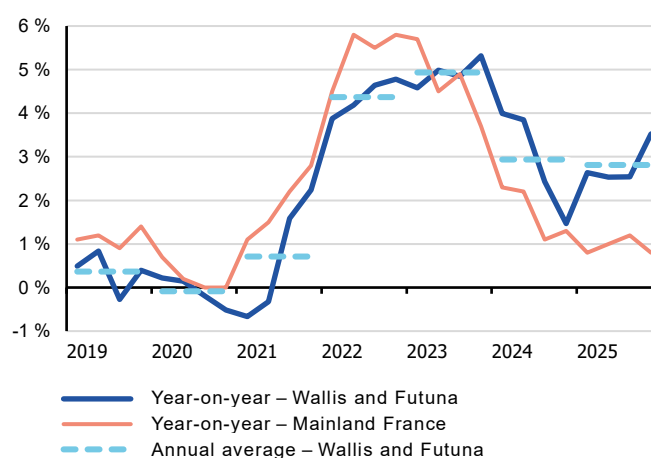
Economic activity progressing and dependent on the public sector

Inflation was stable in 2025

In 2025, inflation in Wallis and Futuna stood at +2.8% on average. This was almost equivalent to the 2024 level (+2.9%). These average changes mask opposite intra-annual trends in 2024 and 2025. Inflation declined on a quarterly basis in 2024, whereas sharp increases were recorded in Q1 and Q4 2025. As a result, prices rose by 3.5% between end-2024 and end-2025. In mainland France, inflation was lower and continued to decline in 2025, averaging +1.0% over the year, compared with +1.7% in 2024.

Inflation was mainly driven by food prices, which rose by 5.7% on average over the year. Conversely, energy prices made a negative contribution to inflation, declining by 0.1%. Prices of services and manufactured goods increased by 1.7% and 1.3%, respectively, on average in 2025.

Change in the consumer price index



Sources : STSEE, INSEE, quarterly data

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For **food**, the increase in prices was mainly due to higher prices for meat (+5.7% on an annual average basis) and bread and cereals (+10.8%), which are the main food expenditure items in Wallis and Futuna. Prices of seafood

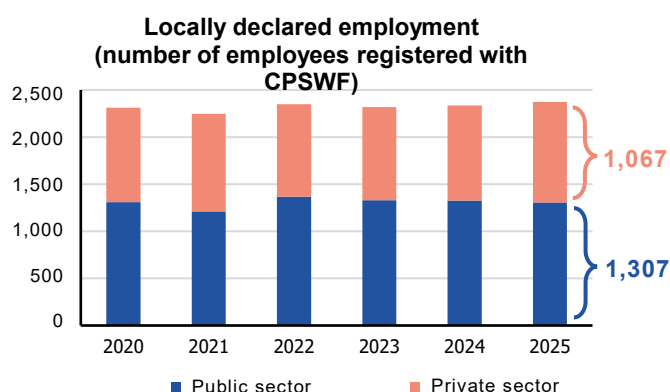
products also increased (+5.2%), while fruit and vegetable prices declined by -3.4% and -0.3% respectively.

Average petrol and diesel prices in 2025 fell compared with 2024, by -4.5% and -4.7% respectively on an annual average basis. Household electricity prices dropped by 26.8% on an annual average basis, while the price of water was, on average, 3.0% higher than in 2024.

Since 2013, the Territory has maintained a scheme to combat the high cost of living. Within this framework, the **Bouclier Qualité-Prix** aims to guarantee controlled value for money for a selection of essential and everyday consumer products. The scheme was revised in March 2025, with the addition of five new products, bringing the basket to 88 items for a price ceiling set at XPF 114,780.

Improvement in the labour market driven by private-sector momentum

A total of 2,374 employees were registered with the Wallis and Futuna Social Benefits Fund (CPS WF) at end-September 2025, the latest complete data available, compared with 2,336 at end-September 2024, representing a year-on-year increase of 1.6%.



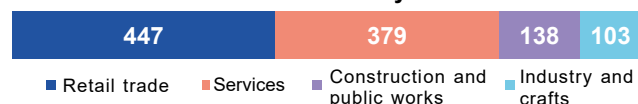
Sources : CPS WF, data as at Q3 2025

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With 1,307 employees and 55% of all declared jobs, **the public sector remained predominant**, despite a **1.5% decline** in the number of employees over one year. Public-sector wages were significantly higher on average than private-sector wages, at XPF 374,944 compared with XPF 196,937.

The private sector followed a positive trend. Over one year, the number of employees rose from 1,009 to 1,067, **an increase of 5.8%** compared with Q3 2024. All sectors benefited from this momentum: +4.9% in retail trade, +5.6% in services, +7.8% in construction and public works, and +7.3% in industry and crafts.

Breakdown of private employment by sector of activity



Sources : CPSWF, data as at Q3 2025

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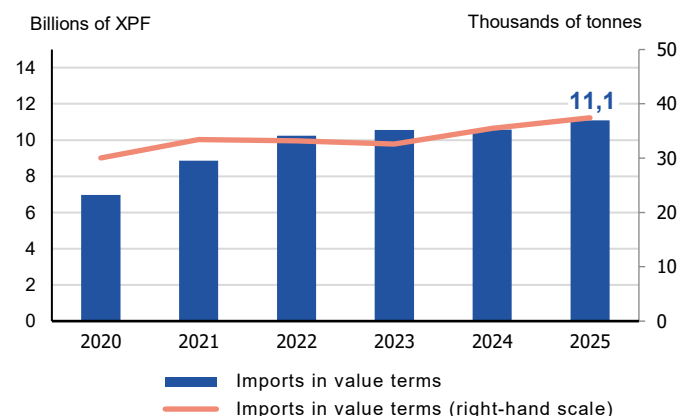
Exceptional increase in imports

Total imports in Wallis and Futuna rose sharply in 2025, reaching XPF 11.1 billion. This represents a 4.9% increase in value terms compared with 2024. At XPF 1.1 billion (-16.4%), imports destined for Futuna

accounted for 10% of total imports for the territory. In volume terms, the increase in total imports was more moderate than in value terms: they rose by only 0.8% in 2025, reaching 35.7 thousand tonnes.

The increase observed was based on a structural rise in household consumption, but was also reinforced by cyclical factors. The rebuilding of stocks by some companies fuelled import demand at the beginning of the year. In addition, as part of the 'Croix du Sud' humanitarian crisis simulation exercise, 1,000 military personnel were deployed to Wallis and Futuna from Nouméa between late April and early May. This trend also reflects the increase in stays by non-residents in the territory.

Total imports



Source : Customs Department

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In 2025, 15 container ships served the territory, and the number of containers rose from 2,148 to 2,440, an increase of 14%.

Over the past ten years, the structure of imports has changed little. However, the high level of imports at the beginning of the year slightly altered this structure, to the benefit of food products. These remained the leading import item, but accounted for 29.5% of total imports, compared with 25.0% in 2024.

Structure and changes in total imports

	Share of total value	Change in value	Change in volume
Agricultural products	3.0%	7.5%	15.8%
Food products	29.2%	22.7%	11.5%
Consumer goods	15.4%	1.0%	8.1%
Automotive industry products	10.5%	32.1%	34.5%
Capital goods	13.0%	-10.5%	-29.4%
Intermediate goods	16.0%	-3.7%	-6.3%
Energy products	12.8%	-10.6%	-4.2%
Total	100.0%	4.9%	0.8%

Source: Customs Department, raw data

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Three areas accounted for most of the value of imports into Wallis and Futuna: 38.2% of imports came from Europe, 33.6% from Oceania and 25.2% from Asia.

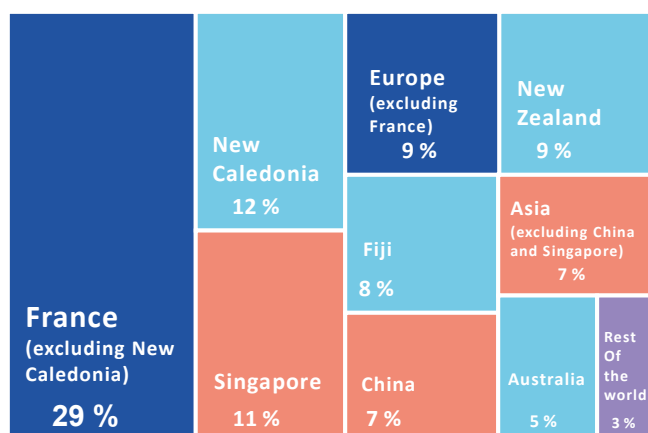
France, excluding New Caledonia, remained Wallis and Futuna's **main supply area**, accounting for 29.2% of the total value of imports.

New Caledonia remained in second position, with a share of 11.8% of the total. This share fell by 2.2 percentage points compared with 2024 due to the decline in imports from the territory (-12%). Intermediate goods accounted for 32.4% of these imports.

With the average fuel price down over the year, the share of imports from Singapore declined in value terms, from 13.9% in 2024 to 11.4% in 2025. Imports from China rose sharply (+25.7%), driven by increased demand for automotive industry products and capital goods. Higher prices for some goods originating from China also contributed to this increase.

The share of imports from New Zealand increased as a result of higher food product imports, reaching 9.0%, compared with 8.0% in 2024. For the same reasons, imports from Australia rose by 9.0%, bringing their share to 5.2% in 2025.

Breakdown of imports by geographical origin



Sources : Customs Department

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Customs revenues increased in line with the rise in overall imports, up 6.4% year-on-year, to XPF 2.7 billion. Most of this increase came from entry taxes, amounting to XPF 1.5 billion. Customs duties stood at XPF 475 million, up 8.1%. Alcohol taxes also increased by 6% to XPF 247 million, unlike tobacco taxes, which fell by 2% to XPF 396 million.

Household consumption: a structural increase

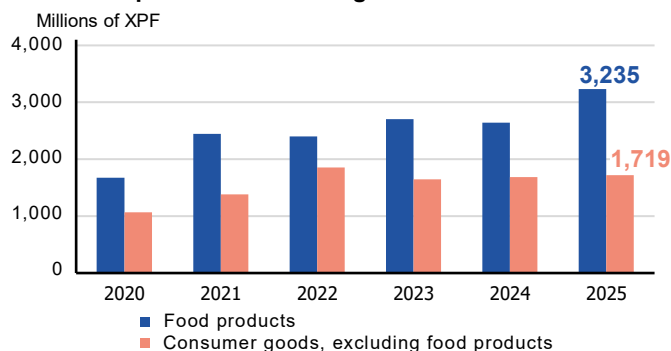
Household consumption supports the territory's growth. A range of indicators corroborates this observation.

The payroll declared to the CPS increased by 1.1% year-on-year, reaching XPF 717 million in September 2025. At the same time, outstanding **consumer loans** declined by 1.5% on a constant scope basis.

Imports of consumer goods increased in 2025. They stood at XPF 5.0 billion, up 14.6% compared with 2024, based on seasonally adjusted data. They rose by 11.2% in volume terms, from 12.1 thousand tonnes to 13.4 thousand tonnes.

Among these, **imports of food products** amounted to XPF 3,235 million, up 22.5% compared with 2024. This change was due in particular to the increase in stays by non-residents in the territory, as well as to stock rebuilding by some food distribution companies at the beginning of the year.

Imports of consumer goods



Sources : Customs Department, seasonally adjusted data

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Imports of consumer goods, excluding food products, increased by 2.1% in 2025, reaching XPF 1,719 million, based on seasonally adjusted data.

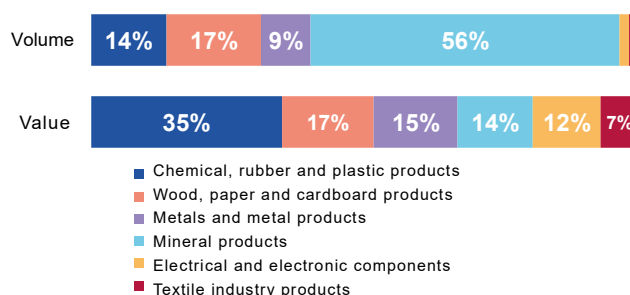
Low-voltage electricity consumption rose by 2.1%. This increase was more pronounced in Futuna (+5.2%) than in Wallis (+1.5%).

Registrations of new passenger vehicles increased, with 135 units, compared with 102 in 2024.

Business activity held up

Imports of intermediate goods intended for businesses reached XPF 1.8 billion in 2025, above the average for the past five years, which stood at XPF 1.6 billion, based on seasonally adjusted data. **They declined by 3.8% in value terms and by 6.3% in value terms compared with 2024.** This change was mainly due to lower imports of metals and metal products, down 22% in value terms and 42% in volume terms, as well as electrical and electronic components, which fell by 33% in value terms.

Breakdown of imports of intermediate goods



Source : Customs Department

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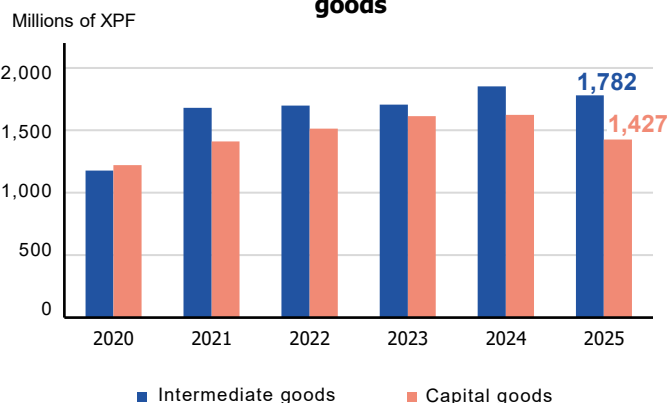
Imports of capital goods reached XPF 1.4 billion in 2025, down 12.1%, based on seasonally adjusted data. This level nevertheless remained close to the five-year average of XPF 1.5 billion. However, this trend covered contrasting dynamics: imports of metal elements for construction fell sharply, down 41%, or XPF 206 million, as did imports of agricultural machinery, down 66%, or XPF 34 million. Conversely, imports of mechanical equipment rose sharply, up 121%, or XPF 146 million, as did imports of other special-purpose machinery, up 31%, or XPF 229 million.

Purchases of **new commercial vehicles** increased in 2025, with 130 registrations, compared with 120 in 2024.

This level was close to the five-year average, which stood at 134 registrations per year.

Medium-voltage electricity consumption also rose by 2.3% in 2025, while the average tariff fell by 10.1%.

Imports of capital goods and intermediate goods



Sources : Customs Department, seasonally adjusted data

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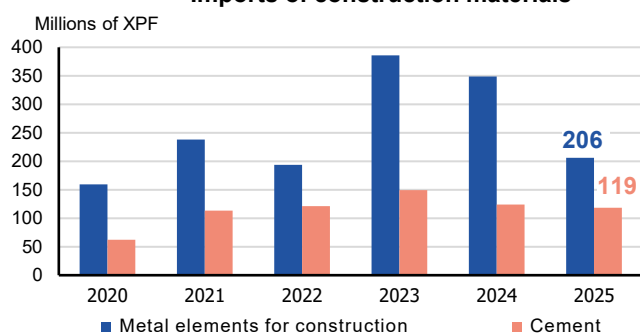
Strategic sectors for the territory's development

Construction and public works supported by public procurement

Activity in the construction and public works sector remains highly dependent on public procurement. By way of example, the extension of the Higher Administration building in Wallis, for XPF 213 million, and the completion of 4.6 km of road sections in Wallis and Futuna amounting to XPF 121,506,000 in Wallis and XPF 53,800,000 in Futuna are under way and will continue in 2026.

Cement imports declined by 4.5% in value terms, standing at XPF 126 million. In volume terms, the decline was slightly less marked, at -2.7%, falling from 3,165 tonnes in 2024 to 3,078 tonnes in 2025. Despite this decrease, cement imports remained close to their average levels over the past five years, at XPF 114 million and 3,123 tonnes.

Imports of construction materials



Source : Customs Department

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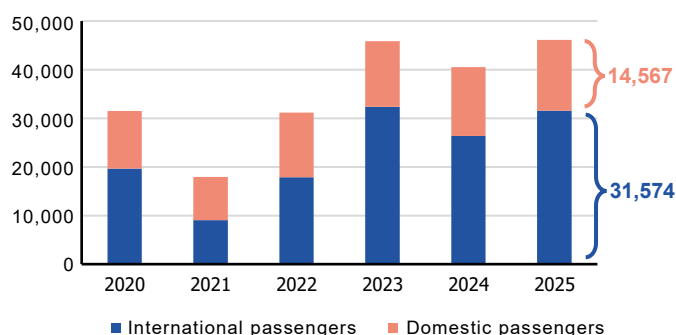
Imports of metal elements for construction recorded another decline in 2025, reaching XPF 206 million, compared with XPF 349 million in 2024, a decrease of 41.0%. In volume terms, the trend was similar, with a decline of 36.7%. The 714 tonnes imported in 2025 remained below the average observed between 2020 and 2024, at 795 tonnes.

The sector employed **138 people** as at 30 September 2025, 10 more than one year earlier.

Record air traffic

In 2025, **traffic to the territory increased** by 14.0%, reaching 46,141 passengers, a record level for Wallis and Futuna. The previous year had been marked by the riots in New Caledonia, which had severely disrupted air traffic between the two territories.

Air traffic by number of passengers



Source : Civil aviation (SA data)

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International flight traffic increased by 19.8% compared with 2024, but remained slightly below its 2023 level, with 31,574 passengers compared with 32,382, i.e. -2.5%. For the first time since 2022, the migration balance turned negative again, with 111 net departures.

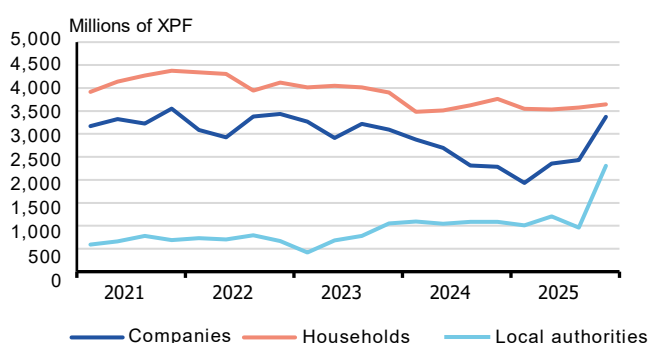
On flights between Wallis and Futuna, passenger traffic continued to increase, reaching 14,567 passengers, up 3.1%. Having increased every year since 2021, this volume represents the highest level of domestic traffic ever recorded.

A banking sector with deposits exceeding loans

Improved corporate cash positions and consolidation of household savings

Financial assets held by local economic agents increased in 2025, reaching XPF 9.3 billion, compared with XPF 7.1 billion the previous year, up 30.7% year-on-year. This increase was driven by assets held by companies, up 47.7%, and by local authorities, up 112.1%, a temporary rise attributable to significant cash management operations carried out at the end of 2025. Assets held by households declined by 3.1%, standing at XPF 3.7 billion at year-end. They have remained relatively stable for the past two years.

Local deposits by economic agent



Sources : RUBA ECIL¹, IEOM-BDF

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At 31 December 2025, household sight deposits were down 5.5%, at XPF 2.2 billion, while those of companies rose sharply, from XPF 2.2 billion to XPF 3.4 billion, up 51.0%.

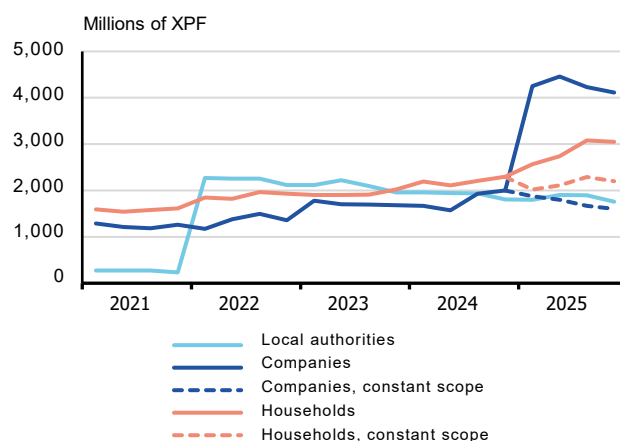
Liquid short-term investments continued to decline for the third consecutive year. They fell from XPF 925 million in 2023 to XPF 642 million in 2024, then to XPF 547 million in 2025, down 40.8% over three years and 14.8% year-on-year. They mainly consisted of ordinary passbook accounts held by households, but the decline was primarily due to lower short-term investments by local authorities.

Household long-term savings increased by 2.3% in 2025, rising from XPF 932 million to XPF 954 million in one year. These investments outside the issuing area, marketed by local banks, mainly consisted of life insurance contracts.

A misleading increase in performing loans

Performing loans granted by all banking institutions reached XPF 8.9 billion in 2025, compared with XPF 6.1 billion in 2024, an increase of 46.1% year-on-year. This rise was mainly due to the broadening of the reporting scope, which mechanically increased loans granted to companies and households, without reflecting a real dynamic in activity. **On a constant scope basis, performing loans contracted by 6.5%.**

Performing loans by economic agent



Sources : RUBA ECIL¹ + ECNIL², IEOM-BDF

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Loans granted to companies stood at XPF 4.1 billion at end-2025, up 105.8%. This sharp increase was entirely linked to the change in scope. They consisted of 58.5% operating loans and 40.0% investment loans. **On a constant scope basis, performing corporate loans declined by 20.7%.**

Loans granted to households stood at XPF 3.1 billion at end-2025, up 32.9%. Two-thirds of this amount were consumer loans, with the remaining third made up of housing loans. **On a constant scope basis, performing household loans declined by 1.9%.**

Outstanding loans to local authorities fell slightly, by 2.6%, to XPF 1.7 billion at end-2025. These outstanding amounts correspond entirely to loans granted by the Agence française de développement (AFD), including financing for the Territory's 2024 investment budget for the reconstruction of the Territorial Assembly building.

Household vulnerability increased

The number of **individuals subject to a banking ban** rose by 21%, reaching a record level. A total of 522 individuals were subject to a banking ban, compared with 433 at end-2024. Cheque payment incidents also increased by 65%, with 2,365 incidents compared with 1,436 in 2024.

Lastly, **the household non-performing loan ratio rose** to 5.4%, compared with 3.4% at end-2024 on a constant reporting scope.

¹ ECIL= Locally established credit institutions

² ECNIL= Credit institutions not established locally

Towards the gradual adoption of electronic payment instruments

In the field of card payment systems, the number of retailers equipped with an electronic payment terminal continued to increase, reaching 134 terminals at end-2025.

The number of transactions carried out at retailers also increased, rising from 329,678 transactions in 2024 to 413,234 in 2025, for a total amount of XPF 4.4 billion (+14.8%).

At the same time, the total number of ATM withdrawals fell by 7.5%, standing at XPF 2.2 billion.

Outlook for 2026

Wallis and Futuna's economy relies, above all, on public employment and public procurement. The Higher Administration, health and education remain the Territory's main employers. Public expenditure has a knock-on effect on private activity through service provision, public contracts and consumption by the many public-sector employees.

The amount of public funding is significant for the territory. The **Convergence and Transformation Contract (CCT)** was extended, with an agreement signed in May 2024 between the State and the Territory. Its objective is to reduce development gaps between overseas territories and mainland France. The 2024–2027 CCT, which mobilises an envelope of XPF 4.9 billion, is structured around three priorities:

- Infrastructure, including roads, school and health infrastructure, etc., mobilising 72% of the CCT's envelope;
- Social policy, mobilising 22% of the envelope, allocated to local development projects, child support and vocational training mobility;
- The economy and sustainable development, including several operations, such as sustainable waste management, equipment for Futuna markets, the fight against invasive species, public road lighting, etc.

The Territory's 2026 budget, adopted in December 2025, amounts to XPF 5.2 billion. It remains high, despite a decline compared with the XPF 5.4 billion voted the previous year.

In 2026, **public procurement should nevertheless remain an essential driver for the construction and public works sector**, supported by several major territorial development operations. Works related to the

extension of the Higher Administration building (XPF 213 million), road surfacing works over 4.6 km (XPF 175 million), and coastal protection rock armour works (XPF 132 million) are among the projects that will strongly mobilise local companies. These operations come in addition to the continuation of multi-year road programmes, the renovation of public lighting and works on hydraulic and airport infrastructure, helping to maintain sustained momentum in the sector.

In addition, in November 2025, **a cooperation agreement was signed between the Territory, represented by the French State, and the Republic of Fiji**. It establishes an official framework for cooperation on air, maritime and digital connectivity, regarded as an essential lever for reducing isolation. Cooperation in fisheries and agriculture is also part of the agreement.

Lastly, the increase in energy product prices and global logistics tensions caused by the war in the Middle East and **the blockage of the Strait of Hormuz** could severely penalise and increase the cost of supplies to Wallis and Futuna. This issue, at the centre of discussions among the territory's stakeholders in early 2026, could affect all economic sectors.

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