



20 January 2023

ATTACHMENT:

**DETAILED REPORT ON THE MACRO-ECONOMY FOR THE FIRST 4 MONTHS  
OF FY2022/2023 TO OCTOBER 2022**

**A. THE SAMOAN ECONOMY**

**1. Gross Domestic Product (GDP)<sup>1</sup>**

**Nominal GDP<sup>2</sup>**

*Quarter (Sept 2022 quarter)*

**\$493.5 million, 6.6 percent higher** than \$463.1 million in the September 2021 quarter.

*Annual (12 months to end Sept 2022)*

**\$1855.4 million or 1.6 percent higher** than \$1,826.7 million for the year up to September 2021.

*GDP per capita (12 months to Sept 2022)*

**\$10,821 per capita, 1.2 percent higher** than \$10,690 for the same period up to September 2021.

**Real GDP<sup>3</sup>**

*Quarter (Sept 2022 quarter)*

**\$501.2 million, 4.7 percent higher** than \$478.7 million in the September 2021 quarter.

*Annual (12 months to end Sept 2022)*

**\$1,876.0 million, 4.2 percent lower** than \$1,958.5 million for the year up to September 2021.

**2. Inflation (October 2022)**

**The annual average headline inflation rate accelerated further to 11.3 percent** from 11.0 percent in the previous month and even though it was 0.5 percent in October 2021. This reflected further hikes in both imported inflation (up to 16.6 percent from 16.4 percent) and local inflation (up to 5.7 percent from 5.5 percent). Food inflation increased to 16.8 percent at end October 2022 compared to -0.8 percent in October last year while Non-Food inflation rose to 7.4 percent from 1.4 percent last year.

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<sup>1</sup> Effective April 2019, the Sāmoa Bureau of Statistics (SBS) have published the rebased national accounts data with new base year 2013 (2013=100), starting with the December 2018 quarter. The latest update on national account is September 2019.

<sup>2</sup> At basic prices

<sup>3</sup> At purchaser prices including taxes less subsidies

### 3. Agricultural produce

According to the Samoa Bureau of Statistics (SBS) monthly survey, the average volume of agricultural produce supplied to the local markets in the first four months to October 2022 was 26.6 percent higher compared to the same period last year. This reflected increases in the supply of staple food crops such as taro, breadfruit and yams as well as all vegetables items like head cabbage and pumpkin. Despite the higher supplies, the average price index at the local markets also rose by 17.3 percent as a result of higher demand for local produce.

### 4. Banking system (at end September 2022)

The banking system at end September 2022 remained well-capitalized with the capital adequacy ratio rising to 30.3 percent from 28.4 percent in September 2021, and this was well above the 15.0 percent minimum prudential requirement.

Its liquidity was also more than adequate at 26.4 percent of total domestic deposits and well above its minimum prudential requirement of 10.0 percent.

Non-performing loans (NPLs) as of September 2022 stood at 4.3 percent to total loans, which was higher than 3.5 percent in September 2021. However, the provisioning for doubtful loans to total NPLs increased to 197.7 percent in September 2022, from 164.3 percent in September last year. This high level of provisioning just about covers (96.6 percent) of total NPLs plus special mention<sup>4</sup> loans, which is dropped from 119.9 percent at end September 2021.

### 5. Balance of Payment (First 4 months to October 2022)

#### External Trade:

#### i. Total Exports of Goods

**\$43.18 million; 107.3 percent higher** than \$20.83 million, in the four months to October 2021.

#### Export Composition

The shares of the main exports were as follow:

<b>Re-exports – 50.7 percent</b>	(\$21.88 million)
<b>Domestically produced exports – 49.3 percent</b>	(\$21.30 million)
Of which;	
Fresh Fish – 23.6 percent	(\$10.21 million)
Crude coconut oil – 12.3 percent	(\$5.31 million)
Beer – 3.7 percent	(\$1.60 million)
Taro – 2.9 percent	(\$1.27 million)
Nonu Juices – 2.0 percent	(\$0.85 million)

#### ii. Total Imports of Goods

**\$419.96 million, 56.4 percent higher** than \$268.54 million in same period up to October 2021.

- Non-petroleum private sector imports up by 22.6 percent to \$261.59 million;
- Petroleum imports more than doubled to \$91.11 million;
- Government imports more than tripled to \$67.26 million.

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<sup>4</sup> These are loans that may become NPLs in the next 3 months if there are no repayments done.

- iii. **Net Trade of Goods Deficit**  
**\$376.79 million, 52.1 percent higher** than \$247.71 million in the first four months of FY 2021/22
  
- iv. **Visitor Arrivals and Receipts**  
**Total Arrivals**  
**21,750 visitors** in the four months to October 2022  
  
**Total Receipts**  
**\$71.65 million** in the four months to October 2022
  
- v. **Private Remittances**  
**\$287.15 million, 23.1 percent higher** than \$233.35 million in the first four months to October 2021.
  - Family and Households expanded by 18.8 percent to \$256.1 million.
  - Non-profit Institutions Serving Households (NPISH) fell by 26.1 percent \$6.23 million.
  
- vi. **Gross Official Foreign Reserves<sup>5, 6</sup>**  
**\$785.32 million at end October 2022, 1.7 percent higher** than the same month last year. At this level, this was sufficient to cover **9.0 months of imports**, which was lower than 11.4 months at end October 2021.

**6. External Debt Outstanding (at end September 2022 quarter)**

- i. **Debt Stock**  
**\$909.82 million (around 49.0 percent of nominal GDP<sup>7</sup>), 9.3 percent lower** than \$1,003.21 million in the September 2021 quarter (54.9 percent of nominal GDP).
  
- ii. **Annual Debt Servicing (at end September 2022 quarter)**  
**\$89.16 million<sup>8</sup>**, which was **150.3 percent higher** than \$35.62 million in the year up to September 2021. This large hike reflects the end of the Debt Service Suspension Initiative (DSSI), which Samoa is a part of, and the resumption of normal debt servicing repayments. This was **equivalent to**
  - **13.37 percent** of recurrent revenue<sup>9</sup>;
  - **11.29 percent** of foreign reserves<sup>10</sup>; or
  - **26.07 percent** of total exports of goods and services<sup>11</sup>.

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<sup>5</sup> Effective January 2021, the Central Bank of Samoa has adopted the new methodology as recommended by IMF to exclude the foreign holdings of Ministry of Finance from the calculation of the country's official reserves.

<sup>6</sup> Samoa received its Special Drawing Rights (SDRs) allocation from International Monetary Fund (IMF) of SDR 15.5 million, or an equivalent of around \$55.00 million Tala in August 2021.

<sup>7</sup> Using Nominal GDP at basic prices

<sup>8</sup> This drop reflects the deferral of debt servicing repayments as a form of COVID-19 assistance for low income countries, which is led by the G20.

<sup>9</sup> For every tala that is earned by Government (Recurrent) Revenue, approximately 13 sene is used to pay off Samoa's foreign debt.

<sup>10</sup> For every tala that is saved as the country's foreign reserves, 11 sene is used to pay for our external debt.

<sup>11</sup> For every tala that we earn from the export of our goods (export earnings from fish, taro, nonu juice etc...) and services (mainly tourism earnings), we use around 26 sene of those earnings to repay our foreign loans.