



28 August 2023

REPORT ON THE MACRO-ECONOMY FOR FINANCIAL YEAR 2022/2023
(TWELVE MONTHS UP TO JUNE 2023)

A. THE SAMOAN ECONOMY

1. Gross Domestic Product (GDP)¹

Nominal GDP²

Quarter (March 2023 quarter)

\$644.37 million, 20.4 percent higher than \$535.18 million in the March 2022 quarter.

Annual (12 months to end March 2023)

\$2,414.46 million or 10.7 percent higher than \$2,181.15 million for the year up to March 2022.

GDP per capita (12 months to March 2023)

\$11,601 per capita, 9.6 percent higher than \$10,584 for the same period up to March 2022.

Real GDP³

Quarter (March 2023 quarter)

\$512.32 million, 7.4 percent higher than \$477.17 million in the March 2022 quarter.

Annual (12 months to end Mar 2023)

\$1,978.68 million, 3.2 percent higher than \$1,916.73 million for the year up to March 2022.

2. Inflation (at end June 2023)

The **annual average headline inflation rate** remained at **12.0 percent** from the previous month but was well above 8.8 percent in June of last year. Underpinning the increase over the year was a strong pickup in local (component) inflation, which rose to 9.2 percent from 8.7 percent in the previous month and 3.9 percent in June 2022. Meanwhile, its imported (component) inflation dropped to 14.5 percent from 15.0 percent of the previous month.

¹ 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.

² At purchaser prices including taxes less subsidies

³ At purchaser prices including taxes less subsidies

3. Agricultural produce (12 months to June 2023)

According to the Samoa Bureau of Statistics (SBS) monthly survey, the average volume of agricultural produce supplied to the local markets in the twelve months to June 2023, was 0.7 percent lower over the same period last year. This was mainly due to reductions in average supplies of staple food crops such as ta'amu, banana and pumpkin. As a result of shortage of agricultural products, the average price index rose by 38.0 percent.

4. Banking system (at end June 2023)

The banking system at end June 2023 remained well-capitalized with the capital adequacy ratio rising to 33.2 percent from 28.8 percent in June 2022, this was well above the 15.0 percent minimum prudential requirement.

Its liquidity was also more than adequate at 36.6 percent of total domestic deposits in the month under review and was well above its minimum prudential requirement of 10.0 percent.

Non-performing loans (NPLs) as of June 2023 stood at 4.7 percent to total loans, which was higher than 4.6 percent in June 2022. However, the provisioning for doubtful loans to total NPLs increased to 179.7 percent in June 2023, from 168.3 percent in June of last year. This high level of provisioning more than covered (110.4 percent) the total NPLs in June 2023, which had significantly increased from 96.7 percent at end June 2022

5. Balance of Payment (12 months to end June 2023)

External Trade:

i. Total Exports of Goods

\$119.04 million; 43.6 percent higher than \$82.90 million in the twelve months to June 2022.

Export Composition

The shares of the main exports were as follow:

Re-exports – 54.6 percent	(\$65.01 million)
Domestically produced exports – 45.4 percent	(\$54.04 million)

Of which;

Fresh Fish – 20.0 percent	(\$23.79 million)
Crude coconut oil – 10.8 percent	(\$12.90 million)
Taro – 3.3 percent	(\$3.92 million)
Nonu Juices – 2.0 percent	(\$2.38 million)
Beer – 1.7 percent	(\$2.03 million)

ii. Total Imports of Goods

\$1,206.23 million, 34.4 percent higher than \$897.50 million for the same period up to June 2022.

- Non-petroleum private sector imports up by 18.3 percent to \$830.43 million;
- Petroleum imports jumped by 97.5 percent to \$268.43 million;
- Government imports also leapt by 79.1 percent to \$107.17 million.

iii. Net Trade of Goods Deficit

\$1,087.20 million, 33.4 percent higher than \$814.60 million in the twelve months of FY 2021/22.

iv. **Visitor Arrivals and Receipts**

Total Arrivals

124,655 visitors in the twelve months to June 2023.

- Of which 51,924 (41.7percent) were those of visiting friends and relatives;
- 43,639 (35.0 percent) were those on holiday.

Total Receipts

\$420.99 million in the twelve months to June 2023.

- Of which \$206.71 million (or 49.1 percent) was spent by those visiting friends and relatives;
- \$131.61 million (31.3 percent) was spent by holiday visitors.

v. **Private Remittances**

\$832.13 million, 13.6 percent higher than \$732.43 million in the twelve months to June 2022

- Family and Households expanded by 7.1 percent to \$714.80 million;
- Non-profit Institutions Serving Households (NPISH) increased by 0.7 percent to \$32.30 million;
- Hand carried cash expanded by \$55.27 million to \$65.02 million.

vi. **Gross Official Foreign Reserves⁴**

\$1,098.09 million at end June 2023, was 35.1 percent higher than the same month last year. At this level, this was sufficient to cover **10.9 months of imports**, which was similar to that for June of 2022.

6. **External Debt Outstanding (at end March 2023 quarter)**

i. **Debt Stock**

\$882.06 million (around 36.5 percent of nominal GDP⁵), 7.0 percent lower than \$948.46 million in the March 2022 quarter (43.5 percent of nominal GDP).

ii. **Annual Debt Servicing (at end March 2023 quarter)**

\$94.46 million, which was 56.0 percent higher than \$60.55 million in the year up to March 2022. This large hike reflects the end of the Debt Service Suspension Initiative (DSSI), which Samoa was a part of, and the resumption of normal debt servicing repayments. This was **equivalent to**

- **12.98 percent** of recurrent revenue⁶;
- **9.96 percent** of foreign reserves⁷; or
- **16.70 percent** of total exports of goods and services⁸.

⁴ 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.

⁵ Using Nominal GDP at purchaser prices

⁶ For every tala that is earned by Government (Recurrent) Revenue, approximately 13 sene is used to pay off Samoa's foreign debt.

⁷ For every tala that is saved as the country's foreign reserves, 10 sene is used to pay for our external debt.

⁸ 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 17 sene of those earnings to repay our foreign loans.