



CENTRAL BANK OF SAMOA

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SELECTED ECONOMIC INDICATORS FEBRUARY 2017

This report is a monthly release of the latest available key macro indicators on the Samoan economy, with information sourced from the Central Bank, commercial banks, Ministry of Finance, Samoa Bureau of Statistics and the Ministry of Revenue.

Report No.8: 2016/17

February 2017

World Economy

On the global front, the United States (US) economy grew by 1.9 percent in the fourth quarter of 2016, in light of increased consumer spending and investments. Furthermore, there were expansions in the economies of New Zealand, Australia, China and Europe in the fourth quarter of 2016.

Domestic Economy

The **weighted average official interest rate** remained at 0.15 percent as in the previous month. For commercial banks, both the **weighted average deposit rate** and **weighted average lending rate** fell by 5 basis points each to 2.34 percent and 8.88 percent respectively. Consequently, the commercial banks' **interest rate margin** remained steadily at 6.54 percent.

After increasing in the previous month, the '**Net domestic assets**' fell by \$13.2 million to \$770.4 million, highlighted a \$25.0 million increase in **government's net position**. However, '**net foreign assets**' widened by \$6.7 million to \$173.9 million, due to moderate increases in the banking system and Central Bank of Sāmoa's (CBS) foreign assets. Consequently, **broad money (M2)** narrowed by \$6.5 million (or 0.7 percent) to \$944.4 million.

The **overall nominal value** of the Samoa Tala appreciated for the second consecutive month by 0.05 percent as the Tala strengthened against the US dollar and Euro but weakened against the Australian dollar and New Zealand dollar.

According to the latest price data release from Samoa Bureau Statistics (SBS), the **Consumer Price Index (CPI)** went up marginally by 0.1 percent and was 1.6 percent higher than the same month last year. Similarly, the annual average headline inflation rate rebounded to 1.0 percent from 0.8 percent in the preceding

month and higher than 0.3 percent in February last year.

At the Fugalei market and other local produced markets around Apia, the overall volume of supplies improved by a seasonal 2.6 percent, which saw a 5.3 percent decline in the overall price index.

On the external front, total **export** earnings dropped by \$0.8 million to \$5.5 million following a moderate reduction in both locally produced exports to \$2.8 million (mainly fish, taro and crude coconut oil to name a few) and re-exports to \$2.7 million in the month under review. Similarly, total **import** payments fell by 9.5 percent to \$56.2 million due to a solely decline of \$7.9 million in non-petroleum private sector. Consequently, the merchandise trade deficit narrowed 5.15 percent to \$50.7 million. However, total **private remittances** fell by 13.5 percent to \$26.3 million and was also 11.1 percent lower compared to February 2016. As actual figures for **visitor arrivals** are not yet available¹, however estimates pointed to a seasonal 32.0 percent drop in visitor numbers to 8,511, hence an expected drop of 23.3 percent to \$26.6 million in total **visitor earnings**. All in all, total **gross foreign reserves** expanded further by 3.9 percent (or a \$10.7 million surplus) to \$286.8 million, which was equivalent to 4.4 months of **import cover**.

CENTRAL BANK OF SAMOA
10th April 2017

¹ Visitor arrival data are sourced from SBS

Selected Economic Indicators
February 2017

Table 1.										
INDICATORS	Feb-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
COMMERCIAL BANKS' INTEREST RATES: (%)										
<i>Average lending rate</i>	9.35	9.04	9.07	8.97	8.94	8.95	8.90	8.97	8.93	8.88
<i>Average deposit rate</i>	2.41	2.32	2.31	2.38	2.27	2.45	2.35	2.36	2.39	2.34
<i>Official rate</i>	0.20	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.15	0.15
COMMERCIAL BANK LOANS (Tala million)	911.78	975.40	960.64	961.77	978.56	983.83	996.06	1,001.60	1,008.65	1,021.01
GOVERNMENT NET POSITION (Tala million)	-112.25	-133.33	-120.34	-121.41	-104.17	-104.38	-116.26	-127.05	-129.77	-154.82
MONEY SUPPLY (Tala million)	878.54	895.29	913.23	907.78	928.75	917.20	923.51	947.94	950.83	944.37
<i>Currency outside banks</i>	57.67	61.44	65.15	62.61	65.55	61.24	60.50	78.27	61.61	59.15
<i>Demand deposits</i>	272.95	275.78	285.69	263.84	270.33	265.96	264.40	261.89	292.09	283.34
<i>FCD residents</i>	47.76	57.01	66.23	64.35	68.09	59.05	75.95	82.52	76.60	73.35
<i>Save deposits</i>	122.50	129.52	131.19	133.00	135.36	133.92	129.93	132.54	131.85	133.08
<i>Time deposits</i>	377.66	371.54	364.97	383.99	389.43	397.04	392.72	392.73	388.68	395.45
NOMINAL EXCHANGE RATE (Index)	101.84	101.78	100.17	100.19	100.23	100.16	100.15	100.11	100.14	100.19
HEADLINE CPI (2)	100.00	101.60	103.40	101.70	101.30	100.50	100.20	101.00	101.50	101.60
<i>Annual average inflation (%)</i>	0.3	0.1	0.1	0.4	0.8	0.9	1.0	1.3	0.8	1.0
LOCAL MARKET SURVEY: (2)										
<i>Volume</i>	106.0	103.5	121.0	140.4	123.0	146.0	150.0	165.8	140.3	144.0
<i>Price</i>	92.9	106.0	104.0	96.0	93.0	78.0	73.0	86.1	89.8	85.0
EXPORTS (Tala million)	5.56	8.17	7.85	9.61	11.41	9.35	6.30	6.83	6.30	5.53
IMPORTS (Tala million)	68.20	63.47	64.64	59.78	74.91	60.54	67.74	74.74	62.11	56.19
REMITTANCES (Tala million)	29.62	31.11	33.75	36.39	33.04	32.21	33.85	43.82	30.42	26.32
TOURISM: (1)										
<i>Arrivals</i>	8,226	12,773	16,034	11,881	11,981	11,370	9,154	18,428 (P)	12,523 (P)	8,511 (P)
<i>Earnings (Tala million)</i>	25.11	38.09	33.72	28.44	34.46	30.91	25.06	46.82 (P)	34.66 (P)	26.59 (P)
GROSS INTERNATIONAL RESERVES	322.14	284.85	293.57	276.91	266.12	241.68	232.27	256.47	276.14	286.80
<i>BOP Position (+/-) (Surplus/Deficit)</i>	-11.61	5.15	8.71	-16.66	-10.80	-24.44	-9.41	24.20	19.67	10.66
<i>Import Cover</i>	5.0	4.3	4.5	4.2	4.0	3.6	3.5	3.8	4.2	4.4
Source: Central Bank of Samoa 1. Revised Total Earnings from Feb-12 to Mar-16 2. Rebase Base Period February 2016=100 (P): Projections - CBS										