

SELECTED ECONOMIC INDICATORS

APRIL 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.

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April 2017

World Economy

Gross Domestic Product (GDP) estimates for the US economy during the first quarter of 2017 pointed to a 1.2 percent growth due to increased consumer spending and non-residential fixed investment. The Chinese economy recorded a 1.3 percent growth. Estimates for New Zealand and Australia are not yet available however, a review of the December quarter 2016 showed modest growths of 0.4 percent and 1.1 percent for New Zealand and Australia respectively.

Domestic Economy

The **official weighted average interest rate** remained unchanged at 0.14 percent from the previous month. However, the **weighted average deposit rate** increased further to 2.61 percent while the **weighted average lending rate** remained unchanged at 8.76 percent from the previous month. Consequently, the commercial banks' **weighted average interest rate spread** was reduced to 6.15 percent from 6.23 percent in the previous month.

Total commercial bank lending to the private sector and public institutions combined went up further by 0.7 percent to \$1,029.7 million. However, the **government's net position** in the monetary system dropped by 2.2 percent to \$156.6 million. Both '**net foreign assets**' and '**net domestic assets**' expanded by \$19.5 million and \$9.8 million respectively, which saw an overall increase of \$29.3 million to \$959.2 million in **broad money (M2)**.

The **overall nominal value** of the Samoan Tala weakened by 0.01 percent as the Tala depreciated against the US dollar and Euro while rising against the New Zealand and Australian dollar.

According to the latest release by Samoa Bureau Statistics release, the **Consumer Price Index (CPI)** contracted by 0.5 percent in April 2017 but was 1.1 percent higher compared to the same month last year. However, the **annual average headline inflation rate** increased further to 1.4 percent from 1.2 percent a month ago and -0.1 percent in April 2016.

On the **external front**, total **export proceeds** decreased by 23.1 percent to \$5.4 million due to contractions in both locally produced exports (particularly fish, coconut cream, taro and virgin coconut oil to name a few) and re-exports by 23.2 percent and 22.9 percent respectively. Similarly, **import payments** fell by \$10.8 million to \$60.2 million following reductions in non-petroleum private sector (by \$12.4 million) and petroleum imports (by \$0.6 million). This was partially offset by a \$2.2 million increase in government imports. Consequently, the merchandise trade deficit narrowed by 14.3 percent (or \$9.2 million) to \$54.8 million. Total **private remittances** fell moderately by 9.8 percent (\$3.2 million) to \$29.4 million. As tourist arrivals for April 2017 are not yet available, Central Bank of Sāmoa's forecasts a 13.1 percent increase in total **visitor arrivals** to 11,667 visitors. As a result, total **visitor earnings** are expected to jump by 12.2 percent to \$34.4 million. Overall, official **gross foreign reserves** rebounded by 3.8 percent or a \$10.8 million surplus in the balance of payments. At \$291.4 million, total gross foreign reserves were equivalent to 4.4 months of **import cover**.

The **overall volume of supplies** at the Fugalei and other domestic produce markets around Apia fell by 4.1 percent. However, the **overall price index** also decreased by 1.1 percent in April 2017 due to weak demand.

Selected Economic Indicators
April 2017

Table 1.										SELECTED ECONOMIC INDICATORS									
INDICATORS	2016		2017			Average First 10 Months			Average levels in the previous										
	Apr	Mar	Apr	Jul14 - Apr15	Jul15 - Apr16	Jul16 - Apr17	2-years	3-years	5-years										
COMMERCIAL BANKS' INTEREST RATES: (%)																			
<i>Average lending rate</i>	9.35	8.76	8.76	9.71	9.40	8.91	9.46	9.72	9.83										
<i>Average deposit rate</i>	2.42	2.53	2.61	2.84	2.39	2.40	2.49	2.71	2.68										
<i>Official rate</i>	0.16	0.14	0.14	0.15	0.16	0.14	0.16	0.18	0.18										
COMMERCIAL BANK LOANS (Tala million)	963.3	1022.9	1029.7	830.3	899.9	996.5	912.6	864.8	826.7										
GOVERNMENT NET POSITION (Tala million)	-106.9	-160.2	-156.6	-72.4	-96.9	-129.5	-82.6	-93.8	-91.1										
MONEY SUPPLY (Tala million)	896.9	929.9	959.2	812.0	877.8	932.3	862.9	846.9	783.2										
<i>Currency outside banks</i>	61.7	62.5	63.8	48.3	56.7	64.0	54.1	55.3	53.7										
<i>Demand deposits</i>	271.5	259.5	267.5	212.3	265.4	271.5	254.5	233.6	204.1										
<i>FCD residents</i>	47.9	69.3	71.9	78.0	62.9	70.7	51.8	70.6	51.6										
<i>Save deposits</i>	131.0	128.9	130.2	113.9	125.2	132.0	123.0	116.7	109.9										
<i>Time deposits</i>	384.8	409.7	425.8	359.4	367.6	394.1	379.5	370.8	363.9										
NOMINAL EXCHANGE RATE (Index)	102.3	100.2	100.2	101.5	101.7	101.3	101.6	101.5	101.2										
HEADLINE CPI (2)	99.4	101.0	100.5	100.2	99.9	101.3	99.7	99.6	100.2										
<i>Annual average inflation (%)</i>	-0.1	1.2	1.4	-0.2	1.1	0.9	0.8	0.1	1.4										
LOCAL MARKET SURVEY: (2)																			
<i>Volume</i>	97.8	123.0	118.0	103.4	92.9	137.0	98.1	103.5	93.8										
<i>Price</i>	100.7	92.0	91.0	75.5	88.1	89.2	81.8	84.2	99.9										
EXPORTS (Tala million)	6.0	7.0	5.4	5.4	8.0	7.6	67.3	60.5	57.7										
IMPORTS (Tala million)	55.2	70.9	60.2	65.7	65.5	65.2	656.2	656.3	644.3										
REMITTANCES (Tala million)	31.6	32.5	29.4	34.9	32.5	33.3	337.0	334.0	333.3										
TOURISM: (1)		(P)	(P)																
<i>Arrivals</i>	11,280	10,314	11,667	11,040	12,132	12,220	66,179	47,604	32,811										
<i>Earnings (Tala million)</i>	32.3	30.6	34.4	28.5	32.0	32.6	174.2	125.0	85.6										
GROSS INTERNATIONAL RESERVES	286.2	280.6	291.4	304.2	324.4	270.2	314.3	324.8	328.6										
<i>BOP Position (+/-) (Surplus/Deficit)</i>	-22.1	-6.1	10.8	-7.0	-5.0	0.7	-59.7	-28.6	-38.5										
<i>Import Cover</i>	4.4	4.2	4.4	4.6	5.1	4.1	4.4	4.8	4.9										

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

CENTRAL BANK OF SAMOA
16th June 2017