



## SELECTED ECONOMIC INDICATORS

### APRIL 2018

*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.9: 2017/18**

**April 2018**

### World Economy

On the global stage, the growth in the US economy was revised down to 2.2 percent from 2.3 percent in the first quarter of 2018, given lower than expected increases in consumer spending and exports. Furthermore, the Euro area expanded by 0.4 percent whereas Australia recorded a quarterly growth of 1.0 percent in the March quarter of 2018.

### Domestic Economy

In April 2018, the **weighted average official interest rate**<sup>1</sup> dropped 3 basis points to 0.15 percent but was 1 basis point higher than that of the same month last year. Similarly, both the commercial banks **weighted average deposit rate** and **weighted average lending rate** contracted by 7 basis points to 2.84 percent and 4 basis points to 8.85 percent respectively. As a result, the commercial banks' **interest rate spread** expanded to 6.02 percent from 5.98 percent in the previous month but lower than 6.07 percent in the same month last year.

Total commercial bank **liquidity** rebounded by \$16.0 million to \$198.9 million and was \$75.0 million higher than that of the same month of 2017. Primarily underpinning the overall increase over the previous month were expansions in banks' exchange settlement accounts (ESA) (up \$13.8 million), vault cash (up \$1.7 million) and commercial banks' holdings of CBS securities (up \$0.5 million). Given the lower cost of borrowing, **total commercial banks' credit** to the private sector and public institutions expanded by 0.2 percent to \$1,068.0 million and was 1.1 percent higher when compared to April 2017.

**Broad money (M2)** went up for the third consecutive month by \$11.8 million to \$1,072.3 million. Contributing to this increase was a \$9.7 million expansion (to \$323.7 million) in '**Net Foreign Assets' (NFA)**; coupled with a slight increase of \$2.1 million (to \$748.6 million) in '**Net Domestic Assets' (NDA)**. Underpinning the hike in NFA was an expansion in Central Bank's holdings of foreign reserves whereas the increase in commercial banks' lending to the private sector coupled with a hike in 'other item, net' led to the increase in NDA. The Government's net position with the monetary system recorded a surplus of \$7.32 million in the reviewed month.

The **overall nominal value** of the Samoan Tala strengthened by 0.002 percent as the Tala appreciated against the Australian dollar and Euro while falling against the US and New Zealand dollars.

The Consumer Price Index (CPI) rebounded by 0.6 percent over the previous month and was 4.6 percent higher than in the same month last year. Furthermore, the **annual average headline inflation rate** went up further to 2.9 percent from 2.7 percent in the previous month and 1.4 percent in April 2017. Underpinning this increase over the previous month was a hike in local inflation to 1.1 percent from 0.4 percent whereas imported inflation contracted to 4.6 percent from 4.7 percent in March 2018. The rise in inflation partly reflected the adverse impact of Tropical Cyclone Gita on local agricultural produce (mainly on vegetables and stable food crops) in February 2018.

On the external front, total export earnings jumped by 10.8 percent to \$7.1 million due to increases in re-exports by 15.6 percent and locally produced exports by 7.1 percent. Similarly, total import payments increased

<sup>1</sup> Overall weighted average yield on Central Bank of Samoa Securities (CBSS)

*Selected Economic Indicators*  
*April 2018*

---

substantially by 54.8 percent to \$77.1 million, reflecting a large expansion (of \$19.8 million) in petroleum<sup>2</sup> imports coupled with gains in government and non-petroleum sector imports by 36.7 percent and 13.6 percent in that order. As a result, the merchandise trade deficit widened by 61.3 percent to \$70.0 million.

The inflow of **private remittances** fell by 0.5 percent to \$45.0 million over the previous month. Since the **total visitor arrivals** for April 2018 are not yet available, Central Bank of Samoa's (CBS) estimates point to a seasonal increase of 0.9 percent to 11,808 visitors. Furthermore, **visitor earnings** are expected to expand by 9.7 percent to \$36.2 million. All in all, **gross foreign reserves** expanded by 3.9 percent (or \$14.5 million) to \$383.0 million in the reviewed month. This level of foreign reserves is equivalent to 5.6 months of **import cover**, up from 5.5 months in March 2018.

The overall supply of agricultural commodities to the Fugalei and other domestic produce markets around Apia, recorded a 37.0 percent jump over the previous month. The overall boost was due to lower supplies of staple food commodities such as ta'amu, breadfruit and taro as well as vegetable items like tomatoes, Chinese cabbage and pumpkin. However, the overall price index edged up by 4.5 percent due to the increase in demand.

**CENTRAL BANK OF SAMOA**  
**25<sup>th</sup> June 2018**

---

<sup>2</sup> Tanker vessel arrived on 29th March 2018 and cleared on the following week which is an April 2018 entry.

**Selected Economic Indicators**  
**April 2018**

SELECTED ECONOMIC INDICATORS												
INDICATORS	2016	2017	2018				Average Ten Months			Average levels in the previous		
	Apr	Apr	Jan	Feb	Mar	Apr	Jul15 - Apr16	Jul16 - Apr17	Jul17 - Apr18	2-years	3-years	5-years
<b>CENTRAL BANK OF SAMOA: (%)</b>												
Official rate	0.16	0.14	0.17	0.15	0.18	0.15	0.16	0.14	0.16	0.15	0.15	0.17
<b>COMMERCIAL BANKS' INTEREST RATES: (%)</b>												
Average lending rate	9.35	8.70	8.90	8.89	8.89	8.85	9.40	8.84	8.84	9.02	9.21	9.62
Average deposit rate	2.42	2.61	2.91	2.88	2.91	2.84	2.39	2.41	2.75	2.52	2.53	2.71
<b>COMMERCIAL BANK LOANS (Tala million)</b>	<b>963.3</b>	<b>1056.4</b>	<b>1060.3</b>	<b>1061.3</b>	<b>1065.5</b>	<b>1068.0</b>	<b>899.9</b>	<b>1022.9</b>	<b>1056.9</b>	<b>1009.9</b>	<b>960.5</b>	<b>882.5</b>
<b>GOVERNMENT NET POSITION (Tala million)</b>	<b>-106.9</b>	<b>-156.6</b>	<b>-169.4</b>	<b>-177.4</b>	<b>-185.3</b>	<b>-192.6</b>	<b>-96.9</b>	<b>-130.5</b>	<b>-170.1</b>	<b>-131.8</b>	<b>-107.3</b>	<b>-105.0</b>
<b>MONEY SUPPLY (Tala million)</b>	<b>896.9</b>	<b>959.2</b>	<b>1053.2</b>	<b>1053.5</b>	<b>1060.5</b>	<b>1072.3</b>	<b>877.8</b>	<b>934.4</b>	<b>1048.4</b>	<b>928.0</b>	<b>895.0</b>	<b>839.0</b>
Currency outside banks	61.7	63.8	69.5	66.4	73.6	65.2	56.7	63.9	69.6	62.8	57.3	56.6
Demand deposits	271.5	267.5	291.8	294.4	297.6	302.1	265.4	269.9	298.4	269.5	258.8	227.3
FCD residents	47.9	71.9	76.1	76.3	68.5	73.4	62.9	71.2	82.1	59.9	58.5	61.3
Save deposits	131.0	130.2	134.2	134.8	135.5	136.3	125.2	132.1	137.1	130.6	125.4	116.3
Time deposits	384.8	425.8	481.7	481.7	485.4	495.3	367.6	397.3	461.3	405.3	394.9	377.5
<b>NOMINAL EXCHANGE RATE (Index)</b>	<b>102.3</b>	<b>100.2</b>	<b>100.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>101.7</b>	<b>101.2</b>	<b>100.1</b>	<b>101.2</b>	<b>101.3</b>	<b>101.3</b>
<b>HEADLINE CPI (2)</b>	<b>99.4</b>	<b>100.7</b>	<b>105.7</b>	<b>105.3</b>	<b>104.7</b>	<b>105.3</b>	<b>99.9</b>	<b>101.1</b>	<b>104.5</b>	<b>100.1</b>	<b>100.4</b>	<b>100.1</b>
Annual average inflation (%)	-0.1	1.4	2.2	2.4	2.7	2.9	1.1	1.0	1.8	0.6	1.0	0.5
<b>LOCAL MARKET SURVEY: (2)</b>												
Volume	97.8	118.0	119.0	125.1	100.0	137.0	92.9	138.7	133.8	107.9	99.8	93.8
Price	100.7	91.0	106.0	108.7	111.0	116.0	88.1	87.5	96.6	95.8	93.1	97.9
<b>EXPORTS (Tala million)</b>	<b>6.0</b>	<b>5.4</b>	<b>5.6</b>	<b>5.4</b>	<b>6.4</b>	<b>7.1</b>	<b>8.0</b>	<b>7.5</b>	<b>7.5</b>	<b>5.7</b>	<b>5.3</b>	<b>5.3</b>
<b>IMPORTS (Tala million)</b>	<b>55.2</b>	<b>60.2</b>	<b>68.3</b>	<b>62.5</b>	<b>49.8</b>	<b>77.1</b>	<b>65.5</b>	<b>65.2</b>	<b>69.7</b>	<b>57.7</b>	<b>56.9</b>	<b>65.0</b>
<b>REMITTANCES (Tala million)</b>	<b>31.6</b>	<b>29.8</b>	<b>40.8</b>	<b>37.7</b>	<b>45.2</b>	<b>44.9</b>	<b>32.5</b>	<b>33.2</b>	<b>37.3</b>	<b>30.7</b>	<b>32.4</b>	<b>32.0</b>
<b>TOURISM: (1)</b>						(P)						
Arrivals	11,295	11,586	12,654	7,413	11,707	11,808	12,192	11,596	13,459	11,441	10,708	10,265
Earnings (Tala million)	32.3	32.8	31.0	20.4	33.0	36.2	32.0	31.0	36.8	32.6	30.6	29.0
<b>GROSS INTERNATIONAL RESERVES</b>	<b>286.2</b>	<b>287.8</b>	<b>345.8</b>	<b>348.8</b>	<b>368.5</b>	<b>383.0</b>	<b>324.4</b>	<b>267.2</b>	<b>348.0</b>	<b>287.0</b>	<b>285.5</b>	<b>302.4</b>
BOP Position (+/-) (Surplus/Deficit)	-22.1	6.6	10.7	3.1	19.6	14.5	-5.0	-0.6	7.2	-7.7	-0.5	1.4
Import Cover	4.4	4.3	5.0	5.0	5.5	5.6	5.1	4.0	5.1	4.4	4.4	4.7

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

n/a: not available