



## SELECTED ECONOMIC INDICATORS

JUNE 2019

*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.12: 2018/19**

**June 2019**

### World Economy

On the global stage, the growth in the United States economy expanded to 2.1 percent in the second quarter of 2019, in light of higher household consumption and government spending. Similarly, the Euro economy also grew 0.2 percent in June 2019 easing from 0.4 percent in the previous quarter. Since the Gross Domestic Product (GDP) figures for Australia and New Zealand in the second quarter are not yet available. The review for March quarter 2019 showed a modest growth of 0.4 percent for Australia and a 0.6 percent for New Zealand.

### Domestic Economy

The **weighted average official interest rate** rebounded to 0.19 percent from 0.18 percent last month and was 2 basis points higher than that of the same month last year. Furthermore, the commercial banks **weighted average deposit rate** rose 33 basis points to 2.85 percent whereas the **weighted average lending rate** remained steady at 8.97 percent as in May 2019. As a result, the commercial banks' **interest rate spread** narrowed to 6.12 percent from 6.45 percent in the previous month and lower than 6.28 percent in June 2018.

Total commercial banks' **liquidity** edged down by \$0.02 million to \$274.0 million but was \$55.1 million higher than that of the same month in 2018. Accounted for the current level was a decline of \$1.78 million in banks' vault cash despite \$1.76 million increase in exchange settlement accounts (ESA) while commercial banks' holdings of CBS securities remained the same for the previous month. Moreover, **total commercial banks' credit** to the private sector and public institutions was reduced by 0.6 percent to \$1,126.3 million but was 5.8 percent higher when compared to June 2018.

**Broad money (M2)** contracted by \$16.0 million to \$1,236.3 million. Contributing to this drop was a \$43.7 million reduction (to \$762.7 million) in '**Net Domestic Assets' (NDA)** whereas '**Net Foreign Assets' (NFA)** improved \$27.6 million to \$473.6 million. Underpinning the hike in NFA was a substantial increase in foreign holdings of the Central Bank. The Government's net position with the monetary system recorded a surplus of \$35.0 million which mainly contributed to NDA's reduction.

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

The Consumer Price Index (CPI) widened by 0.4 percent over the previous month but was 0.1 percent lower than in the same month last year. However, the **annual average headline inflation rate** fell further to 2.2 percent from 2.6 percent in the previous month and 3.7 percent in June 2018. Contributing to the decrease was a 9 basis points reduction in imported component (to 1.8 percent) whilst local component remained at 3.7 percent from the previous month.

On the external front, total export earnings expanded by 39.2 percent to \$13.9 million due to \$4.0 million increase in locally produced exports whereas re-exports fell 2.3 percent in the reviewed month. However, total import payments fell modestly by 12.1 percent to \$78.6 million, reflecting declines of \$17.5 million and \$8.1 million in government and non-petroleum sector respectively. As a result, the merchandise trade deficit was reduced by 18.5 percent to \$64.6 million.

*Selected Economic Indicators*  
*June 2019*

---

Despite the huge seasonal monthly increase in previous month, total receipts of **private remittances** dropped by 11.3 percent to \$43.2 million. **Total visitor arrivals** recorded a modest expansion of 19.4 percent to 16,192 visitors but was 0.8 percent lower than in June 2018. Despite the increase in total tourist arrivals, **total visitor earnings** went down by 2.4 percent to \$44.5 million, due entirely to a decline of 18.2 percent in tourist average expenditure, but was 1.2 percent higher than in the same month last year. All in all, **gross foreign reserves** has increased further for the third consecutive month, by 8.1 percent (or \$38.3 million) reaching its all-time high of \$514.47 million. This level of foreign reserves is equivalent to 6.7 months of **import cover**, up from 6.3 months in the previous month.

The overall supply of agricultural commodities to the Fugalei and other domestic produce markets around Apia, recorded a 7.2 percent increase over May 2019. The overall increase was due to higher supplies of stable food commodities such as coconut, breadfruit, banana and yam as well as vegetable items like head cabbage, tomatoes and pumpkin. Consequently, the overall price index was narrowed to 10.8 percent.

**CENTRAL BANK OF SAMOA**  
**2<sup>nd</sup> August 2019**

**Selected Economic Indicators**  
**June 2019**

SELECTED ECONOMIC INDICATORS														
INDICATORS	2017	2018	2019						Average Twelve Months			Average levels in the previous		
	Jun	Jun	Jan	Feb	Mar	Apr	May	Jun	Jul16 - Jun17	Jul17 - Jun18	Jul18 - Jun19	2-years	3-years	5-years
<b>CENTRAL BANK OF SAMOA: (%)</b>														
Official rate	0.14	0.17	0.17	0.18	0.18	0.19	0.18	0.19	0.14	0.16	0.18	0.16	0.15	0.16
<b>COMMERCIAL BANKS' INTEREST RATES: (%)</b>														
Average lending rate	8.65	8.98	9.01	9.02	9.05	9.02	8.97	8.97	8.82	8.85	9.00	8.82	8.89	9.30
Average deposit rate	2.70	2.70	2.77	2.72	2.81	2.75	2.52	2.85	2.45	2.75	2.71	2.70	2.57	2.63
<b>COMMERCIAL BANK LOANS (Tala million)</b>	<b>1046.9</b>	<b>1064.7</b>	<b>1112.2</b>	<b>1131.7</b>	<b>1131.9</b>	<b>1135.5</b>	<b>1132.2</b>	<b>1126.3</b>	<b>1023.5</b>	<b>1059.1</b>	<b>1114.2</b>	<b>1055.8</b>	<b>1029.0</b>	<b>946.4</b>
<b>GOVERNMENT NET POSITION (Tala million)</b>	<b>-171.2</b>	<b>-197.4</b>	<b>-218.3</b>	<b>-210.5</b>	<b>-175.5</b>	<b>-177.8</b>	<b>-177.5</b>	<b>-212.5</b>	<b>-135.6</b>	<b>-176.0</b>	<b>-203.4</b>	<b>-184.3</b>	<b>-167.3</b>	<b>-143.9</b>
<b>MONEY SUPPLY (Tala million)</b>	<b>965.2</b>	<b>1124.4</b>	<b>1206.9</b>	<b>1244.4</b>	<b>1245.4</b>	<b>1257.8</b>	<b>1252.3</b>	<b>1236.3</b>	<b>937.9</b>	<b>1058.0</b>	<b>1198.0</b>	<b>1044.8</b>	<b>995.0</b>	<b>930.6</b>
Currency outside banks	67.0	75.2	88.3	89.0	91.9	92.5	98.4	97.6	64.5	70.5	90.0	71.1	67.9	59.9
Demand deposits	270.8	353.4	385.9	414.5	408.3	409.3	406.9	402.9	271.2	305.6	371.5	312.1	300.0	273.6
FCD residents	67.6	70.7	68.7	76.2	76.8	74.5	74.1	65.7	70.7	79.6	75.7	69.2	65.1	73.7
Save deposits	132.7	139.9	143.2	143.4	145.3	147.2	145.8	148.9	132.0	137.6	146.4	136.3	134.1	126.2
Time deposits	427.0	485.2	520.8	521.3	523.1	534.4	527.1	521.2	399.6	464.6	514.4	456.1	427.9	397.3
<b>NOMINAL EXCHANGE RATE (Index)</b>	<b>100.18</b>	<b>99.97</b>	<b>100.0</b>	<b>99.9</b>	<b>99.9</b>	<b>99.9</b>	<b>100.0</b>	<b>100.0</b>	<b>101.2</b>	<b>100.1</b>	<b>100.0</b>	<b>100.1</b>	<b>100.8</b>	<b>101.0</b>
<b>HEADLINE CPI (2)</b>	<b>102.6</b>	<b>108.6</b>	<b>104.6</b>	<b>105.3</b>	<b>107.0</b>	<b>106.8</b>	<b>108.0</b>	<b>108.5</b>	<b>101.4</b>	<b>105.1</b>	<b>107.5</b>	<b>105.6</b>	<b>104.3</b>	<b>102.2</b>
Annual average inflation (%)	1.3	3.7	3.7	3.4	3.3	3.1	2.6	2.2	1.0	2.1	3.7	2.5	1.7	1.2
<b>LOCAL MARKET SURVEY: (2)</b>														
Volume	99.2	119.2	114.4	110.8	81.8	94.2	96.1	103.0	132.5	129.2	119.5	109.2	107.3	90.9
Price	115.2	112.3	115.0	106.0	126.3	122.2	132.2	117.9	92.3	100.5	110.7	113.8	111.4	99.0
<b>EXPORTS (Tala million)</b>	<b>12.6</b>	<b>9.0</b>	<b>12.0</b>	<b>7.4</b>	<b>11.5</b>	<b>7.7</b>	<b>10.0</b>	<b>13.9</b>	<b>8.0</b>	<b>7.7</b>	<b>10.9</b>	<b>10.8</b>	<b>9.9</b>	<b>8.5</b>
<b>IMPORTS (Tala million)</b>	<b>65.6</b>	<b>58.7</b>	<b>68.6</b>	<b>56.7</b>	<b>82.8</b>	<b>66.6</b>	<b>89.3</b>	<b>78.6</b>	<b>65.2</b>	<b>69.1</b>	<b>76.2</b>	<b>62.1</b>	<b>62.6</b>	<b>63.0</b>
<b>REMITTANCES (Tala million)</b>	<b>0.0</b>	<b>40.2</b>	<b>39.7</b>	<b>40.1</b>	<b>55.6</b>	<b>41.6</b>	<b>48.7</b>	<b>43.1</b>	<b>30.6</b>	<b>37.9</b>	<b>45.3</b>	<b>20.1</b>	<b>23.8</b>	<b>27.2</b>
<b>TOURISM: (1)</b>														
Arrivals	14,153	16,315	13,755	9,044	11,163	14,413	13,565	16,192	12,169	13,589	14,880	15,234	14,468	13,395
Earnings (Tala million)	35.4	44.0	35.6	23.9	33.0	43.8	45.6	44.5	31.8	37.8	42.8	39.7	39.2	37.2
<b>GROSS INTERNATIONAL RESERVES</b>	<b>308.6</b>	<b>417.9</b>	<b>486.1</b>	<b>492.4</b>	<b>469.9</b>	<b>470.1</b>	<b>476.1</b>	<b>514.5</b>	<b>274.0</b>	<b>355.8</b>	<b>455.4</b>	<b>363.3</b>	<b>337.1</b>	<b>339.9</b>
BOP Position (+/-) (Surplus/Deficit)	12.5	1.1	40.5	6.3	-22.6	0.2	6.1	38.3	2.3	9.3	8.0	6.8	6.3	10.9
Import Cover	4.8	6.1	6.8	6.9	6.3	6.4	6.4	6.7	4.2	5.3	6.3	5.4	5.0	5.1

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