



SELECTED ECONOMIC INDICATORS

APRIL 2020

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.10: 2019/20

April 2020

World Economy

On the global front, the US economy fell 4.8 percent in the first quarter of 2020 following the steepest pace of contraction in GDP as the Covid-19 pandemic forced several states to impose lockdown measures in mid-March, throwing millions of people out of work. However, latest updates for the New Zealand and Australia economies are up to the fourth quarter of 2019, which shows a 0.5 percent growth each, for both countries.

Domestic Economy

In April 2020, the **weighted average official interest rate** remained the same at 0.15 percent but was 4 basis points lower than that of the same month last year. However, both the commercial banks **weighted average lending rate** and **weighted average deposit rate** contracted by 7 basis points to 8.80 percent and 1 basis point to 2.75 percent respectively. As a result, the commercial banks' **interest rate spread** fell to 6.05 percent from 6.11 percent in the previous month and was lower than 6.27 percent in the same month last year.

Total **commercial bank's liquidity** fell by \$2.8 million to \$306.9 million but was \$33.6 million higher than in the same month a year ago. The overall decline over the previous month was due to decreases in commercial banks' holdings of CBS securities and vault cash by 66.7 percent and 13.6 percent respectively, offsetting a 5.1 percent increase in exchange settlement accounts (ESA). **Total commercial banks' credit** to the private sector and public institutions combined contracted 0.2 percent to \$1,179.2 million but was 3.8 percent higher when compared to the same month of 2019.

After increasing in the previous month, **broad money (M2)** dropped by \$1.4 million to \$1,220.6 million. Contributing to this decrease was a \$4.0 million drop in '**Net Domestic Assets**' (NDA) in light of the expansion in the government's net position. However, '**Net Foreign Assets**' (NFA) grew by \$2.6 million reflecting a gain in foreign holdings.

The **overall nominal value** of the Samoan Tala depreciated by 0.04 percent as the Tala weakened against the US and Australian dollars while strengthening against the Euro and New Zealand dollar.

The Consumer Price Index (CPI) narrowed 2.8 percent over the previous month but was 1.0 percent higher than in the same month last year. However, the annual average headline inflation rate remained (stable) at 2.0 percent from the previous month but down from 3.1 percent in April 2019, underpinning by reductions in both its annual average imported component and local component by 2.8 percent each.

On the external front, **total export earnings** rebounded by 36.0 percent to \$9.9 million due to a moderate increase of 75.4 percent in re-exports, outweighing a 3.6 percent drop. On the other hand, **total import payments** contracted by 18.2 percent to \$57.6 million, largely underpinned by reductions in non-petroleum private sector and petroleum imports by \$12.9 million and \$3.3 million respectively. As a result, the merchandise trade deficit contracted by 24.4 percent to \$47.7 million.

The inflow of **private remittances** declined by 21.6 percent to \$36.7 million and was 8.7 percent lower than in the same month last year. With the lockdown of international borders due to COVID-19 pandemic, **total visitor arrivals** recorded zero

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visitors in April 2020 and so as the **total visitor earnings**. However, **gross foreign reserves** was widened by 10.8 percent (or \$56.5 million) to \$580.5 million or equivalent to 7.6 months of **import cover**, up from 6.8 months in March 2020.

The overall supply of agricultural commodities to the Fugalei and other domestic produce markets around Apia, recorded a seasonal increase of 13.1 percent over the previous month. The overall increase was due to higher supplies of stable food commodities such as banana and taro as well as

vegetable items like head cabbage, tomatoes, Chinese cabbage and pumpkin to name a few. Consequently, the overall price index fell by 7.0 percent due to lower prices recorded for taro, head cabbage, Chinese cabbage, tomatoes and pumpkin.

CENTRAL BANK OF SAMOA

17th June 2020

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INDICATORS	2018	2019	2020				Average Ten Months			Average levels in the previous		
	Apr	Apr	Jan	Feb	Mar	Apr	Jul17 - Apr18	Jul18 - Apr19	Jul19 - Apr20	2-years	3-years	5-years
CENTRAL BANK OF SAMOA: (%)												
<i>Official rate</i>	0.15	0.19	0.15	0.20	0.15	0.15	0.16	0.18	0.16	0.17	0.16	0.16
COMMERCIAL BANKS' INTEREST RATES: (%)												
<i>Average lending rate</i>	8.85	9.02	8.88	8.91	8.87	8.80	8.84	9.01	8.86	8.94	8.86	9.10
<i>Average deposit rate</i>	2.84	2.75	2.46	2.42	2.76	2.75	2.75	2.71	2.63	2.80	2.73	2.64
COMMERCIAL BANK LOANS (Tala million)	1068.0	1135.5	1187.7	1171.6	1181.3	1179.2	1,056.9	1,111.2	1,165.4	1,101.7	1,086.6	1,017.0
GOVERNMENT NET POSITION (Tala million)	-192.6	-177.8	-262.6	-237.6	-242.0	-255.9	- 170.1	- 205.1	- 247.4	- 185.2	- 175.7	- 138.5
MONEY SUPPLY (Tala million)	1072.3	1257.8	1231.0	1220.7	1221.9	1220.6	1,048.4	1,188.7	1,218.9	1,165.1	1,096.4	1,003.0
<i>Currency outside banks</i>	65.2	92.5	98.5	97.6	91.7	95.3	69.6	88.4	99.2	78.8	73.8	65.9
<i>Demand deposits</i>	302.1	409.3	372.9	370.6	366.9	95.3	298.4	364.9	348.9	355.7	326.3	297.6
<i>FCD residents</i>	73.4	74.5	63.9	64.1	61.4	60.1	82.1	76.9	59.8	73.9	73.3	64.7
<i>Save deposits</i>	136.3	147.2	151.1	150.7	151.9	154.7	137.1	146.2	155.1	141.7	137.9	131.9
<i>Time deposits</i>	495.3	534.4	544.6	537.7	550.0	544.2	461.3	512.4	528.8	514.9	485.2	442.9
NOMINAL EXCHANGE RATE (Index)	99.99	99.9	100.0	100.0	100.2	100.1	100.1	100.0	100.0	100.0	100.0	100.8
HEADLINE CPI (2)	105.3	106.8	109.7	110.5	111.0	107.9	104.5	107.3	109.8	106.1	104.3	102.7
<i>Annual average inflation (%)</i>	2.9	3.1	1.5	1.9	2.0	2.0	1.8	4.0	1.4	3.0	2.5	1.8
LOCAL MARKET SURVEY: (2)												
<i>Volume</i>	137.0	94.2	127.0	79.0	55.2	62.5	133.8	123.5	107.2	115.6	116.4	106.1
<i>Price</i>	116.0	122.2	119.0	134.0	150.7	140.2	96.6	107.8	120.0	119.1	109.7	103.5
EXPORTS (Tala million)	7.1	7.7	13.2	7.3	7.3	9.9	7.5	10.7	10.9	7.4	6.7	6.1
IMPORTS (Tala million)	77.1	66.6	50.2	68.7	70.4	57.6	69.7	74.7	75.0	71.8	67.9	62.9
REMITTANCES (Tala million)	41.9	40.3	46.9	42.0	46.9	36.7	36.5	44.9	45.3	41.1	37.3	35.9
TOURISM: (1)												
<i>Arrivals</i>	10,819	14,413	10,456	7,053	4,164	0.0	13,360	14,881	12,440	12,616	12,273	11,471
<i>Earnings (Tala million)</i>	30.7	43.8	29.5	20.9	12.6	0.0	36.7	44.0	37.5	37.3	35.8	33.3
GROSS INTERNATIONAL RESERVES	378.4	466.8	510.2	498.6	524.0	580.5	343.6	446.0	507.8	422.6	376.3	339.5
<i>BOP Position (+/-) (Surplus/Deficit)</i>	13.9	0.5	23.5	-11.5	25.4	56.5	7.2	4.9	7.0	7.2	7.0	2.6
<i>Import Cover</i>	5.5	6.4	6.6	6.4	6.8	7.6	5.1	6.2	6.6	5.9	5.4	5.0

Source: Central Bank of Samoa

1. Revised Total Earnings from Feb-12 to Mar-16

2. Rebase Base Period February 2016=100

® Revision

(P): Projections - CBS

n/a: not available