



## SELECTED ECONOMIC INDICATORS

JUNE 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.12: 2019/20**

**June 2020**

### World Economy

On the global stage, the growth in the United States economy recorded a steep decline of -5.0 percent in the first quarter of 2020, in light of the adverse effects of the Covid-19 pandemic. Similarly, the Euro area contracted by 3.6 percent in the March 2020 quarter. The New Zealand economy declined by -1.6 percent due to travel restrictions and national lockdown while Australia experienced a negative growth of -0.3 percent in the first quarter of 2020.

### Domestic Economy

The **weighted average official interest rate** remained at zero for the second month in a row but was at 0.19 percent in the same month last year. However, the commercial banks **weighted average deposit rate** fell 2 basis points to 2.73 percent whereas the **weighted average lending rate** increased by 3 basis points to 8.63 percent in June 2020. As a result, the commercial banks' **interest rate spread** increased slightly to 5.90 percent from 5.85 percent in the previous month but was lower than 6.22 percent in June 2019.

Total commercial banks' **liquidity** rebounded by \$7.5 million to \$288.4 million and was \$14.4 million higher than that of the same month in 2019. Accounting for the current level was an increase of \$4.5 million and \$3.0 million for the banks' exchange settlement accounts (ESA) and its vault cash respectively. On the other hand, **total commercial banks' credit** to the private sector and public institutions combined decreased by 0.9 percent to \$1,170.4 million but was 3.9 percent higher when compared to June 2019.

**Broad money (M2)** expanded by \$7.6 million to \$1,225.5 million. Contributing to this increase was a \$43.4 million expansion in '**Net Foreign**

**Assets' (NFA)** (to \$503.2 million) whereas '**Net Domestic Assets' (NDA)** fell to \$722.2 million. Underpinning the hike in NFA was a substantial increase in government budget support funds. Similarly, the Government's net position with the monetary system recorded a surplus of \$35.3 million.

The **overall nominal value** of the Samoan Tala depreciated by 0.12 percent as the Tala weakened against the New Zealand dollar, Euro and Australian dollar while strengthening against the US dollar.

The Consumer Price Index (CPI) was unchanged from the previous month but was 2.4 percent lower than in the same month last year. However, the **annual average headline inflation rate** fell further to 1.6 percent from 1.7 percent in the previous month and 2.2 percent in June 2019. Contributing to the decrease was a 4 basis points reduction in its local component (to 2.0 percent) whilst its imported component remained at 1.1 percent from the previous month.

On the external front, total export earnings expanded by 34.9 percent to \$10.7 million due to increases of \$1.5 million and \$1.3 million in both locally produced exports and re-exports respectively. Furthermore, total import payments rebounded by 11.0 percent to \$54.3 million, reflecting a substantial increase of \$10.1 million in non-petroleum sector offsetting a \$0.8 million decline in Government imports. As a result, the merchandise trade deficit bounced back up by 12.5 percent to \$46.1 million.

After the Mother's Day holiday in the previous month, total receipts from **private remittances** dropped by 11.5 percent to \$51.7 million in June 2020. On the other hand, as the lockdown

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of international borders continues, there were no **visitor arrivals** in June 2020, thus no **visitor earnings**. All in all, **gross foreign reserves** increased by 7.7 percent (or \$43.9 million) reaching its all-time high of \$616.7 million in light of increased external grants and budget support funds. This level of foreign reserves was

equivalent to 8.7 months of **import cover**, up from 7.8 months in the previous month.

**CENTRAL BANK OF SAMOA**  
**14<sup>th</sup> August 2020**

**Selected Economic Indicators**  
**June 2020**

SELECTED ECONOMIC INDICATORS														
INDICATORS	2018	2019	2020						Average Twelve Months			Average levels in the previous		
	Jun	Jun	Jan	Feb	Mar	Apr	May	Jun	Jul17 - Jun18	Jul18 - Jun19	Jul19 - Jun20	2-years	3-years	5-years
<b>CENTRAL BANK OF SAMOA: (%)</b>														
<i>Official rate</i>	0.17	0.19	0.15	0.20	0.15	0.15	0.00	0.00	0.16	0.18	0.14	0.18	0.17	0.16
<b>COMMERCIAL BANKS' INTEREST RATES: (%)</b>														
<i>Average lending rate</i>	8.98	8.97	8.88	8.91	8.87	8.80	8.60	8.63	8.85	9.00	8.82	8.98	8.87	9.04
<i>Average deposit rate</i>	2.70	2.75	2.46	2.42	2.76	2.75	2.75	2.73	2.75	2.70	2.65	2.73	2.72	2.57
<b>COMMERCIAL BANK LOANS (Tala million)</b>	<b>1064.7</b>	<b>1126.3</b>	<b>1187.7</b>	<b>1171.6</b>	<b>1181.3</b>	<b>1179.2</b>	<b>1180.6</b>	<b>1170.4</b>	<b>1059.1</b>	<b>1114.2</b>	<b>1167.1</b>	<b>1095.5</b>	<b>1079.3</b>	<b>1017.0</b>
<b>GOVERNMENT NET POSITION (Tala million)</b>	<b>-197.4</b>	<b>-212.5</b>	<b>-262.6</b>	<b>-237.6</b>	<b>-242.0</b>	<b>-255.9</b>	<b>-244.7</b>	<b>-280.0</b>	<b>-176.0</b>	<b>-203.4</b>	<b>-249.9</b>	<b>-204.9</b>	<b>-193.7</b>	<b>-166.1</b>
<b>MONEY SUPPLY (Tala million)</b>	<b>1124.4</b>	<b>1236.3</b>	<b>1231.0</b>	<b>1220.7</b>	<b>1221.9</b>	<b>1220.6</b>	<b>1217.8</b>	<b>1225.5</b>	<b>1058.0</b>	<b>1198.0</b>	<b>1219.3</b>	<b>1180.4</b>	<b>1108.7</b>	<b>1011.5</b>
<i>Currency outside banks</i>	75.2	97.6	98.5	97.6	91.7	95.3	102.2	98.1	70.5	90.0	99.3	86.4	80.0	70.2
<i>Demand deposits</i>	353.4	402.9	372.9	370.6	366.9	366.3	366.0	370.1	305.6	371.5	374.6	378.1	342.4	310.6
<i>FCD residents</i>	70.7	65.7	63.9	64.1	61.4	60.1	47.5	48.4	79.6	75.7	57.8	68.2	68.0	63.5
<i>Save deposits</i>	139.9	148.9	151.1	150.7	151.9	154.7	159.0	165.0	137.6	146.4	156.2	144.4	140.5	134.6
<i>Time deposits</i>	485.2	521.2	544.6	537.7	550.0	544.2	543.1	543.9	464.6	514.4	531.3	503.2	477.8	432.6
<b>NOMINAL EXCHANGE RATE (Index)</b>	<b>99.97</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.2</b>	<b>100.1</b>	<b>100.1</b>	<b>99.9</b>	<b>100.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.8</b>
<b>HEADLINE CPI (2)</b>	<b>108.6</b>	<b>108.5</b>	<b>109.7</b>	<b>110.5</b>	<b>111.0</b>	<b>107.9</b>	<b>105.8</b>	<b>105.8</b>	<b>105.1</b>	<b>107.5</b>	<b>109.1</b>	<b>108.5</b>	<b>106.5</b>	<b>104.1</b>
<i>Annual average inflation (%)</i>	3.7	2.2	1.5	1.9	2.0	2.0	1.7	1.6	2.1	3.7	1.5	2.9	2.4	1.8
<b>LOCAL MARKET SURVEY: (2)</b>														
<i>Volume</i>	119.2	103.0	127.0	79.0	55.2	62.5	67.8	n/a	129.2	119.5	103.6	111.1	107.1	99.3
<i>Price</i>	112.3	117.9	119.0	134.0	150.7	140.2	127.5	n/a	100.5	110.7	120.7	115.1	115.1	107.6
<b>EXPORTS (Tala million)</b>	<b>9.0</b>	<b>13.9</b>	<b>13.2</b>	<b>7.3</b>	<b>7.3</b>	<b>9.9</b>	<b>7.9</b>	<b>10.7</b>	<b>7.7</b>	<b>10.9</b>	<b>10.7</b>	<b>11.5</b>	<b>11.9</b>	<b>10.1</b>
<b>IMPORTS (Tala million)</b>	<b>58.7</b>	<b>78.6</b>	<b>50.2</b>	<b>68.7</b>	<b>70.4</b>	<b>57.6</b>	<b>48.9</b>	<b>54.3</b>	<b>69.1</b>	<b>76.2</b>	<b>71.1</b>	<b>68.6</b>	<b>67.6</b>	<b>66.7</b>
<b>REMITTANCES (Tala million)</b>	<b>40.2</b>	<b>40.7</b>	<b>46.9</b>	<b>42.0</b>	<b>46.9</b>	<b>36.8</b>	<b>58.4</b>	<b>51.7</b>	<b>37.9</b>	<b>44.8</b>	<b>46.9</b>	<b>40.4</b>	<b>26.9</b>	<b>29.0</b>
<b>TOURISM: (1)</b>														
<i>Arrivals</i>	16,315	16,192	10,456	7,053	4,164	0.0	0.0	0.0	13,589	14,880	10,367	16,254	15,553	14,274
<i>Earnings (Tala million)</i>	44.0	44.5	29.5	20.9	12.6	0.0	0.0	0.0	38.0	44.2	31.3	44.2	41.3	39.0
<b>GROSS INTERNATIONAL RESERVES</b>	<b>418.2</b>	<b>510.5</b>	<b>510.2</b>	<b>498.7</b>	<b>524.1</b>	<b>580.5</b>	<b>572.8</b>	<b>616.7</b>	<b>355.9</b>	<b>453.6</b>	<b>522.3</b>	<b>464.3</b>	<b>412.4</b>	<b>371.6</b>
<i>BOP Position (+/-) (Surplus/Deficit)</i>	0.9	37.3	23.5	-11.5	25.4	56.4	-7.7	43.9	9.3	7.7	8.8	19.1	16.9	19.8
<i>Import Cover</i>	6.1	6.7	6.6	6.4	6.8	7.6	7.8	8.7	5.3	6.3	6.9	6.4	5.8	5.4

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