



## **SELECTED ECONOMIC INDICATORS**

### **APRIL 2022**

*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: 2021/22**

**April 2022**

#### **World Economy**

The US economy contracted by 1.5 percent in the first quarter of 2022, due to a large trade deficit coupled with a decline in inventory investment. On the other hand, the Euro Area expanded 0.3 percent in the first quarter of 2022, which was slightly higher than the initial expansion estimated at 0.2 percent. The Australian economy grew by 3.4 percent in the fourth quarter of 2021 because of a sharp rebound in household spending. Similarly, the New Zealand economy also increased by 3.0 percent in the December quarter in light of improvements in the services sector.

#### **Domestic Economy**

In April 2022, the **weighted average official interest rate** remained the same at 0.15 percent due to the current halt of CBS open market operations. The commercial banks' **weighted average deposit rate** fell by 3 basis points to 1.76 percent while the **weighted average lending rate** also contracted by 1 basis point at 8.29 percent. As a result, the commercial banks' **interest rate spread** went up by 2 basis points to 6.53 percent over the previous month and was also higher than 6.36 percent in April 2021.

Total commercial banks' **liquidity** recorded a drop of 0.9 percent (or \$3.0 million) to \$342.2 million but was 3.4 percent (or \$11.2 million) higher than in the same month last year. Accountable for this reduction over the month was a drop of \$7.0 million in the commercial banks' holdings of vault cash, which outweighed a \$4.0 million improvement in their exchange settlement accounts (ESAs). Despite the lower cost of borrowing, total **commercial banks' credit to the private sector and public institutions** fell by 0.6 percent (or \$6.8 million) to \$1,179.5 million but was \$3.0 million higher than in April 2021.

**Broad Money (M2)** continued to increase, rising by 2.6 percent (or \$34.0 million) to \$1,343.3

million, due to gains in both **Net Foreign Assets (NFA)** (up by \$28.3 million) to \$651.8 million and **Net Domestic Assets (NDA)** (up by \$5.7 million) to \$691.5 million. The boost in NFA was due to an expansion in official gross reserves of the Central Bank (budget support funds from Samoa's international development partners) while that for NDA was due to increase in other items, net, offsetting surpluses in governments' net position with the monetary sector.

The **overall nominal value** of the Samoan Tala appreciated by 0.01 percent as the Tala strengthened against the Euro and New Zealand dollar, while weakening against the Australian dollar and US dollar.

The **Consumer Price Index (CPI)** rose further by 0.9 percent over the previous month and was 9.5 percent higher than that of the same month last year. Correspondingly, the **annual average inflation rate** accelerated further to 7.6 percent from 6.7 percent in March 2022 and -3.9 percent in April 2021. Its imported component jumped to 12.1 percent (from 10.8 percent) while its local component rose to 3.1 percent (from 2.7 percent), as inflationary pressures continue to mount, as the Russia- Ukraine war continues to fuel higher international food and fuel prices.

The **overall supply of agricultural commodities** to the Fugalei and other domestic produce markets around Apia, recorded a significant reduction of 31.4 percent, which was mainly due to decreases in the supply of taro, banana and vegetable items like head cabbage, pumpkin and tomatoes. As a result, the overall price index leapt by 9.2 percent.

**Total export earnings** recorded a slight rebound of 1.9 percent (or \$0.1 million) to \$6.6 million over the month, due to improvements in both domestically produced exports (mainly fish exports, which were up by \$2.4 million) and re-exports, by 2.2 percent and 1.5 percent in that

order. Likewise, **total import payments** jumped by 47.2 percent (or \$27.2 million) to \$84.7 million reflecting the resumption of petroleum imports in April 2022, coupled with increases of \$4.7 million and \$3.2 million for both government imports and non-petroleum private sector imports respectively. Accordingly, the merchandise trade deficit rebounded by 53.0 percent to \$78.0 million over the previous month

The **inflow of private remittances** improved by 4.9 percent (or \$2.7 million) to \$57.5 million over the previous month and was 32.7 percent (or \$14.2 million) higher than that of the same month over the year. No **visitor arrivals<sup>1</sup>** and **earnings** were recorded for the month.

**Gross foreign reserves<sup>2</sup>** grew by 5.1 percent (or \$36.7 million) to \$759.9 million, which was sufficient to cover 10.4 months of imports, down slightly from 10.2 months in March 2022, and was much lower than 11.0 months cover in April 2021.

**CENTRAL BANK OF SAMOA**  
**3<sup>rd</sup> April 2022**

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<sup>1</sup> With only selected flights for Samoan citizens and residents' repatriation.

<sup>2</sup>Effective January 2021, the coverage of gross official foreign reserves will include only foreign exchange holdings of the Central Bank and IMF account balances only. This now excludes Ministry of Finance's foreign deposits and accounts, which were previously included. The strict definition of foreign reserves only includes CBS owned liquid foreign assets.

***Selected Economic Indicators***  
***April 2022***

SELECTED ECONOMIC INDICATORS												
INDICATORS	2020	2021	2022				Average Eight Months			Average levels in the previous		
	Apr	Apr	Jan	Feb	Mar	Apr	Jul19 - Apr20	Jul20 - Apr21	Jul21 - Apr22	2-years	3-years	5-years
CENTRAL BANK OF SAMOA: (%)												
Official rate	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.15	0.15	0.15	0.16	0.16
COMMERCIAL BANKS' INTEREST RATES: (%)												
Average lending rate	8.80	8.57	8.34	8.32	8.30	8.29	8.86	8.60	8.41	8.68	8.80	8.79
Average deposit rate	2.75	2.22	1.76	1.81	1.79	1.76	2.63	2.56	1.85	2.49	2.57	2.63
COMMERCIAL BANK LOANS (Tala million)	1179.2	1176.4	1193.5	1183.5	1186.2	1179.5	1165.4	1176.8	1189.8	1177.8	1163.7	1123.1
GOVERNMENT NET POSITION (Tala million)	-255.9	-321.9	-317.3	-301.3	-271.2	-308.4	-247.4	-323.6	-324.7	-288.9	-251.9	-221.0
MONEY SUPPLY (Tala million)	1220.6	1314.1	1325.0	1300.6	1309.4	1343.3	1218.9	1281.1	1316.8	1267.4	1264.2	1164.8
Currency outside banks	95.3	121.0	121.1	116.7	126.2	126.0	99.2	113.9	122.1	108.1	102.9	87.5
Demand deposits	366.3	420.5	422.3	422.2	406.1	421.9	376.0	384.8	410.9	393.4	398.7	353.1
FCD residents	60.1	49.3	63.8	52.9	55.1	54.6	59.8	44.8	61.1	54.7	61.3	65.8
Save deposits	154.7	187.2	189.5	188.5	192.6	204.8	155.1	179.5	195.3	171.0	163.0	151.1
Time deposits	544.2	536.2	528.3	520.2	529.4	535.9	528.8	558.1	527.4	540.2	538.3	507.2
NOMINAL EXCHANGE RATE (Index)	100.1	100.0	99.8	99.8	99.8	99.8	100.0	99.9	99.8	100.1	100.0	100.0
HEADLINE CPI (2)	107.9	107.1	114.8	115.3	116.2	117.2	109.8	105.2	114.2	107.5	107.3	105.6
Annual average inflation (%)	2.0	-3.9	4.5	5.7	6.7	7.6	1.4	-1.4	2.5	-1.0	0.4	1.1
LOCAL MARKET SURVEY: (2)												
Volume	62.5	80.0	97.9	113.0	137.4	94.3	107.2	99.1	97.6	71.2	78.9	98.3
Price	140.2	114.0	106.7	100.0	102.5	111.9	120.0	105.7	103.3	127.1	125.5	116.7
EXPORTS (Tala million)	9.9	4.3	4.5	10.2	6.5	6.6	10.6	7.5	6.4	7.1	7.3	6.9
IMPORTS (Tala million)	57.6	64.3	47.1	91.7	57.5	84.7	75.0	68.1	73.3	60.9	62.8	65.1
REMITTANCES (Tala million)	36.8	43.4	44.1	54.2	54.8	57.5	45.7	50.2	59.1	40.1	40.1	38.4
TOURISM: (1)&(4)												
Arrivals	0.0	0.0	0.0	0.0	0.0	0.0	12,440	-	-	-	4,804	7,364
Earnings (Tala million)	0.0	0.0	0.0	0.0	0.0	0.0	37.5	0.0	0.0	-	15	21
GROSS INTERNATIONAL RESERVES (3) (5)	557.9	720.7	768.8	757.1	723.2	759.9	486.6	696.0	758.6	639.3	575.2	469.9
BOP Position (+/-) (Surplus/Deficit)	57.3	2.6	1.5	-11.7	-33.9	36.7	6.7	12.7	2.7	29.9	20.1	16.3
Import Cover	7.3	11.0	10.9	10.3	10.2	10.4	6.3	10.6	10.8	9.2	8.1	6.8
Source: Central Bank of Samoa												
1. Revised Total Earnings from Feb-12 to Mar-16												
2. Rebase Base Period February 2016=100												
3. Significant increases in official reserves since March 2020, reflected the inflows of funds for COVID-19 assistance and the usual government inflows for budget support from Samoa's international partners. In April 2020, Samoa received a loan of USD\$20.03 million from International Monetary Fund to address the COVID-19 pandemic.												
4. Starting from April 2020, tourists arrivals and earnings recorded zero value due to the closure of international borders for the safeguarding of our people during the pandemic.												
n/a: not available												
5. Samoa received the IMF-Special Drawing Rights (SDRs) allocation of SDR15.5 million, an equivalent of around \$55.5 million Tala in August 2021												