



SELECTED ECONOMIC INDICATORS

JANUARY 2024

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.07: 2023/24

January 2024

World Economy

The US economy expanded further by 3.3 percent in the fourth quarter of 2023 reflecting slight increases in government spending and residential investment. The Euro area remained unchanged in the last quarter of 2023 following a 0.1 percent decline in the September 2023 quarter. The Australian economy grew by 0.2 percent (down from 0.4 percent in the third quarter of 2023) mirroring a slower growth in fixed investment. On the other hand, the New Zealand economy declined by 0.3 percent mostly influenced by reductions in private consumption expenditure and gross fixed capital formation.

Domestic Economy

The monthly weighted average **official interest rate** fell by 3 points to 0.24 percent from 0.27 percent in December 2023. Similarly, the **weighted average deposit rate** also went down by 6 basis points to 1.77 percent while the **weighted average lending rate** remained at 8.43 percent from the previous month. As a result, the commercial banks' **interest rate spread** widened to 6.67 percent from 6.60 percent in December 2023 and was higher than 6.50 percent in the same month last year.

Total **commercial banks' liquidity** rose by 17.7 percent (or \$104.9 million) to \$697.1 million and was 56.9 percent (or \$252.9 million) higher than in the same month a year ago. This increase over the month was mainly due to expansions in commercial banks' exchange settlement accounts (ESA) by 22.2 percent (or \$99.0 million) and holdings of CBS securities by 8.0 percent (or \$7.4 million) while their vault cash holdings declined by 3.0 percent (or \$1.6 million).

Broad money (M2) increased further by 0.3 percent (or \$4.8 million) to \$1,630.1 million due to a significant rise of \$82.5 million in '**Net Foreign Assets (NFA)**' while '**Net Domestic Assets (NDA)**' dropped by \$77.7 million. Underpinning the increase in NFA were gains in net foreign holdings of the Central Bank (inflow of government budget support funds coupled with a higher foreign exchange position). However, total commercial banks' **credit to the private sector and public institutions** contracted by 0.8 percent (or \$9.6 million) to \$1,131.9 million and was \$45.4 million lower when compared to January 2023.

The **overall nominal index** of the Samoan Tala appreciated by 0.01 percent in January 2024 as the Tala strengthened against the New Zealand and Australian dollars but weakened against the US dollar and Euro.

On prices, the **Consumer Price Index (CPI)** edged up by 1.1 percent over December 2023 and was 4.2 percent higher than its level in the same month last year. Despite the increase in the month under review, the **annual average headline inflation rate** fell to 7.3 percent from 7.9 percent in the previous month and 11.0 percent in January 2022. The current level reflected a slowdown in both the local inflation (down to 8.0 percent from 8.5 percent) and imported inflation (down to 6.7 percent from 7.4 percent) over December 2023. Likewise, the **underlying inflation rate** fell to 9.7 percent from 10.2 percent in December 2023 and 11.9 percent in the same month last year.

The **overall supply of agriculture commodities** to the Fugalei and other domestic produce markets around Apia went down by 7.4 percent in January 2024.

Selected Economic Indicators
January 2024

Underpinning this decrease was lower supplies of vegetable items like pumpkin, cucumber and tomatoes. With 33.0 percent drop in supplies over the month, this has pushed up the overall price index by 14.4 percent.

Total monthly export receipts declined significantly by 44.9 percent (or \$5.2 million) to \$6.3 million over the previous month. This was largely due to lower revenue from locally produced exports (down by \$3.7 million). This was mainly due to bad weather conditions throughout January, which adversely affected fish, taro, and coconut oil exports to name a few. Re-exports also fell by \$1.4 million. When compared to the same month last year, total exports were 14.2 percent or \$1.0 million lower. **Total monthly import payments** contracted further by 5.2 percent (or \$5.4 million) to \$98.6 million as non-petroleum private sector imports decreased \$8.2 million, outweighing increases in government imports (up by \$1.8 million) and petroleum imports (up by \$1.0 million). Likewise, total import payments were 3.3 percent or \$3.4 million lower than its level in January 2023. As a result, the **merchandise trade deficit** decreased slightly by 0.2 percent (or \$0.2 million) to \$92.2 million in the first month of 2024.

Total remittances recorded a significant seasonal decline of 22.9 percent (or \$20.0 million) to \$67.0 million over the previous month but was 21.7 percent (or \$12.0 million) higher when compared to the same month last year. Similarly, **visitor arrivals** decreased by a seasonal 35.5 percent (or 7,992 visitors) to 14,520 visitors over December 2023 but was 17.8 percent higher than in the same month last year. Likewise, **total tourist receipts** fell by 41.8 percent (or \$33.8 million) to \$47.2 million.

Gross foreign reserves¹ jumped further by 8.3 percent (or \$100.4 million) to \$1,307.5 million,

which was sufficient to cover around 13.4 months' worth of imports (or import cover), compared to 12.3 months in December 2023 and 9.4 months in January 2023.

CENTRAL BANK OF SAMOA
15th March 2024

¹ 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.

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SELECTED ECONOMIC INDICATORS																
INDICATORS	2021	2022	2023							2024	Average Seven Months			Average levels in the previous		
	Jan	Jan	Jan	July	Aug	Sep	Oct	Nov	Dec	Jan	Jul21 - Jan22	Jul22 - Jan23	Jul23 - Jan24	2-years	3-years	5-years
CENTRAL BANK OF SAMOA: (%)																
Official rate	0.15	0.15	0.19	0.21	0.20	0.21	0.18	0.25	0.27	0.24	0.15	0.17	0.22	0.17	0.16	0.16
COMMERCIAL BANKS' INTEREST RATES: (%)																
Average lending rate	8.54	8.34	8.26	8.30	8.30	8.32	8.35	8.35	8.43	8.44	8.46	8.28	8.36	8.34	8.39	8.60
Average deposit rate	2.56	1.76	1.76	1.77	1.80	1.84	1.81	1.81	1.83	1.77	1.88	1.82	1.80	1.76	2.05	2.25
COMMERCIAL BANK LOANS (Tala million)	1179.2	1193.5	1177.4	1149.2	1146.0	1142.8	1141.0	1142.0	1141.6	1131.9	1192.7	1176.1	1142.1	1184.3	1184.4	1172.5
GOVERNMENT NET POSITION (Tala million)	-330.8	-317.3	-336.4	-475.8	-454.3	-422.1	-437.1	-453.6	-484.3	-533.3	-338.0	-315.6	-465.8	-333.5	-336.8	-296.7
MONEY SUPPLY (Tala million)	1290.1	1325.0	1459.8	1529.1	1573.6	1576.0	1587.8	1606.9	1625.3	1630.1	1316.5	1397.8	1589.8	1380.9	1357.2	1300.5
Currency outside banks	115.2	121.1	144.0	158.3	158.8	161.5	159.2	155.1	190.4	156.9	121.7	138.9	162.9	149.7	140.4	126.6
Demand deposits	388.8	422.3	476.5	526.4	549.3	532.8	536.7	570.8	552.3	598.1	408.4	435.5	552.4	430.9	414.7	393.5
FCD residents	41.2	63.8	111.3	93.7	97.1	99.8	108.2	121.8	120.9	110.3	64.0	83.9	107.4	81.5	71.2	71.0
Save deposits	176.4	189.5	223.7	243.4	247.0	247.3	254.1	239.7	236.8	241.1	195.3	220.6	244.2	205.3	196.9	177.5
Time deposits	568.6	528.3	504.3	507.3	521.4	534.6	529.6	519.5	524.9	523.7	527.0	518.9	523.0	513.5	534.0	531.9
NOMINAL EXCHANGE RATE (Index)	100.1	99.8	99.8	99.7	99.7	99.8	99.8	99.8	99.7	99.7	99.8	100.0	99.7	99.8	99.9	99.9
HEADLINE CPI (2)	103.7	114.8	128.2	134.0	132.8	131.8	132.3	132.4	132.0	133.5	113.3	127.1	132.7	119.7	114.2	111.6
Annual average inflation (%)	-2.4	4.5	11.0	11.5	10.3	9.1	8.3	8.0	7.9	7.3	0.7	10.8	8.9	7.1	4.2	3.5
LOCAL MARKET SURVEY: (2)																
Volume	80.3	97.9	92.5	82.1	91.3	100.4	125.6	97.8	97.2	90.0	90.1	108.8	97.8	85.9	95.9	108.5
Price	97.5	106.7	162.2	222.6	193.1	173.6	137.0	152.4	158.9	181.7	102.7	126.6	174.2	115.8	111.2	107.6
EXPORTS (Tala million)	4.2	4.5	7.4	8.3	10.7	12.0	9.6	11.0	11.5	6.3	5.8	9.6	9.9	7.9	8.0	8.8
IMPORTS (Tala million)	65.6	47.1	101.9	87.7	101.6	105.7	104.6	110.3	103.9	98.6	71.3	106.5	101.8	107.5	97.6	94.0
REMITTANCES (Tala million)	40.5	44.1	55.1	74.2	80.2	66.8	66.2	76.8	87.0	67.0	60.6	73.0	74.0	86.8	77.2	71.0
TOURISM: (1)&(4)																
Arrivals	0.0	0.0	12321.0	17270.0	16471.0	14879.0	13383.0	12856.0	22512.0	14520.0	-	8,483	15,984	8,390	5,593	11,745
Earnings (Tala million)	0.0	0.0	36.9	52.3	55.5	51.5	47.8	51.1	81.1	47.2	0.0	27.7	55.2	28	18	37
GROSS INTERNATIONAL RESERVES (3) (5)	732.5	768.8	894.5	1145.3	1164.3	1138.1	1150.5	1160.1	1207.0	1307.5	763.7	824.9	1181.8	821.1	790.6	652.7
BOP Position (+/-) (Surplus/Deficit)	3.5	1.5	26.8	47.2	18.9	-26.1	12.4	9.6	46.9	100.4	5.2	11.7	29.9	26.1	30.8	24.5
Import Cover	11.3	10.9	9.4	11.4	11.7	11.5	11.6	11.7	12.3	13.4	11.0	9.6	11.9	10.1	10.6	8.7

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

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WORLD ECONOMY

- The US economy expanded further by 3.3 percent in the fourth quarter of 2023 reflecting slight increases in government spending and residential investment. The Euro area remained unchanged in the last quarter of 2023 following a 0.1 percent decline in the September 2023 quarter. The Australian economy grew by 0.2 percent (down from 0.4 percent in the third quarter of 2023) mirroring a slower growth in fixed investment. On the other hand, the New Zealand economy declined by 0.3 percent.
- The International price of Crude oil went back up by 3.0 percent to USD\$80.23 per barrel.

DOMESTIC ECONOMY

INTEREST RATES & MONEY SUPPLY



- **Weighted average monthly official rate** fell by 3 points to 0.24 percent from 0.27 percent in December 2023
- **The commercial banks weighted average deposit rate** also went down by 6 basis points to 1.77 percent while the **lending rate** remained at 8.43 percent from the previous month
- **Interest rate spread** widened to 6.67 percent from 6.60 percent in December 2023
- **Broad money (M2)** increased further to \$1,630.1 million.

LIQUIDITY & CREDIT



- Total **commercial banks' liquidity** rose by 17.7 percent (or \$104.9 million) to \$697.1 million.
- This increase was mainly due to expansions in commercial banks' exchange settlement accounts (ESA) by 22.2 percent (or \$99.0 million) and holdings of CBS securities by 8.0 percent (or \$7.4 million) while their vault cash holdings declined by 3.0 percent (or \$1.6 million).
- However, total **commercial banks' credit to the private sector and public institutions** contracted to \$1,131.9 million.

INFLATION



- **The Consumer Price Index (CPI)** edged up by 1.1 percent over December 2023
- **Annual headline inflation rate** dropped further to 7.3 percent from 7.9 percent over the previous month.
- The current level reflected a slowdown in both the local inflation and imported inflation
- **Underlying inflation** fell to 9.7 percent from 10.2 percent in December 2023 and 11.9 percent in the same month last year.

REMITTANCES & TOURISM



- **Total monthly remittances** declined by 22.9 percent (or \$20.0 million) to \$67.0 million.
- **Visitor arrivals** decreased by a seasonal 35.5 percent (or 7,992 visitors) to 14,520 visitors over December 2023 but was 17.8 percent higher than in the same month last year.
- **Total tourist receipts** fell by 41.8 percent (or \$33.8 million) to \$47.2 million.

EXTERNAL TRADE



- **Total export receipts** declined by 44.9 percent (or \$5.2 million) to \$6.3 million. This was largely due to lower revenue from locally produced exports (mainly due to bad weather conditions throughout January, which adversely affected fish, taro, and coconut oil exports to name a few).
- Total **import payments** contracted further to \$98.6 million.
- The **merchandise trade deficit** decreased slightly by 0.2 percent) to \$92.2 million.

LOCAL MARKET SURVEY



- Overall supply of agriculture commodities to the Fugalei and other domestic produce markets around Apia, went down by 7.4 percent
- Underpinning this decrease was lower supplies of vegetable items like pumpkin, cucumber, and tomatoes.
- With 33.0 percent drop in supplies over the month, this has pushed up the **overall price index** by 14.4 percent.



Gross Foreign Reserves jumped further by 8.3 percent (or \$100.4 million) to \$1,307.5 million, which was sufficient to cover around 13.4 months' worth of imports (or import cover), compared to 12.3 months in December 2023 and 9.4 months in January 2023.