



## SELECTED ECONOMIC INDICATORS

### NOVEMBER 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.05: 2022/23**

**November 2022**

#### World Economy

The US economy expanded by 2.9 percent in the fourth quarter of 2022, due to increases in consumer spending and private inventories. Likewise, the Euro area also edged up by 0.1 percent in the December 2022 quarter but was much slower than its expansions recorded in the past three quarters of 2022. Meanwhile, the latest update for the Australian economy showed a 0.6 percent improvement in the same quarter of 2022 due to a slight rise in government spending. The New Zealand economy grew further by 2.0 percent in the third quarter of 2022 which was mainly driven by the improvement in the services industry coupled with the easing of the Covid-19 induced restrictions.

#### Domestic Economy

The overall **weighted average yield** (or official interest rate) on Central Bank's Securities (CBSS) fell to 0.15 percent from a revised 0.16 percent in October 2022. Furthermore, the commercial banks **weighted average deposit rate** fell by 3 basis points to 1.84 percent whereas the **weighted average lending rate** also declined by 2 basis points to 8.26 percent compared to the previous month. Consequently, the commercial banks' **interest rate spread** narrowed by 1 basis point to 6.43 percent from 6.44 percent in October 2022 but was 6.59 percent in November 2021.

Total commercial banks' liquidity increased by 2.8 percent (or \$10.3 million) to \$380.6 million and was \$56.3 million higher than that of the same month last year. Largely responsible for this increase over the month were expansions in vault cash holdings (up by \$9.3 million) and CBS securities (up by \$4.0 million), which were partially offset by a \$3.1 million decline in exchange settlement accounts (ESA). On the

other hand, **total financial system (FS) credit** contracted by \$1.85 million (or 0.09 percent) to \$2,017.64 million over the month due to a \$6.40 million drop in total commercial banks' lending, outweighing a \$4.55 million hike in total lending of the non-banks' financial institutions (NFIs).

**Broad money (M2)** dropped by \$4.5 million to \$1,392.4 million in November 2022. Underpinning this decrease was a drop of \$33.5 million in **'Net Domestic Assets' (NDA)** due to a surplus in government's net deposits with the monetary system (contractionary effect on M2). This was partially offset by a \$29.0 million increase in **'Net Foreign Assets' (NFA)** reflecting a sharp increase in foreign holdings of the Central Bank of Samoa (CBS).

The **overall nominal value** of the Samoan Tala recorded a 0.35 percent depreciation as the Tala weakened against the New Zealand dollar, Australian dollar and Euro but strengthened against the US dollar.

The **Consumer Price Index (CPI)** fell by 2.5 percent in November 2022 but was 10.2 percent higher when compared to November 2021. However, the **annual average headline inflation rate** remained at 11.3 percent from the previous month and was 1.8 percent in November 2021. This was a result of a decline in imported inflation to 16.4 percent from 16.6 percent in October 2022 while local inflation went up slightly to 6.0 percent from 5.7 percent in the last month. On the other hand, the **underlying inflation rate** increased slightly to 12.0 percent from 11.9 percent in October 2022.

The **overall supply of agricultural commodities** to the Fugalei and other

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domestic markets around Apia declined sharply by 19.0 percent over the previous month. This was mostly due to lower supplies of taamu, taro and vegetable items (like yams, head cabbage, cucumber, Chinese cabbage, and pumpkin to mention a few). As a result, the overall price index went up by 1.2 percent.

October 2022 but was down from 10.9 months in November 2021.

**CENTRAL BANK OF SAMOA**  
**7<sup>th</sup> February 2023**

**Total monthly export earnings** fell by 11.4 percent (or \$1.1 million) to \$8.5 million in November 2022 but was 9.0 percent (or \$0.7 million) higher than its level in November 2021. This overall reduction over October 2022 was due to a \$2.6 million drop in re-exports, outweighing a \$1.5 million increase in domestically produced exports (mainly fish and coconut oil). Furthermore, **total import payments** declined by 3.2 percent (or \$3.6 million) to \$107.3 million reflecting a drastic fall in government imports (down by \$31.9 million), which reflected the importation of government owned ferry (one-off) in the previous month. This more than outweighed the resumption of petroleum imports (around \$27.7 million) as well as a \$0.6 million increase in non-petroleum private sector imports. As a result, the merchandise trade ‘goods’ deficit contracted by 2.4 percent to \$98.8 million.

**Total monthly private remittances** rebounded by 19.2 percent (or \$12.0 million) to \$74.6 million over the previous month and was 9.8 percent (or \$6.7 million) higher than its level in November 2021. **Visitor arrivals** improved by 19.0 percent (or 1,359 visitors) to a total of 8,530 visitors in November 2022. Accordingly, **total visitor receipts** rose by 31.1 percent (or \$7.3 million) to \$30.6 million when compared to the previous month.

All in all, **gross foreign reserves**<sup>1</sup> expanded by 4.2 percent (or \$32.8 million) to \$818.1 million, which was sufficient to cover 9.1 months of imports, up from 9.0 months in

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<sup>1</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**  
**November 2022**

SELECTED ECONOMIC INDICATORS																			
INDICATORS	2020	2021	2022										Average Five Months			Average levels in the previous			
	Nov	Nov	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Jul20 - Nov20	Jul21 - Nov21	Jul22 - Nov22	2-years	3-years	5-years
<b>CENTRAL BANK OF SAMOA: (%)</b>																			
Official rate	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.20	0.16	0.15	0.15	0.15	0.16	0.15	0.16	0.16
<b>COMMERCIAL BANKS' INTEREST RATES: (%)</b>																			
Average lending rate	8.65	8.44	8.34	8.32	8.30	8.29	8.30	8.29	8.29	8.30	8.27	8.28	8.26	8.65	8.50	8.28	8.54	8.63	8.76
Average deposit rate	2.57	1.85	1.76	1.81	1.79	1.76	1.78	1.82	1.87	1.82	1.79	1.85	1.84	2.69	1.93	1.83	2.21	2.38	2.50
<b>COMMERCIAL BANK LOANS (Tala million)</b>	<b>1186.7</b>	<b>1200.5</b>	<b>1193.5</b>	<b>1183.5</b>	<b>1186.2</b>	<b>1179.5</b>	<b>1172.9</b>	<b>1171.8</b>	<b>1177.4</b>	<b>1178.8</b>	<b>1179.0</b>	<b>1174.7</b>	<b>1168.3</b>	<b>1175.2</b>	<b>1192.8</b>	<b>1175.6</b>	<b>1193.6</b>	<b>1190.1</b>	<b>1151.2</b>
<b>GOVERNMENT NET POSITION (Tala million)</b>	<b>-320.9</b>	<b>-348.3</b>	<b>-317.3</b>	<b>-301.3</b>	<b>-271.2</b>	<b>-308.4</b>	<b>-306.6</b>	<b>-334.1</b>	<b>-329.6</b>	<b>-317.8</b>	<b>-287.7</b>	<b>-296.1</b>	<b>-304.7</b>	<b>-318.7</b>	<b>-343.7</b>	<b>-307.2</b>	<b>-334.6</b>	<b>-306.0</b>	<b>-256.4</b>
<b>MONEY SUPPLY (Tala million)</b>	<b>1292.1</b>	<b>1330.0</b>	<b>1325.0</b>	<b>1300.6</b>	<b>1309.4</b>	<b>1343.3</b>	<b>1375.3</b>	<b>1354.7</b>	<b>1344.5</b>	<b>1372.3</b>	<b>1389.1</b>	<b>1396.9</b>	<b>1392.4</b>	<b>1263.2</b>	<b>1311.6</b>	<b>1379.1</b>	<b>1311.0</b>	<b>1276.3</b>	<b>1215.1</b>
Currency outside banks	108.0	117.0	121.1	116.7	126.2	126.0	124.9	123.8	130.0	131.5	137.4	132.3	130.1	109.3	119.7	132.3	112.5	107.8	95.0
Demand deposits	381.0	425.0	422.3	422.2	406.1	421.9	440.6	437.1	407.7	423.9	434.4	424.6	432.3	374.1	404.8	424.6	403.0	392.6	368.3
FCD residents	48.4	65.1	63.8	52.9	55.1	54.6	66.1	63.8	65.0	78.0	77.3	84.4	80.3	42.9	62.5	77.0	56.8	55.9	72.0
Save deposits	176.5	198.4	189.5	188.5	192.6	204.8	205.1	206.8	220.0	223.1	220.6	220.9	217.5	177.9	197.1	220.4	187.5	177.1	161.9
Time deposits	578.1	524.4	528.3	520.2	529.4	535.9	538.6	523.2	521.8	515.8	519.4	534.6	532.2	559.0	527.6	524.8	551.3	542.9	517.8
<b>NOMINAL EXCHANGE RATE (Index)</b>	<b>99.9</b>	<b>99.8</b>	<b>99.8</b>	<b>99.8</b>	<b>99.8</b>	<b>99.8</b>	<b>99.9</b>	<b>99.9</b>	<b>99.9</b>	<b>100.2</b>	<b>100.4</b>	<b>100.1</b>		<b>99.9</b>	<b>99.8</b>	<b>100.1</b>	<b>99.8</b>	<b>99.9</b>	<b>100.0</b>
<b>HEADLINE CPI (2)</b>	<b>103.2</b>	<b>113.0</b>	<b>114.8</b>	<b>115.3</b>	<b>116.2</b>	<b>117.2</b>	<b>117.3</b>	<b>121.0</b>	<b>125.3</b>	<b>129.9</b>	<b>130.1</b>	<b>127.7</b>	<b>124.6</b>	<b>105.1</b>	<b>112.6</b>	<b>127.5</b>	<b>108.1</b>	<b>108.7</b>	<b>107.5</b>
Annual average inflation (%)	-0.9	1.8	4.5	5.7	6.7	7.6	8.2	8.8	9.5	10.3	11.0	11.3	11.3	0.3	-0.5	10.7	0.4	0.6	1.5
<b>LOCAL MARKET SURVEY: (2)</b>																			
Volume	129.0	84.0	97.9	113.0	137.4	94.3	89.7	63.1	76.3	86.3	132.7	160.6	130.1	110.2	88.8	117.2	106.5	118.4	127.1
Price	86.5	98.0	106.7	100.0	102.5	111.9	115.7	120.3	119.4	125.7	121.4	114.4	115.7	101.0	101.6	119.3	92.2	94.3	90.0
<b>EXPORTS (Tala million)</b>	<b>6.1</b>	<b>7.8</b>	<b>4.5</b>	<b>10.2</b>	<b>6.5</b>	<b>6.6</b>	<b>10.6</b>	<b>8.4</b>	<b>10.9</b>	<b>10.3</b>	<b>12.5</b>	<b>9.5</b>	<b>8.5</b>	<b>8.7</b>	<b>5.7</b>	<b>10.3</b>	<b>6.9</b>	<b>7.8</b>	<b>8.3</b>
<b>IMPORTS (Tala million)</b>	<b>58.2</b>	<b>85.3</b>	<b>47.1</b>	<b>91.7</b>	<b>57.5</b>	<b>84.7</b>	<b>87.1</b>	<b>77.2</b>	<b>84.7</b>	<b>117.5</b>	<b>106.9</b>	<b>110.8</b>	<b>107.3</b>	<b>66.4</b>	<b>70.8</b>	<b>105.4</b>	<b>71.8</b>	<b>78.9</b>	<b>77.5</b>
<b>REMITTANCES (Tala million)</b>	<b>47.6</b>	<b>67.9</b>	<b>44.1</b>	<b>54.6</b>	<b>55.2</b>	<b>58.3</b>	<b>67.6</b>	<b>72.2</b>	<b>83.1</b>	<b>72.3</b>	<b>69.2</b>	<b>62.6</b>	<b>74.6</b>	<b>53.2</b>	<b>60.3</b>	<b>72.3</b>	<b>57.8</b>	<b>54.2</b>	<b>48.8</b>
<b>TOURISM: (1)&amp;(4)</b>																			
Arrivals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6318.0	8261.0	7171.0	8530.0	-	-	6,056	-	3,969	7,100
Earnings (Tala million)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.6	27.7	23.4	30.6	0.0	0.0	20.5	-	14	23
<b>GROSS INTERNATIONAL RESERVES (3) (5)</b>	<b>689.6</b>	<b>764.7</b>	<b>768.8</b>	<b>757.1</b>	<b>723.2</b>	<b>759.9</b>	<b>777.8</b>	<b>812.7</b>	<b>811.6</b>	<b>800.3</b>	<b>789.6</b>	<b>785.3</b>	<b>785.3</b>	<b>667.8</b>	<b>762.0</b>	<b>794.4</b>	<b>727.1</b>	<b>639.6</b>	<b>524.1</b>
BOP Position (+/-) (Surplus/Deficit)	-3.9	-7.7	1.5	-11.7	-33.9	36.7	17.9	34.9	-1.1	-11.3	-10.7	-4.2	32.8	19.1	6.4	1.1	-5.8	-9.0	-6.4
Import Cover	10.7	10.9	10.9	10.3	10.2	10.4	10.6	10.9	10.5	9.9	9.4	9.0	9.1	9.9	11.1	9.6	10.8	9.2	7.6

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