



SELECTED ECONOMIC INDICATORS

OCTOBER 2023

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 Customs and Revenue.

Report No.04: 2023/24

October 2023

World Economy

The US economy recorded a strong growth of 5.2 percent in the third quarter of 2023 on the back of higher investments coupled with increases in both private inventories and consumer spending. On the other hand, the Euro Area contracted by 0.1 percent, which mostly reflected a drop in Germany's GDP. The latest update on the Australian economy, showed a growth of 0.4 percent in the second quarter of 2023 mirroring higher exports and growth in fixed investments over the quarter. Also, the New Zealand economy expanded by 0.9 percent in the same period due to an expansion in its services industry.

Domestic Economy

The **weighted average official interest rate** edged down by 3 basis points to 0.18 percent over the previous month. On the other hand, the commercial banks' **weighted average deposit rate** fell by 2 basis points to 1.81 percent while the **weighted average lending rate** increased by 3 basis points to 8.35 percent over the previous month. As a result, the commercial banks' **interest rate spread** went up by 5 basis points to 6.54 percent in October 2023 and 6.44 percent in October 2022.

Total commercial banks' liquidity recovered by 1.4 percent (or \$8.4 million) to \$609.8 million and was 64.7 percent higher than its level in October of last year. Responsible for this increase over the month were improvements in their exchange settlement accounts (ESA) (up by \$6.5 million) and banks' vault cash (up by \$1.9 million). Total **commercial banks' credit** to the private sector and public institutions fell by 0.2 percent (or \$1.8 million) to \$1,141.0 million and was 2.9 percent (or \$33.7 million) lower than that of the same month last year.

Broad Money (M2) also continued to rise, up by 0.8 percent (or \$11.9 million) to \$1,587.8 million. Underpinning this hike was an expansion in '**Net Foreign Assets**' (NFA) (up by \$33.3 million) which more than outweighed a fall in '**Net Domestic Assets**' (NDA) (down by \$21.5 million). The increase in the former was due to improvements in foreign holdings of both the Central bank and the commercial banks while the decrease in the latter reflected an increase in the government's net position.

The **overall nominal value** of the Samoan Tala appreciated by 0.03 percent as the Tala strengthened by 0.8 percent against both the Euro and Australian dollars while it had weakened against both the US dollar (down by 0.3 percent) and New Zealand dollar (down by 0.01 percent).

The **Consumer Price Index (CPI)** recorded a slight rebound by 0.4 percent over the previous month and was 3.6 percent higher than the same month a year ago. As a result, the **annual average headline inflation rate** fell further to 8.3 percent from 9.1 percent in September 2023 and 11.3 percent in October 2022. This was underpinned by further decreases in both imported inflation (down to 7.8 percent from 9.2 percent) and local inflation (down to 8.9 percent from 9.0 percent). Similarly, the **underlying inflation rate** also declined to 10.4 percent from 11.4 percent in September 2023 and 11.9 percent over the year.

The **overall supply of agricultural commodities** to the Fugalei and other domestic produce markets around Apia expanded by 25.1 percent over the previous month. This was due to higher supplies of taro, ta'amu, banana, breadfruit and vegetable items

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like pumpkin and tomatoes. As a result, the **overall price index** fell by 21.1 percent.

Total monthly **export earnings** contracted by 19.5 percent (or \$2.3 million) to \$9.6 million in light of a 22.9 percent (or \$1.7 million) drop in re-exports and a 13.5 percent (or \$0.6 million) decrease in domestically produced exports (mostly coconut oil and coconut cream). Nevertheless, total export revenue were 0.8 percent higher than its level in October 2022. Furthermore, **total import payments** over the month noted a reduction of 1.1 percent (or \$1.2 million) to \$104.6 million due to a decline in petroleum imports (down by \$11.5 million). This outweighed an increase in both non-petroleum private sector imports (up by \$9.1 million) and government imports (up by \$1.2 million). For that reason, the **merchandise trade deficit** jumped by 1.2 percent (or \$1.2 million) to \$94.9 million.

Total private remittances fell further by 0.9 percent (or \$0.6 million) to \$66.2 million over the month but was 5.8 percent (or \$3.6 million) higher than in the same month last year. **Visitor arrivals** registered 13,383 visitors (down from 14,879 visitors in September 2023). **Total visitor earnings** totaled to \$47.8 million in the reviewed month, which was a decrease from \$51.5 million in the previous month.

All in all, **gross foreign reserves** went up by 1.1 percent (or \$12.4 million) to \$1,150.5 million, which was sufficient to cover 11.6 **months of imports** compared to 11.5 months in September 2023 and was 9.0 months in October 2022.

CENTRAL BANK OF SAMOA
06th December 2023

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SELECTED ECONOMIC INDICATORS																		
INDICATORS	2021	2022	2023										Average Four Months			Average levels in the previous		
	Oct	Oct	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Jul21 - Oct21	Jul22 - Oct22	Jul23 - Oct23	2-years	3-years	5-years
CENTRAL BANK OF SAMOA: (%)																		
Official rate	0.15	0.16	0.19	0.15	0.22	0.23	0.24	0.23	0.21	0.20	0.21	0.18	0.15	0.17	0.20	0.18	0.17	0.16
COMMERCIAL BANKS' INTEREST RATES: (%)																		
Average lending rate	8.51	8.28	8.26	8.26	8.32	8.33	8.30	8.31	8.30	8.30	8.32	8.35	8.51	8.28	8.32	8.38	8.47	8.65
Average deposit rate	1.84	1.85	1.76	1.77	1.82	1.73	1.81	1.76	1.77	1.80	1.84	1.81	1.96	1.83	1.80	1.86	2.16	2.36
COMMERCIAL BANK LOANS (Tala million)	1199.9	1174.7	1177.4	1169.5	1157.4	1164.6	1146.3	1140.1	1149.2	1146.0	1142.8	1141.0	1190.9	1177.5	1144.8	1186.5	1182.4	1158.6
GOVERNMENT NET POSITION (Tala million)	-344.6	-296.1	-336.4	-329.2	-353.4	-363.3	-352.6	-395.4	-481.8	-459.9	-424.1	-437.4	-342.6	-307.8	-450.8	-322.0	-325.1	-284.5
MONEY SUPPLY (Tala million)	1320.0	1396.9	1459.8	1485.3	1471.1	1501.8	1564.1	1575.4	1529.1	1573.6	1576.0	1587.8	1307.1	1375.7	1566.6	1345.5	1317.3	1258.9
Currency outside banks	121.8	132.3	144.0	137.4	140.8	145.0	155.8	162.7	158.3	158.8	161.5	159.2	120.3	132.8	159.5	128.3	121.0	110.7
Demand deposits	393.9	424.6	476.5	510.9	487.5	506.8	531.9	548.9	526.4	549.3	532.8	536.7	399.7	422.6	536.3	416.1	401.9	384.4
FCD residents	66.1	84.4	111.3	106.4	99.7	101.4	103.0	114.3	93.7	97.1	99.8	108.2	61.8	76.2	99.7	69.2	59.9	63.0
Save deposits	199.2	220.9	223.7	224.1	224.8	232.7	237.6	242.3	243.4	247.0	247.3	254.1	196.8	221.1	247.9	208.9	199.8	180.4
Time deposits	538.9	534.6	504.3	506.5	518.3	515.9	535.7	507.3	507.3	521.4	534.6	529.6	528.3	522.9	523.2	522.9	534.7	520.3
NOMINAL EXCHANGE RATE (Index)	99.8	100.4	99.8	99.9	99.7	99.7	99.7	99.7	99.7	99.7	99.8	99.8	99.8	100.1	99.8	100.0	99.9	100.0
HEADLINE CPI (2)	113.6	127.7	128.2	129.0	129.8	131.8	131.5	133.9	134.0	132.8	131.8	132.3	112.5	128.2	132.7	121.4	116.1	113.5
Annual average inflation (%)	0.5	11.3	11.0	11.2	11.5	11.7	12.0	12.0	11.5	10.3	9.1	8.3	-1.1	10.5	9.8	5.1	3.5	3.3
LOCAL MARKET SURVEY: (2)																		
Volume	101.0	160.6	92.5	79.1	80.1	83.1	71.4	52.2	82.1	91.3	100.4	125.6	90.0	114.0	99.8	110.9	115.4	129.9
Price	96.0	114.4	162.2	133.6	159.3	174.8	190.4	219.7	222.6	193.1	173.6	137.0	102.5	120.2	181.6	113.2	107.8	105.4
EXPORTS (Tala million)	5.0	9.5	7.4	7.5	10.7	6.9	10.5	12.7	8.3	10.7	12.0	9.6	5.2	10.8	10.2	9.4	8.6	10.0
IMPORTS (Tala million)	70.3	110.8	101.9	68.4	96.9	93.6	98.9	102.4	87.7	101.6	105.7	104.6	67.1	105.0	99.9	88.1	78.6	75.8
REMITTANCES (Tala million)	68.9	62.6	55.1	56.5	64.7	50.0	75.7	73.8	74.2	80.2	66.8	66.2	58.3	71.8	71.9	61.4	57.7	49.8
TOURISM: (1)&(4)																		
Arrivals	0.0	7171.0	12321.0	7687.0	10128.0	13720.0	15719.0	18021.0	17270.0	16471.0	14879.0	13383.0	-	5,438	15,501	4,131	2,754	7,863
Earnings (Tala million)	0.0	23.4	36.9	24.6	34.5	48.7	61.2	57.7	52.3	55.5	51.5	47.8	0.0	17.9	51.8	14	9	24
GROSS INTERNATIONAL RESERVES (3) (5)	772.2	785.3	894.5	924.7	947.9	976.2	1014.5	1098.1	1145.3	1164.3	1138.1	1150.5	761.3	796.7	1149.6	782.0	749.6	621.1
BOP Position (+/-) (Surplus/Deficit)	-2.0	-4.2	26.8	30.2	23.2	28.2	38.3	83.6	47.2	18.9	-26.1	12.4	9.9	-6.8	13.1	-11.1	-3.1	-11.3
Import Cover	11.4	9.0	9.4	9.9	9.8	10.0	10.3	10.9	11.4	11.7	11.5	11.6	11.2	9.7	11.5	10.3	10.2	8.5

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 US\$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 grew by 5.2 percent highlighting higher non-residential and residential investments coupled with increases in both private inventories and consumer spending. On the other hand, the Euro Area noted a 0.1 percent contraction which mostly reflected a drop in Germany's GDP while other big economies grew. The Australian economy showed a growth of 0.4 percent in the second quarter mirroring higher exports and growth in fixed investment while the New Zealand economy also expanded by 0.9 percent in the same period due to an expansion in its services industry.
- Crude oil price came back down by 3.1 percent to USD\$91.06 per barrel.

DOMESTIC ECONOMY

INTEREST RATES & MONEY SUPPLY



- **Weighted average monthly official rate** edged down by 3 basis points to 0.18 percent .
- **Commercial banks' weighted average deposit rate** went down by 2 basis points to 1.81 percent while their **weighted average lending rate** increased by 3 basis points to 8.35 percent .
- **Interest rate spread** went up by 5 basis points to 6.54 percent.
- **Broad money (M2)** continued to rise by 0.8 percent (or \$11.9 million) to \$1,587.8 million.

LIQUIDITY & CREDIT



- Total **commercial banks' liquidity** recovered by 1.4 percent (or \$8.4 million) to \$609.8 million
- Responsible for this increase over the month were improvements in exchange settlement accounts (ESA) (up by \$6.5 million) and banks' vault cash (up by \$1.9 million).
- Total **commercial banks' credit to the private sector and public institutions** fell by 0.2 percent (or \$1.8 million) to \$1,141.0 million.

INFLATION



- **The Consumer Price Index (CPI)** recorded a slight rebound by 0.4 percent over the previous month
- **Annual headline inflation** fell further to 8.3 percent from 9.1 percent in September 2023
- This was underpinned by further decreases in both imported inflation (down to 7.8 percent from 9.2 percent) and local inflation (down to 8.9 percent from 9.0 percent).
- **Underlying inflation** also declined to 10.4 percent.

REMITTANCES & TOURISM



- **Inflow of remittances** fell further by 0.9 percent (or \$0.6 million) to \$66.2 million.
- It was 5.8 percent (or \$3.6 million) higher than in the same month last year.
- **Visitor arrivals** registered 13,383 visitors (down from 14,879 visitors in September 2023).
- **Total visitor earnings** totaled to \$47.8 million which was a decrease from \$51.5 million in the previous month .

EXTERNAL TRADE



- **Total export earnings** contracted by 19.5 percent (or \$2.3 million) to \$9.6 million in light of a 22.9 percent (or \$1.7 million) drop in re-exports and a 13.5 percent (or \$0.6 million) decrease in domestically produced exports (mostly coconut oil and coconut cream).
- **Total import payments** noted a reduction of 1.1 percent (or \$1.2 million) to \$104.6 million .
- The **merchandise trade deficit** jumped by 1.2 percent (or \$1.2 million) to \$94.9 million.

LOCAL MARKET SURVEY



- Overall supply of agriculture commodities to the Fugalei and other domestic produce markets around Apia, expanded by 25.1 percent.
- This was due to higher supplies of taro, taamu, banana, breadfruit and vegetable items like pumpkin and tomatoes.
- As a result, the **overall price index** fell by 21.1 percent.



Gross Foreign Reserves went up by 1.1 percent (or \$12.4 million) to \$1,150.5 million, which was sufficient to cover 11.6 months of imports compared to 11.5 months in September 2023 and was 9.0 months in October 2022.