

WORLD ECONOMY

The US economy expanded by a revised growth of 2.7% in the September 2024 quarter. In addition, the Australian economy improved by 0.8% , while the New Zealand economy contracted by 1.5% in the same quarter under review. The international price of Brent Blend Crude Oil declined further by 0.8% to USD\$73.83 per barrel.

DOMESTIC ECONOMY

The Samoan economy expanded further by 5.5% in real terms during the September 2024 quarter compared to the same period in 2023. The expansion highlighted gains across various sectors such as “Commerce”, “Food and Beverages manufacturing” and “Agriculture” to name a few, alongside a rise in government tax revenues collected during the quarter. However, the annual average Real GDP grew by 7.5 percent in the September 2024 quarter, slowing down from 9.4% in the previous quarter.

INFLATION



- The **Consumer Price Index (CPI)** rose by 0.5% from previous month.
- The **annual average headline inflation rate**, however, further dropped to 2.2% from 7.9% in December 2023.
- This decline was driven by a reduction in the imported component, while the local component remained stable throughout the month.
- Likewise, the **underlying inflation rate** fell to 2.7% over the month, a significant decrease from 10.2% in December 2023.

OFFICIAL FOREIGN RESERVES



- **Gross Foreign Reserves** grew further by 2.8% (or \$40.0 million), to a total of \$1,444.5 million. This was equivalent to a 19.7% growth (\$237.5 million) compared to December 2023.
- Consequently, the **import cover** rose to its highest level of 14.1 months, up from 13.5 months in November 2024 and 12.3 months in December 2023.

REMITTANCES & TOURISM



- In December 2024, **total monthly remittances** surged by a seasonal 26.9% (\$19.8 million), reaching \$93.4 million.
- **Visitor arrivals** rebounded by 9,832 visitors, to a total of 22,828 visitors in December 2024, which was 1.4% higher than the same period last year.
- Consequently, **total tourist earnings** jumped by 58.1% (or \$31.0 million), to \$84.4 million, up from \$81.1 million in December 2023.
- The increase in both remittances and visitor earnings corresponded to the end of year festivities and travel.

EXTERNAL TRADE



- **Export receipts** declined further to \$6.5 million in December 2024. Accountable were:
 - Locally produced exports, down by \$3.0 million.
 - Re-exports, up by \$1.5 million.
- Total **import payments** also fell by 9.4 percent to \$92.9 million in December 2024, mirroring:
 - No petroleum imports for the month.
 - Government imports, down by \$1.2 million.
 - Petroleum imports, up by \$11.1 million.
- As a result, the **merchandise trade deficit** shrunk by 8.6% , to \$86.4 million in December 2024.

INTEREST RATES & MONEY SUPPLY



- **Weighted average (WA) monthly official interest rate** rallied by 26.0 basis points to 0.90 percent from 0.64% in November 2024.
- **The commercial banks' WA deposit rate** declined by 2 basis points to 1.55% while **WA lending rate** went back up by 1 basis point to 8.41% from the past month. As a result, the **WA interest rate margin** widened by 2.0 basis points to 6.86% in the reviewed month.
- **Broad money (M2)** rose by 2.4% (or \$41.8 million), to \$1,769.6 million, driven by a \$51.6 million increase in **Net Foreign Assets**, which outweighed a \$9.8 million decline in **Net Domestic Assets**.

LIQUIDITY & CREDIT



- Total **commercial banks' liquidity** continued to fall by 0.7% (or \$4.5 million) to \$650.5 million.
- This decrease was mainly due to:
 - Exchange settlement accounts (ESA), down by \$25.6 million.
 - Vault cash, up by \$20.8 million.
 - CBS securities, up by \$0.3 million.
- Total **commercial banks' credit** to the private sector and public institutions rose by 0.4% to \$1,217.7 million.
- Likewise, total loans issued by **non-bank financial institutions (NFIs)** to the private sector and public institutions edged further up by 0.7% to \$990.8 million.

LOCAL MARKET SURVEY

The total supply of agriculture commodities to selected local markets around the country rebounded by 1.7 percent in December 2024. This improvement was driven by higher supplies of items such as taro, coconut, breadfruit and pumpkin. Despite the increase in total supply, the **overall price index** rose by 0.7 percent due to higher demand.

SELECTED ECONOMIC INDICATORS														
INDICATORS	2022	2023	2024						Average Six Months			Average levels in the previous		
	Dec	Dec	July	Aug	Sep	Oct	Nov	Dec	Jul22 - Dec22	Jul23 - Dec23	Jul24 - Dec24	2-years	3-years	5-years
CENTRAL BANK OF SAMOA: (%)														
Official rate	0.19	0.27	0.27	0.37	0.88	0.72	0.64	0.90	0.17	0.22	0.63	0.20	0.18	0.17
COMMERCIAL BANKS' INTEREST RATES: (%)														
Average lending rate	8.28	8.43	8.41	8.44	8.40	8.41	8.40	8.41	8.28	8.34	8.41	8.31	8.35	8.50
Average deposit rate	1.79	1.83	1.54	1.52	1.49	1.51	1.57	1.55	1.83	1.81	1.53	1.82	1.83	2.16
COMMERCIAL BANK LOANS (Tala million)	1176.9	1141.6	1189.8	1195.0	1208.1	1211.6	1212.6	1217.7	1175.85	1143.78	1205.79	1155.16	1170.28	1176.14
GOVERNMENT NET POSITION (Tala million)	-336.6	-484.3	-614.1	-615.3	-581.6	-594.8	-596.8	-630.1	-312.09	-454.52	-605.45	-379.12	-368.84	-335.26
MONEY SUPPLY (Tala million)	1429.7	1625.3	1673.9	1719.1	1731.0	1762.7	1727.7	1769.6	1387.50	1583.10	1730.67	1499.66	1443.09	1365.63
Currency outside banks	166.6	190.4	164.3	171.8	164.6	166.8	171.2	199.9	138.00	163.91	173.10	142.63	134.09	121.71
Demand deposits	449.2	552.3	626.1	663.3	688.5	680.0	657.4	659.1	428.68	544.73	662.41	501.53	476.01	436.19
FCD residents	90.9	120.9	110.3	105.0	106.0	127.9	110.8	114.8	79.33	106.89	112.48	101.05	89.08	73.94
Save deposits	218.7	236.8	268.6	269.5	269.5	273.4	261.1	261.3	220.12	244.71	267.25	228.59	218.54	197.71
Time deposits	504.2	524.9	504.6	509.4	502.4	514.6	527.2	534.5	521.36	522.86	515.44	525.85	525.37	536.08
NOMINAL EXCHANGE RATE (Index)	99.9	99.7	99.7	99.7	99.7	99.7	99.8	100.1	100.08	99.74	99.76	99.93	99.88	99.91
HEADLINE CPI (2)	124.0	132.0	132.9	133.2	134.8	136.2	135.1	135.8	126.93	132.56	134.66	128.50	123.33	116.60
Annual average inflation (%)	11.0	7.9	2.9	2.8	2.9	2.8	2.5	2.2	10.73	9.20	2.67	9.67	7.03	4.22
LOCAL MARKET SURVEY: (2)												0.00	0.00	0.00
Volume Index	82.8	97.2	90.9	123.4	134.8	100.9	86.1	87.6	111.46	99.05	103.92	113.94	103.96	116.60
Price Index	127.5	158.9	193.8	181.2	170.7	179.7	163.8	164.9	120.69	172.93	175.68	134.05	122.03	110.17
EXPORTS (Tala million)	8.5	11.5	6.3	11.0	11.5	31.9	8.0	6.5	10.02	10.52	12.52	9.73	9.07	8.57
IMPORTS (Tala million)	116.6	103.9	104.2	118.2	89.6	123.8	102.5	92.9	107.30	102.31	105.21	108.80	100.98	90.84
REMITTANCES (Tala million)	94.5	87.0	81.5	91.3	67.6	70.0	73.6	93.4	76.04	75.31	79.56	75.71	73.04	62.76
TOURISM: (1)&(4)												0.00	0.00	0.00
Arrivals (number of persons)	16,779.0	22,512.0	19,039.0	17,248.0	14,536.0	14,658.0	12,996.0	22,828.0	7843.17	16228.50	16884.17	10693.00	7128.67	6658.60
Earnings (Tala million)	55.0	81.1	56.9	58.0	51.5	53.1	53.4	84.4	26.22	56.56	59.55	40.88	27.25	24.56
GROSS INTERNATIONAL RESERVES (3) (5)														
(Tala Million)	874.9	1,207.0	1,356.8	1,378.3	1,396.8	1,399.5	1,404.5	1,444.5	813.29	1160.90	1396.75	989.11	914.30	779.39
BOP Position (+/-) (Surplus/Deficit)	49.7	46.9	2.8	21.5	18.5	2.6	5.0	40.0	9.18	18.16	15.07	21.19	11.55	3.09
Import Cover (months of current goods only)	9.6	12.3	13.2	13.2	13.6	13.4	13.5	14.1	9.59	11.70	13.51	10.44	10.59	9.68

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

SELECTED ECONOMIC INDICATORS CHART PACK

