

WORLD ECONOMY

In the June 2025 quarter, the United States economy grew by 3.8% with the Australian economy also expanding by 0.6%. New Zealand's economy contracted by 0.9% over the previous quarter. Meanwhile, the international price of Brent Blend crude oil continued its downward trend, falling by 4.9% in October 2025 to USD \$64.65 per barrel from USD \$67.95 in September 2025.

DOMESTIC ECONOMY

Samoa's Real GDP declined by 3.0 percent in the June 2025 quarter, largely due to decreases across major sectors such as "Commerce" (\$4.7m), "Agriculture" (\$4.3m), "Electricity and Water" (\$1.6m), "Other Manufacturing" (\$0.9m), "Construction" (\$0.5m) and "Food and Beverages Manufacturing" (\$0.4m).

This quarterly decrease was also due to a significant drop in tax revenues by \$19.6 million.

INFLATION



- The **Consumer Price Index (CPI)** declined by 1.0% compared to the previous month but was 0.7% higher than in October 2024.
- As a result **annual average headline inflation rate** fell to 2.6%, from 2.8% in September 2025 and October 2024.
- Imported inflation contracted to 1.0%, while domestic inflation dropped to 4.5%.
- The **underlying inflation rate** also decreased to 2.6% in October, from 2.9% in September 2025, and 3.4% in the same month last year.

OFFICIAL FOREIGN RESERVES



- Gross Foreign Reserves** rose further by 0.4% (\$7.2 million) to \$1,624.10 million over September 2025. This also represented a substantial growth of 16.0% (\$224.6 million) from October 2024.
- This level of foreign reserves was sufficient to cover 16.3 months of imports which was higher than 15.9 months in September 2025 and 13.4 months in October 2024.

REMITTANCES & TOURISM



- Monthly remittance** inflows dropped by 3.3% (\$2.5 million), to \$74.5 million, but was 6.3% (\$4.4 million) higher than in the same month last year.
- Likewise, **visitor arrivals** fell further by 9.6% to 14,278 visitors in October 2025, which was 2.6% lower than its total in October 2024.
- As a result, **tourism earnings**, fell by 8.6% (\$5.1 million) to a total of \$53.3 million. However, this was 0.4% higher than \$53.1 million in October last year.

EXTERNAL TRADE



- Export earnings** fell 2.7% (or \$0.2 million) to \$6.1 million in October 2025, as:
 - re-exports, dropped \$1.0 million, while
 - domestic exports, rose \$0.8 million
- Total **import payments** declined by 20.1% (or \$25.2 million) to \$100.3 million, reflecting decreases in:
 - Non-petroleum private sector imports (by \$18.3 million).
 - Government imports (by \$5.5 million); and
 - Petroleum imports (by \$1.4 million).
- As a result, the **merchandise trade deficit** narrowed by 21.0% to \$94.2 million in October 2025.

INTEREST RATES & MONEY SUPPLY



- The **weighted average (WA) monthly official interest rate** fell to 2.39% from 2.58% in the previous month but was higher than 0.72% in October 2024. This aligns with the current monetary policy stance of normalizing its official interest rate to a range between 2% to 3%.
- The commercial banks' **WA deposit rate** went up by 2 basis points to 1.58%, while the **WA lending rate** rose to 8.41% in October 2025. As a result, the **WA interest rate spread** widened to 6.83% in October 2025.
- Broad money (M2)** declined further by 1.2% (\$21.3 million) to \$1,734.0 million driven by a \$43.7 million drop in Net Foreign Assets, which offset a \$22.4 million increase in Net Domestic Assets.

LIQUIDITY & CREDIT



- Total commercial banks' liquidity rose further by 1.0% (\$7.4 million) to \$761.4 million reflecting the following:
 - Exchange Settlement Accounts (ESA) (+\$16.3 million).
 - CBS securities (-\$1.9 million).
 - Vault cash (-\$6.9 million).
- In contrast, total **commercial banks' credit to the private sector and public institutions** fell by 0.2% (\$2.4 million) to \$1,223.6 million over the month.
- Total loans by non-bank financial institutions (NBFIs)** to the private sector and public institutions remained unchanged.

LOCAL MARKET SURVEY

In October 2025, the total supply of agricultural commodities to selected local produce markets rose by 21.4%, driven by increased supplies of bananas, taro, ta'amu, yam, coconuts and vegetables such as head cabbage, cucumber and pumpkin. Consequently, the overall price index declined by 12.1% due to the higher supply.

SELECTED ECONOMIC INDICATORS CHART PACK

