



## MINISTRY OF FINANCE

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# QUARTERLY ECONOMIC REVIEW

*This Quarterly Economic Review is published by the Economic Policy and Planning Division of the Ministry of Finance. The analysis is based on the latest available data on the main macroeconomic aggregates as collected by the Central Bank of Samoa, Ministry of Finance and the Samoa Bureau of Statistics and is intended to provide Government officials, the business community and the general public with a better understanding of the economy.*

*This review summarizes the state of the economy during the third quarter (Mar quarter) 2010/11 and the twelve months review (Apr 2010 – Mar 2011)*

## 1. EXECUTIVE SUMMARY

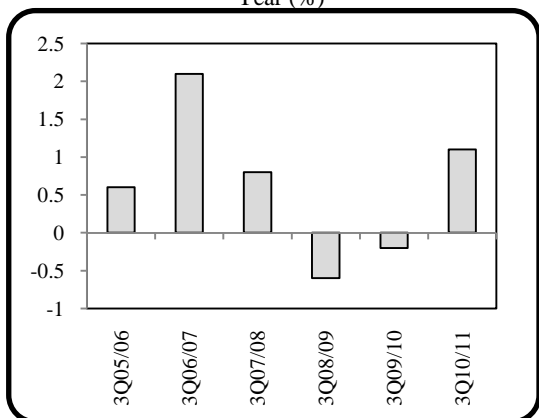
### Key Features of Third Quarter 2010/11 Performance

- Real **GDP** stood at \$264.82 million in March quarter of 2010/11, increased by 1.3% over the comparable period of 2009/10; (see section 2)
- **Employment** totaled 20,885 at end March 2010/11, increased by 0.9% (192) from end March 2009/10; (see section 3)
- **Export** earnings valued at \$4.00 million in the reviewing quarter, recorded a decline of 15.8% from the corresponding 2009/10 quarter; (see section 4.1)
- **Imports** had declined by 11.8% over the same period of 2009/10 to stand at \$155.63 million in the reviewing period; (see section 4.2)
- The **trade deficit** amounted to \$151.63 million in the reporting quarter, declined by \$20.03 million from the same 2009/10 quarter; (see section 4.5)
- **Gross foreign reserves** valued at \$372.51 million, increased by \$25.06 million from the same 2009/10 period and sufficient to cover 6.7 months of imports compared to 6.8 import cover at end Mar 2009/10; (see section 5)
- The **Tala appreciated** against the USD, EURO and FJD and depreciated against the NZ, AUD and YEN from the same 2009/10 period; (see section 6)
- The **budget outturn** showed an overall deficit of \$107.61 million for July to March period of FY 2010/11, increased by \$54.65 million from the deficit of \$52.96 million in the comparable period of FY 2009/10. The current balance surplus at \$0.93 million for July to March period of FY 2010/11 compared to a surplus of \$12.26 million in the corresponding period of 2009/10; (see section 7.1)
- Official **external debt** stood at \$748.73 million at end March 2010/11 or 50.2% of GDP; (see section 7.2)
- **Money supply** stood at \$741.63 million at end March 2010/11, increased by \$33.02 million from end March 2009/10; (see section 8.1)
- **Domestic credit** outstanding at end March 2010/11 totaled \$608.62 million, increased by \$16.64 million from the same period of 2009/10; (see section 8.2)
- The **inflation rate** at end March 2010/11 stood at 2.5%, declined by 0.3 percentage points from end March 2009/10. (see section 9)

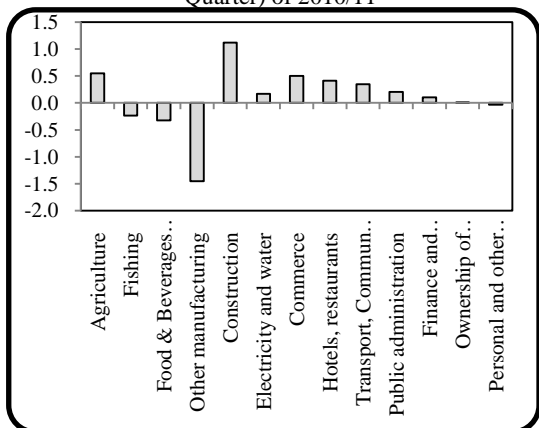
## 2. GROSS DOMESTIC PRODUCT

The Gross Domestic Product is the building block for macroeconomic analysis. This measure estimates the country's gross value-added within the domestic economy. Compilation of the estimates uses an industry-value added approach; that is the values of output and input have been estimated separately for each industry, and value-added (gross product) derived as a net measure. For the agriculture and non-monetary sectors estimates have been derived from, inter alia, export data, the Fugalei Market Surveys and benchmark derived from the 2002 Household Income and Expenditure Survey. GDP estimates for Agriculture and Fishing have been revised to incorporate the 1999 Agriculture Census and the 2000 Fishing Survey. Other data sources and benchmarks have included the 1999 Business Activity Survey, and detailed trade statistics provided by the ASYCUDA system as well as employment data from NPF.

**Figure 2.1:** Construction's Contribution to Economic Growth in the Third Quarter (Mar Quarter) of Each Year (%)



**Figure 2.2:** Industries Contributions to Overall Economic Growth of 1.3% in the Third Quarter (Mar Quarter) of 2010/11



### Overview

Real GDP in the reviewing quarter (March quarter 2010/11) stood at \$264.82 million, recorded a growth of 1.3% over the corresponding 2009/10 quarter. Construction had the highest contribution of 1.1 percentage points to the overall economic growth of 1.3% during this period. Agriculture, Commerce, Hotels and restaurants, Transport and communication, Electricity and Water, Public administration and Finance and business services had also registered positive contributions of 0.6, 0.5, 0.4, 0.3, 0.2, 0.2 and 0.1 percentage points to the positive growth of 1.3% from end March 2009/10 to end March 2010/11 respectively.

In terms of contribution to total GDP, Commerce industry had the largest share of 18.6% followed by transport/communication, construction, finance/business services, public administration, other manufacturing and agriculture with shares of 15.5%, 13.2%, 10.3%, 8.9%, 7.2% and 5.5% respectively. Other industries such as personal and other services, electricity and water, fishing, hotels and restaurants, ownership of dwellings and food and beverages manufacturing had contributed 5.4%, 5.2%, 3.9%, 3.2%, 3.0% and 1.7% to total GDP respectively.

GDP at constant prices amounted to \$1.07 billion in the twelve months to March 2011. This represented an increase of \$18.92 million (or 1.8%) from the last twelve months to March 2010. The Construction industry contributed the highest positive growth of 0.9 percentage points to the overall economic growth of 1.8% during this period. Commerce, Transport and Communication, Other manufacturing, Electricity and Water, Public Administration and Hotels and Restaurants had recorded positive contributions of 0.5, 0.5, 0.2, 0.2, 0.2 and 0.1 percentage points to the overall growth of 1.8% from the twelve months to March 2010 to the twelve months to March 2011.

### Industry Performance

#### Primary Sector: Agriculture and Fisheries

**Agriculture** industry produced a value added of \$14.65 million at end of March 2010/11 quarter, declined by 10.8% from the corresponding quarter of 2009/10. The industry's share of overall production (GDP) stood at 5.5% and registered a negative contribution of 0.4 percentage points to the overall positive growth of the economy by 1.3% in the reviewing period.

**Fishing** industry generated a value added of \$10.41 million in March quarter of 2010/11 fiscal year, declined by 5.6% over the comparable quarter of 2009/10. This was consistent with the decline of 18.5% in fish exports throughout this period. The industry's share to total GDP had declined by 0.4 percentage points to stand at 3.9% in the reporting quarter when compared to March quarter of 2009/10 fiscal year.

**Secondary Sector: Manufacturing, Construction, Electricity & Water**

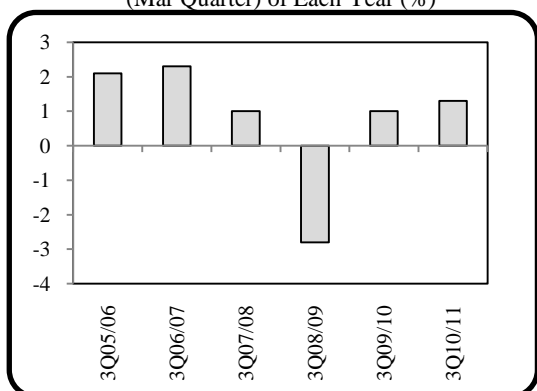
**Food and Beverages Manufacturing** had registered a downward trend of 15.7% from the same 2009/10 quarter to stand at \$4.58 million in March 2010/11 quarter. This result was reflected in the declines of 100.0% and 16.0% in export earnings from coconut cream and beer throughout this period respectively. The industry had contributed a share of negative 0.3 percentage points to the overall positive growth of the economy by 1.3% from March quarter of 2009/10 to March quarter of 2010/11.

**Other Manufacturing** had declined by of \$3.80 million (or 16.6%) from the same 2009/10 quarter to stand at \$19.08 million in the reviewing 2010/11 period. The industry had the largest negative contribution of 1.5 percentage points to the overall positive growth of 1.3% during this period.

**Construction** activities totalled \$34.84 million in the reviewing quarter, recorded an upward trend of 9.2% from the corresponding 2009/10 period. The industry was the leading contributor of positive 1.1 percentage points to the overall economic growth of positive 1.3% for March 2010/11 quarter. It is the third largest industry with its share of 13.2% to the overall GDP.

**Electricity and Water** in the reporting period valued at \$13.79 million, increasing by 3.3% from the third quarter of 2009/10 fiscal year and contributed a positive 0.2 percentage points to the overall growth throughout this period. The result was mainly influenced by the ongoing work on water and power sector projects.

**Figure 2.3:** Economic Growth in the Third Quarter (Mar Quarter) of Each Year (%)



**Tertiary Sector: Commerce, Transport & Communication, Finance & Business Services, Personal Services and Hotels & Restaurant**

**Commerce** industry amounted to \$49.30 million in the reviewing period, increasing by 2.7% from the same 2009/10 quarter. Commerce is the largest industry with a total share of 18.6% to total production in the period under review. The industry had a positive contribution of 0.5 percentage points to the positive economic growth of 1.3% from March quarter of 2009/10 to March quarter of 2010/11 fiscal year.

**Transport and Communication** valued at \$41.04 million in March quarter of 2010/11, increasing by 2.3% over the third quarter of the previous fiscal year. This is the second largest industry in the economy with a share of 15.5% to total GDP for the reporting period. The industry contributed a positive 0.3 percentage points to the economic growth of 1.3% in the third quarter of 2010/11. This was reflected in the rise of imported right hand drive vehicles and the increase in competition of the two cell phone companies.

**Hotels and Restaurants** industry totaled \$8.39 million in the reporting period, increased by 14.8% when compared to March quarter of 2009/10 fiscal year. The industry had recorded a contribution of positive 0.4 percentage points to the overall positive growth of 1.3% from March quarter of 2009/10 to March quarter of 2010/11.

**Finance and Business Services** in the third quarter of 2010/11 stood at \$26.66 million. The industry's performance in the reviewing period recorded a contribution of positive 0.1 percentage points to the overall economic growth of 1.3% when compared to the same quarter of 2008/09 fiscal year.

**Personal and other Services** generated a \$14.24 million value added in the third quarter of 2010/11, recorded a decline of 0.6% when compared to March quarter of the previous fiscal year.

### Government Sector

The **Public Administration** component of GDP totaled \$23.57 million with a share of 8.9% to total GDP in March quarter of 2010/11. The industry had increased by 2.3% over the third quarter of the previous year and contributed a share of 0.2 percentage points to the economic growth of 1.3% in the reviewing period over March quarter of 2009/10.

**Table 2.1: ANNUAL & QUARTERLY REAL GDP**

|                                       | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 | % Change<br>3Q10/11 over |
|---------------------------------------|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|--------------------------|
| <b>At constant 2002 prices</b>        | (\$ Million)    |                 |                 |         |         |         |         |         | <b>3Q09/10</b>           |
| Agriculture                           | 65.79           | 62.14           | 58.45           | 13.22   | 14.40   | 14.32   | 15.07   | 14.65   | 10.8                     |
| Fishing                               | 47.51           | 48.24           | 44.38           | 11.03   | 11.12   | 11.47   | 11.38   | 10.41   | -5.6                     |
| Food & Beverages Manufacturing        | 18.26           | 19.34           | 19.74           | 5.43    | 5.31    | 4.96    | 4.89    | 4.58    | -15.5                    |
| Other Manufacturing                   | 98.65           | 90.29           | 92.06           | 22.88   | 23.12   | 22.46   | 27.41   | 19.07   | -16.6                    |
| Construction                          | 127.28          | 126.29          | 135.38          | 31.91   | 32.68   | 33.31   | 34.56   | 34.84   | 9.2                      |
| Electricity and Water                 | 49.95           | 53.07           | 55.19           | 13.35   | 13.79   | 13.65   | 13.95   | 13.79   | 3.3                      |
| Commerce                              | 192.77          | 191.43          | 196.47          | 47.99   | 48.52   | 49.09   | 49.56   | 49.30   | 2.7                      |
| Hotels, Restaurant                    | 39.03           | 33.85           | 34.86           | 7.30    | 7.88    | 9.06    | 9.53    | 8.39    | 14.8                     |
| Transport, Communication              | 151.62          | 155.41          | 160.32          | 40.13   | 36.44   | 40.01   | 42.83   | 41.04   | 2.3                      |
| Public Administration                 | 87.92           | 91.79           | 93.55           | 23.04   | 23.14   | 23.46   | 23.38   | 23.57   | 2.3                      |
| Finance & Business Services           | 104.12          | 106.34          | 106.66          | 26.40   | 26.63   | 26.69   | 26.68   | 26.66   | 1.0                      |
| Less: Enterprise share of FISIM       | -13.40          | -13.92          | -14.24          | -3.47   | -3.55   | -3.55   | -3.57   | -3.58   | 3.1                      |
| Ownership of Dwellings                | 31.19           | 31.28           | 31.38           | 7.83    | 7.84    | 7.84    | 7.85    | 7.85    | 0.3                      |
| Personal & Other Services             | 57.78           | 54.34           | 54.61           | 14.32   | 13.29   | 13.00   | 14.08   | 14.24   | -0.6                     |
| <b>Value added 2002 market prices</b> | 1,058.46        | 1,049.89        | 1,068.81        | 261.36  | 260.62  | 265.76  | 277.61  | 264.82  | 1.3                      |
| Implicit price deflator:              | 134.6           | 136.4           | 139.5           | 137.2   | 140.3   | 139.2   | 138.3   | 140.1   | 2.1                      |
| At constant 2002 prices               |                 |                 |                 |         |         |         |         |         |                          |
| Non-monetary                          | 160.04          | 160.09          | 162.32          | 39.54   | 39.83   | 40.50   | 41.08   | 40.91   | 3.5                      |
| Monetary – total                      | 898.42          | 889.80          | 906.49          | 221.81  | 220.79  | 225.26  | 236.54  | 223.91  | 0.9                      |
| Monetary – restricted scope           | 852.62          | 850.46          | 870.09          | 211.23  | 210.82  | 216.36  | 224.02  | 218.89  | 3.6                      |
| <b>Memo items:</b>                    |                 |                 |                 |         |         |         |         |         |                          |
| Nominal GDP (current prices)          | 1,424.55        | 1,431.91        | 1,490.66        | 358.56  | 365.67  | 369.82  | 384.07  | 371.10  | 3.5                      |
| GDP per capita                        | 7,911.00        | 7,955.06        | 8,281.44        | n.a     | n.a     | n.a     | n.a     | n.a     | n.a                      |

Source: Samoa Bureau of Statistics estimates

na - not applicable

### 3. EMPLOYMENT

*The Samoa National Provident Fund (NPF) produces formal paid employment figures on the basis of active members. This employment figure is a partial indicator given that the informal employment figures are not included*

Formal paid employment stood at 20,885 at end of March 2010/11, increased by 0.9% over the corresponding period of 2009/10. This rise was due to the increases in all industries throughout this period.

|                         | Apr08-Mar09   | Apr09-Mar10   | Apr10-Mar11   | 3Q09/10       | 4Q09/10       | 1Q10/11       | 2Q10/11       | 3Q10/11       | % Change in 3Q10/11 over 3Q09/10 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------------------|
| Primary                 | 233           | 251           | 252           | 251           | 251           | 251           | 255           | 252           | 0.4                              |
| Secondary               | 3,366         | 3302          | 3,338         | 3302          | 3386          | 3,406         | 3,430         | 3,338         | 1.1                              |
| Tertiary                | 11,707        | 11780         | 11,892        | 11780         | 11671         | 11,702        | 11,878        | 11,892        | 1.0                              |
| Public Administration   | 5,198         | 5361          | 5,403         | 5361          | 5374          | 5,386         | 5,396         | 5,403         | 0.8                              |
| <b>TOTAL EMPLOYMENT</b> | <b>20,504</b> | <b>20,693</b> | <b>20,885</b> | <b>20,693</b> | <b>20,682</b> | <b>20,745</b> | <b>20,958</b> | <b>20,885</b> | <b>0.9</b>                       |

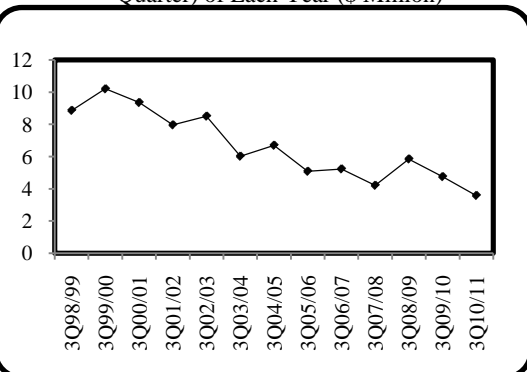
Source: Samoa National Provident Fund

## FOREIGN TRADE AND BALANCE OF PAYMENTS

### 4.1 Exports

*Exports are sales of primary commodities, manufactured or processed products valued "free on board" (fob).*

**Figure 4.1.1:** Exports in the Third Quarter (Mar Quarter) of Each Year (\$ Million)



Export earnings amounted to \$4.00 million in the reporting quarter (3Q10/11). This represented a downward trend of 15.8% over the same quarter of the previous year (2009/10). This result was driven mainly by the drop of \$0.89 million in fresh fish exports followed by the declines of \$0.37 million in coconut cream, \$0.08 million in beer and \$0.06 million in taro. Export products with registered increases throughout this period are other exports (\$0.34 million), nonu juice (\$0.26 million), spring water (\$0.03 million), coconut oil (\$0.01 million) and nonu fruit (\$0.01 million).

In the twelve months to March 2011, total commodity products valued at \$29.68 million, increased by \$1.05 million from the previous twelve months to March 2010. Spring water was the leading contributor with an increase of 485.7% throughout this period. Coconut oil, taro and nonu fruit also recorded increases of 77.5%, 27.6% and 9.5% during this period respectively.

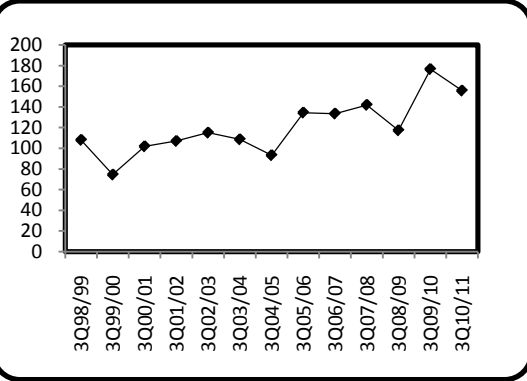
|               | Apr08-Mar09  | Apr09-Mar10  | Apr10-Mar11  | 3Q09/10     | 4Q09/10     | 1Q10/11     | 2Q10/11     | 3Q10/11     | % Share      |              | % Change 3Q10/11 over 3Q09/10 |         |
|---------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------------------------|---------|
|               | (\$ Million) |              |              |             |             |             |             |             |              | 3Q09/10      | 3Q10/11                       | 3Q09/10 |
|               |              |              |              |             |             |             |             |             |              |              |                               |         |
| Fish          | 13.83        | 15.40        | 12.55        | 1.49        | 3.94        | 5.02        | 2.99        | 0.60        | 31.4         | 15.0         | -59.7                         |         |
| Coconut cream | 2.06         | 1.14         | 0.62         | 0.37        | 0.37        | 0.24        | 0.00        | 0.00        | 7.8          | 0.0          | -100.0                        |         |
| Coconut oil   | 0.26         | 2.71         | 3.55         | 0.78        | 0.76        | 0.79        | 1.21        | 0.79        | 16.4         | 19.8         | 1.3                           |         |
| Nonu fruit    | 0.12         | 0.20         | 0.23         | 0.03        | 0.14        | 0.02        | 0.04        | 0.04        | 0.6          | 1.0          | 33.3                          |         |
| Nonu juice    | 3.25         | 0.24         | 2.26         | 0.23        | 0.78        | 0.53        | 0.46        | 0.49        | 4.8          | 12.3         | 113.0                         |         |
| Beer          | 2.55         | 1.78         | 1.58         | 0.50        | 0.53        | 0.49        | 0.14        | 0.42        | 10.5         | 10.5         | -16.0                         |         |
| Taro          | 0.94         | 0.87         | 1.06         | 0.24        | 0.36        | 0.26        | 0.25        | 0.18        | 5.1          | 4.5          | -25.0                         |         |
| Spring Water  | 0.00         | 0.24         | 1.27         | 0.04        | 0.76        | 0.10        | 0.33        | 0.07        | 0.8          | 1.7          | 75.0                          |         |
| Others        | 5.62         | 5.79         | 6.56         | 1.07        | 1.60        | 1.51        | 2.07        | 1.41        | 22.5         | 35.2         | 31.8                          |         |
| <b>TOTAL</b>  | <b>28.63</b> | <b>28.37</b> | <b>29.68</b> | <b>4.75</b> | <b>9.24</b> | <b>8.96</b> | <b>7.49</b> | <b>4.00</b> | <b>100.0</b> | <b>100.0</b> | <b>-15.8</b>                  |         |

Source: Central Bank of Samoa

## 4.2 Imports

*Imports are purchases from overseas of commodities, manufactured or processed products valued "free on board" (fob).*

**Figure 4.2.1:** Imports in the Third Quarter (Mar Quarter) of Each Year (\$ Million)



Imports valued at \$155.63 million in the reviewing quarter (3Q10/11), declined by \$20.78 million from the comparable period of the previous year (2009/10). Private sector import had driven this drop with a decline of \$32.30 million whilst petroleum imports and government imports recorded increases of \$4.72 million and \$6.80 million respectively.

Throughout the twelve months to March 2011, total import stood at \$673.82 millions, \$55.93 million higher than the previous twelve months. Government import was the leading contributor to the overall increase with a rise of \$28.81 million followed by increases of \$28.80 million and \$23.29 million in government imports and petroleum imports respectively.

**Table 4.2.1:** ANNUAL AND QUARTERLY IMPORT COMPONENTS (\$ million)

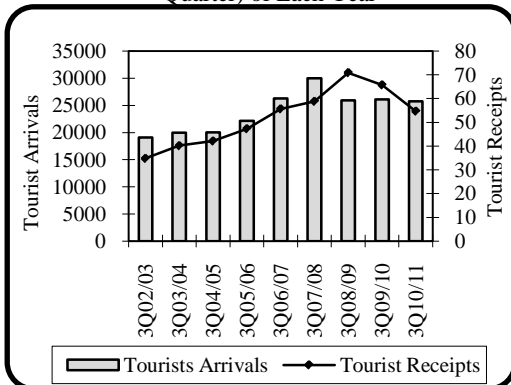
|               | Apr08         | Apr09         | Apr10         | 3Q09/10       | 4Q09/10       | 1Q10/11       | 2Q10/11       | 3Q10/11       | % Share      |              | % Change     |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
|               | Mar09         | Mar10         | Mar11         |               |               |               |               |               | 3Q09/10      | 3Q10/11      | 3Q09/10 over |
| (\$ Million)  |               |               |               |               |               |               |               |               | 3Q09/10      | 3Q10/11      | 3Q09/10      |
| Government    | 22.08         | 27.27         | 56.08         | 5.43          | 6.19          | 13.97         | 25.77         | 10.15         | 3.1          | 6.5          | 86.9         |
| Petroleum     | 151.35        | 113.13        | 136.42        | 28.36         | 38.13         | 29.05         | 34.08         | 35.16         | 16.1         | 22.6         | 24.0         |
| Other Product | 461.22        | 477.50        | 481.33        | 142.62        | 119.06        | 126.31        | 125.64        | 110.32        | 80.8         | 70.9         | -22.6        |
| <b>TOTAL</b>  | <b>634.65</b> | <b>617.90</b> | <b>673.83</b> | <b>176.41</b> | <b>163.38</b> | <b>169.33</b> | <b>185.49</b> | <b>155.63</b> | <b>100.0</b> | <b>100.0</b> | <b>-11.8</b> |

Source: Central Bank of Samoa

## 4.3 Tourism Receipts

*The number for tourist arrivals represents all visitors including holiday/vacation, official, business/conference, sporting activities and visiting friends and relatives. Gross tourism revenues represent an estimate of the amount spent by all visitors to Samoa whilst in the country and the proportion of international travel credited to Samoan based carriers. Average expenditure per visitor is estimated from visitor surveys adjusted annually for inflation. Tourism receipts are the major component of net service income in the balance of payments. Tourism Earnings are estimated by the Central Bank of Samoa*

**Figure 4.3.1:** Gross Tourism Receipts (\$ Million) & Visitor Arrivals ('000) in the Third Quarter (Mar Quarter) of Each Year



Tourism earnings in the reviewing period (3Q10/11) valued at \$54.63 million, declined by \$11.05 million from the same quarter of 2010/11. This result was driven largely by the decline in earnings from New Zealand visitors of \$6.11 million followed by downward trends of \$1.22 million, \$1.06 million, \$0.97 million, \$0.95 million and \$0.74 million from Australia, American Samoa, Other countries, USA and Europe respectively.

Tourist arrivals in the reporting quarter (March 2010/11) amounted to 25,766. This represented a drop of 359 (or 1.4%) from the comparable period of the previous year (2009/10). This fall was largely driven by the drop of 22.4% in the number of tourists from Europe followed by the

declines of 14.5%, 5.5% and 1.2% in the number of tourists from USA, Other Countries and New Zealand respectively. On the contrary, the number of tourist arrivals from American Samoa and Australia had recorded upward trends of 5.2% and 3.9% respectively.

In the twelve months to March 2011, tourism earnings stood at \$286.27 million, declined by \$23.99 million from the twelve months to March 2010. This result was mainly driven by a drop of \$7.08 million earnings from Australia. New Zealand, American Samoa, Europe, USA and Other Countries had also registered declines of \$5.43 million, \$4.52 million, \$2.55 million, \$2.42 million and \$1.99 million throughout this period respectively. Tourist arrivals totaled 129,140 at the end of the twelve months to March 2011. When compared to the previous twelve months to March 2010, the total number of arrivals had recorded a decline of 1,373. The number of tourists from American Samoa had strongly underpinned this drop with a decline of 1,263. USA, Europe, Australia and Other Countries had also recorded declines of 816, 763, 653 and 341 whilst New Zealand had increased by 2,463 during this period respectively. The overall outcome in earnings and arrivals throughout this period was impacted by the tsunami catastrophe in September 2009.

**Table 4.3.1: VISITOR ARRIVALS AND TOURISM RECEIPTS (\$ Million)**

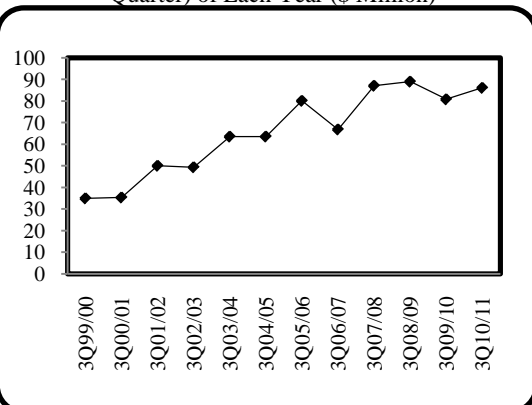
|                               | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|-------------------------------|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|
| <b>Gross Tourism Revenues</b> | 309.59          | 310.26          | 286.27          | 65.68   | 77.09   | 77.21   | 89.13   | 54.63   |
| <b>Visitor Arrivals</b>       | 124,066         | 130,513         | 129,140         | 26,125  | 30,716  | 35,134  | 37,498  | 25,766  |

Source: Central Bank of Samoa estimates

#### 4.4 Remittances

*Remittances, officially defined as “unrequited transfers”, represent money gifts and other financial donations from non-residents for which no service or return transaction is expected. It should exclude earnings remitted by residents working on short-term contracts overseas (these would be included as “factor income”). Remittances are the primary component of net transfers in the balance of payments.*

**Figure 4.4.1: Remittances in the Third Quarter (Mar Quarter) of Each Year (\$ Million)**



For March quarter 2010/11, remittances had increased by \$5.30 million over the comparable quarter of 2009/10 to stand at \$86.13 million. This result was mainly driven by the increase of \$3.20 million from Other Countries followed by the increases of \$3.07 million, \$1.97 million and \$1.34 million from Australia, USA and Fiji respectively. Remittances from Hawaii had remained the same whilst American Samoa and New Zealand had declined by \$2.84 million and \$1.44 million throughout this period respectively.

During the twelve months to the end of March 2011, remittances had declined by \$7.98 million over the twelve months to the end March 2010. This drop was mainly underpinned by the downward trend of \$8.23 million from New Zealand followed by the declines of \$7.31 million, \$3.96 million and \$0.08 million from Fiji, American Samoa and Hawaii respectively. On the contrary, Australia, Other countries and USA had registered upward trends of \$5.69 million, \$3.58 million and \$2.33 million over this period respectively.

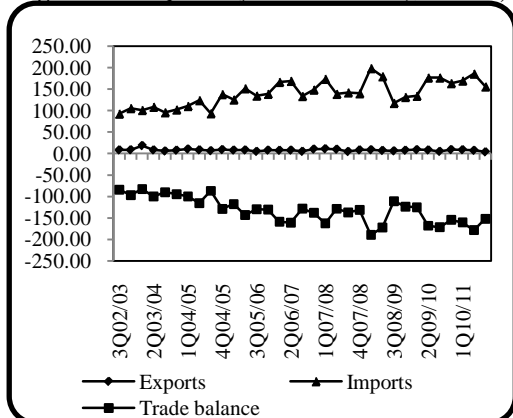
**Table 4.4.1: GROSS REMITTANCES**

|                          | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|--------------------------|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|
| Remittances (\$ Million) | 362.12          | 361.70          | 353.72          | 80.83   | 76.37   | 87.87   | 103.35  | 86.13   |
| Remittances as % GDP     | 25.4            | 25.3            | 23.7            | 22.5    | 20.9    | 23.8    | 26.9    | 23.2    |

Source: Central Bank of Samoa

## 4.5 Balance of Payments

*Trade balance is the difference in export receipts (fob) and import payments (fob). Balance of payments is the trade balance plus net receipts from services, transfers and capital account flows. The capital account covers receipts and payments relating to aid, loans and private sector investment.*

**Figure 4.5.2: Quarterly Trade Balance (\$ Million)**

The merchandise trade deficit amounted to \$151.63 million in March quarter of 2010/11. This has declined by \$20.03 million from March quarter of 2009/10. The drop in the trade deficit was caused by the decline in imports of \$20.78 million. Although Net services and income had declined by \$12.29 million from March quarter of 2009/10, the current account deficit had improved by \$10.62 million, which had strongly influenced by the decline of \$20.78 million in trade deficit and the increase of \$3.23 million in Net current transfers throughout this period. However, the decline in the capital account by \$37.60 million had led to a fall of \$26.97 million in the overall balance of payment accounts from the comparable 2009/10 quarter to stand at \$0.48 million in the reviewing quarter.

In the twelve months to the end of March 2011, the trade deficit had increased by \$54.64 million from the last twelve months to end March 2010. The rise in the trade deficit was mainly due to the increase of \$55.95 million in imports. Both Net services and income and Net current transfers had declined by \$12.76 million and \$11.64 million respectively over the last twelve months to the end of March 2010. This led to the expansion of the current account deficit by \$79.04 million. The capital account had recorded a slight decline of \$0.47 million, which resulted to the overall balance of payment accounts at \$23.02 million in the twelve months to March 2011.

**Table 4.5.1: COMPARATIVE TRADE DATA 2006/07- 2009/10 (\$ Million)**

|                                      | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10        | 4Q09/10        | 1Q10/11        | 2Q10/11        | 3Q10/11        |
|--------------------------------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| 1. EXPORTS (fob)                     | 31.11           | 28.38           | 29.69           | 4.75           | 9.08           | 8.96           | 7.49           | 4.00           |
| 2. IMPORTS (fob)                     | -634.65         | 617.88          | 673.83          | 176.41         | 163.38         | 169.33         | 185.49         | 155.63         |
| <b>3. TRADE BALANCE</b>              | <b>-603.54</b>  | <b>-589.50</b>  | <b>-644.14</b>  | <b>-171.66</b> | <b>-154.30</b> | <b>-160.37</b> | <b>-178.00</b> | <b>-151.63</b> |
| 4. NET SERVICES AND INCOME           | 143.15          | 177.18          | 164.42          | 50.27          | 43.81          | 29.95          | 52.68          | 37.98          |
| 5. NET CURRENT TRANSFERS             | 346.95          | 342.91          | 331.27          | 76.42          | 72.25          | 82.13          | 97.58          | 79.31          |
| <b>6. CURRENT ACCOUNT BALANCE</b>    | <b>-113.44</b>  | <b>-69.41</b>   | <b>-148.45</b>  | <b>-44.97</b>  | <b>-38.24</b>  | <b>-48.29</b>  | <b>-27.74</b>  | <b>-34.35</b>  |
| 7. CAPITAL ACCOUNT (Net)             | 89.27           | 171.94          | 171.47          | 72.42          | 58.26          | 41.81          | 36.58          | 34.82          |
| <b>8. OVERALL BALANCE</b>            | <b>-24.17</b>   | <b>102.53</b>   | <b>23.02</b>    | <b>27.45</b>   | <b>20.02</b>   | <b>-6.48</b>   | <b>8.84</b>    | <b>0.48</b>    |
| 9. TRADE BALANCE AS % GDP            | -42.4           | -41.2           | -43.2           | -47.9          | -42.2          | -43.6          | -46.3          | -40.9          |
| 10. CURRENT ACCOUNT BALANCE AS % GDP | -8.0            | -4.8            | -10.0           | -12.5          | -10.5          | -13.1          | -7.2           | -9.3           |

Source: Central Bank of Samoa



## 5. FOREIGN EXCHANGE RESERVES

*Foreign exchange reserves are the country's holdings of foreign currencies and other financial assets. Reserves are held for three primary reasons: i) as national "working capital" to finance the nation's trade; ii) to provide funds to cover a balance of payments deficit; and iii) to provide a cushion against the impact of external shocks. The Central Bank has a monetary policy target of maintaining foreign exchange reserves equivalent to approximately four-months worth of imports.*

Gross official foreign reserves stood at \$372.51 million at end of March 2010/11, increased by \$25.06 million from end of March 2009/10. Foreign holdings of the Central Bank had driven this increase with an upward trend of \$22.84 million followed by the increases of \$7.17 million and \$2.22 million in the Commercial Bank and the Ministry of Finance foreign holdings. Official foreign reserves at end of March 2010/11 were sufficient to cover 6.7 months of imports, compared to 6.8 months at end of March 2009/10.

**Table 5.1: GROSS OFFICIAL FOREIGN RESERVES (\$ Million) & IMPORT COVER (Months)**

|  | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|--|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|
| <b>Gross Official Foreign Reserves</b> | 246.93          | 347.45          | 372.51          | 347.45  | 408.08  | 461.35  | 439.06  | 372.51  |
| <b>Import Cover</b>                    | 4.8             | 6.8             | 6.7             | 6.8     | 7.6     | 8.1     | 7.6     | 6.7     |

Source: Central Bank of Samoa

## 6. EXCHANGE RATES

*The exchange rate is a key economic price. It represents the price of the SAT against other currencies and reflects the relative prices of traded goods and services in Samoa and overseas. That is the cost/price relationship of our imports and exports and our domestic production. If domestic costs/prices rise relative to those in the international markets then the value of the domestic currency needs to fall to maintain equilibrium. If the domestic currency rises (appreciates) against other currencies then import costs fall and exports become less competitive, if the currency falls in value (depreciates) then import costs rise but exports become more competitive. Samoa maintains a pegged exchange rate regime.*

The Tala at the end of March 2010/11 had declined in value against the NZD, AUD and YEN and had increased in value against the EURO, USD and FJD from end of March 2009/10.

**Table 6.1: CBS EXCHANGE RATES (Foreign Currency per Tala: quarter averages)**

|             | 2009/10 |         | 2010/11 |         |        | % Appreciation(+)/Depreciation (-) of<br>TALA between 3Q10/11 and<br>3Q09/10 |
|-------------|---------|---------|---------|---------|--------|--|
|             | Mar     | Jun     | Sep     | Dec     | Mar    |  |
| <b>USD</b>  | 0.3986  | 0.3935  | 0.4003  | 0.4195  | 0.4213 | 5.7  |
| <b>NZD</b>  | 0.5620  | 0.5617  | 0.5568  | 0.5531  | 0.5570 | -0.9   |
| <b>AUD</b>  | 0.4409  | 0.4459  | 0.4424  | 0.4246  | 0.4193 | -4.9   |
| <b>EURO</b> | 0.2881  | 0.3097  | 0.3097  | 0.3089  | 0.3081 | 6.9  |
| <b>FJD</b>  | 0.7689  | 0.7723  | 0.7717  | 0.7728  | 0.7709 | 0.3  |
| <b>YEN</b>  | 36.1320 | 36.1712 | 34.3222 | 34.6262 | 34.669 | -4.0   |

Source: Central Bank of Samoa

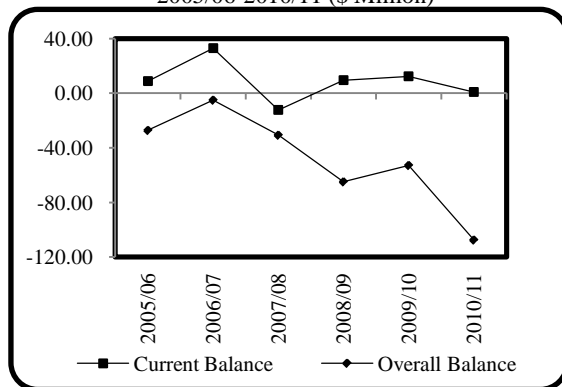
## 7. GOVERNMENT FINANCE

### 7.1 Government Finance Statistics

The basis for calculating Government Finance Statistics (GFS) is set by the IMF to provide a consistent framework for inter-country comparisons of budget/fiscal performance. GFS data differs from the budget appropriation data primarily as a result of the method of treating: i) departmental enterprise revenue and expenditure, ii) Treasury advances and repayments, for which only net figures are included in GFS; and iii) through the exclusion from GFS data of inter-departmental transfers relating to duty and VAGST on government and aid expenditure. Current balance is the difference in government revenues excluding aid & grants and expenditures excluding grant & loan expenditures.

#### Overall Performance

**Figure 7.1.1:** Overall and Current Balance, July - Mar 2005/06-2010/11 (\$ Million)



Fiscal operations for July to March 2010/11 period generated an **overall deficit** of \$107.61 million, \$54.65 million above the period of July to March of 2009/10. This was equivalent to -9.6% of GDP and above the fiscal target of not more than -3.5% of GDP. This outturn was strongly driven by the increase of total expenditure by \$43.35 million and the decline of \$11.30 million in total revenue and grants throughout this period.

Current surplus stood at \$0.93 million at the end of the first nine months of 2010/11. It has declined by \$11.33 million from the first nine months of 2009/10. This result was caused by the decline of \$7.05 million in current expenditure as well as the drop of \$4.28 million in current expenditure during this period.

Figure 7.1.1 depicts overall balance and current balance in the first nine months (July – March) of each fiscal year.

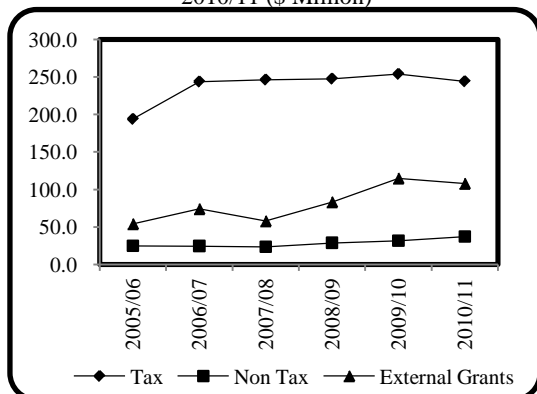
#### Revenue

**Total Revenue and Grants** for the period ending March for 2010/11 fiscal year was \$388.64 million. This comprised of \$281.06 million (72.3%) of current receipts and \$107.59 million (27.7%) of external grants. At this level, total revenue and grants had declined by \$11.30 million when compared to the corresponding period of 2009/10. This result was fuelled mainly by a decline of \$7.01 million in external grants followed by a downward trend in current receipts by \$4.28 million.

**Tax revenue** valued at \$244.10 million for the period under review. This represented a decline of \$9.80 million over the comparable period of the previous fiscal year (2009/10). This result was strongly influenced by the decline of \$10.77 million in Taxes on goods and services followed by a decline of \$1.14 million in Taxes on International Trade whilst Taxes on income and All other taxes components recorded increases of \$1.62 million and \$0.49 million respectively.

**Non-tax revenue** amounted to \$38.00 million in the reviewing period, registered an increase of \$6.43 million from the comparable period of 2009/10. This was caused mainly by the increase of \$5.41 million in Property and Investment Income group followed by Cost recoveries,

**Figure 7.1.2:** Revenue by Type, July – Mar 2005/06-2010/11 (\$ Million)



**Table 7.1.1: GOVERNMENT FINANCE 2007/08 – 2010/11<sup>a</sup> (\$ Million)**

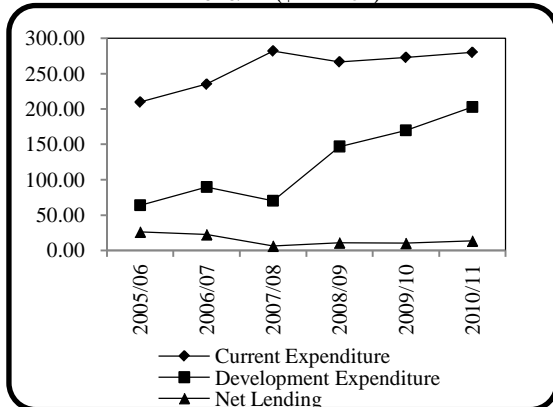
|                                      | Provisional Actual |               |                | Budget         | Pro-rata estimates | Provisional   |                |
|--------------------------------------|--------------------|---------------|----------------|----------------|--------------------|---------------|----------------|
|                                      | 2007/08            | 2008/09       | 2009/10        | 2010/11        | Jul-Mar 10/11      | Jul-Mar 09/10 | Jul-Mar 10/11  |
| <b>Revenues and Grants</b>           | <b>454.91</b>      | <b>492.04</b> | <b>525.15</b>  | <b>532.73</b>  | <b>399.55</b>      | <b>399.94</b> | <b>388.64</b>  |
| Revenues                             | 377.98             | 381.35        | 372.35         | 389.29         | 291.97             | 285.34        | 281.06         |
| External Grants                      | 76.93              | 110.69        | 152.80         | 143.45         | 107.59             | 114.60        | 107.59         |
| <b>Expenditure</b>                   | <b>476.50</b>      | <b>552.53</b> | <b>631.71</b>  | <b>669.23</b>  | <b>501.92</b>      | <b>452.90</b> | <b>496.25</b>  |
| Current <sup>b</sup>                 | 372.41             | 358.77        | 346.99         | 422.51         | 316.88             | 273.08        | 280.13         |
| Development <sup>c</sup>             | 96.24              | 182.08        | 273.77         | 230.43         | 172.82             | 169.87        | 202.92         |
| Other (capital & net lending)        | 7.85               | 11.68         | 10.95          | 16.30          | 12.22              | 9.95          | 13.20          |
| <b>Current Balance</b>               | <b>5.57</b>        | <b>22.58</b>  | <b>25.36</b>   | <b>-33.22</b>  | <b>-24.91</b>      | <b>12.26</b>  | <b>-24.91</b>  |
| <b>Overall Balance</b>               | <b>-21.59</b>      | <b>-60.49</b> | <b>-106.56</b> | <b>-136.50</b> | <b>-102.37</b>     | <b>-52.96</b> | <b>-107.61</b> |
| <b>Financing</b>                     |                    |               |                |                |                    |               |                |
| Net external borrowing               | 12.50              | 44.60         | 144.77         | 136.83         | 102.62             | 33.18         | 102.62         |
| Domestic                             | 9.09               | 15.89         | -38.21         | -0.33          | -0.25              | 19.78         | -0.25          |
| <b>Overall Balance as % of GDP</b>   | <b>-1.5</b>        | <b>-4.2</b>   | <b>-7.3</b>    | <b>-8.7</b>    | <b>-6.5</b>        | <b>-4.9</b>   | <b>-9.6</b>    |
| <b>Total Expenditure as % of GDP</b> | <b>32.7</b>        | <b>38.9</b>   | <b>43.6</b>    | <b>42.8</b>    | <b>44.6</b>        | <b>41.9</b>   | <b>44.1</b>    |

Source: Samoa Bureau of Statistics estimates

<sup>a/</sup> Provisional Actual 2007/08 – 2009/10, Budget 2010/11<sup>b/</sup> Includes domestically financed development plans<sup>c/</sup> Financed from external grants and loans

licenses and fines category with a rise of \$1.02 million. Enterprise income group had recorded a decline of \$0.92 million throughout this period.

Figure 7.1.2 illustrates revenue performance in the first nine months (Jul-Mar) of each fiscal year.

**Figure 7.1.3: Expenditure by Type, July-Mar 2005/06-2010/11 (\$ Million)****Expenditure**

The overall expenditure valued at \$496.25 million for July to March period of 2010/11, increased by \$43.35 million over the corresponding period of 2009/10. Development expenditure was the key driver to the overall increase with a rise of \$33.05 million followed by the increases of \$7.05 million and \$3.25 million in current expenditure and net lending respectively.

Current expenditure for the reporting period amounted to \$280.13 million, increased by \$7.05 million from the same period of the previous year. The result was due mainly to the increase of \$46.00 million in Other expenditure's category followed by the increases of \$9.40 million, \$4.20 million and \$2.00 million in Social Services, Public Debts and Economic Services whilst VAGST payable by government departments and General Services had recorded declines of \$29.80 million and \$24.80 million respectively.

Development expenditure stood at \$202.92 million for the period of July to March of 2010/11. This represented an increase of \$33.05 million over the comparable 2009/10 period. This increase was strongly influenced by the expansion of the power sector project followed by other public sector investment projects.

Net Lending amounted to \$13.20 million in the period under review, recorded a surge of \$3.25 million from the period of July to March of 2009/10.

Figure 7.1.3 illustrates first nine months (July-March) of each fiscal year. expenditure performance in the

## 7.2 External Debt

*Government's external debt has been incurred for capital investment and infrastructure development purposes. This is in line with the so-called "Golden Rule" that over the "economic cycle": (i) public sector borrowing should not exceed the level of public investment; and (ii) the public sector debt to GDP ratio should not be allowed to increase in the absence of natural disaster.*

The total disbursed outstanding debt stood at \$748.73 million at end March 2010/11. This represented an increase of \$186.11 million from end March 2009/10 and equivalent to 50.2% of GDP.

Multilateral and bilateral loans accounted for 73.1% (\$547.73 million) and 26.9% (\$201.72 million) of total disbursed outstanding debts respectively.

Total debt servicing in the reporting quarter (March 2010/11) stood at \$7.16 million, increased by \$1.21 million from March quarter of 2009/10 and equivalent to 10.4% of merchandise exports and services.

In the twelve months to end of March 2011, total debt servicing registered an increase of \$4.70 million from the last twelve months to end of March 2010 to stand at a total of \$24.97 million. This was equivalent to 7.5% of exports of goods and services.

**Table 7.2.1: EXTERNAL DEBT**

|                                     | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|-------------------------------------|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|
| Official External Debt (\$ Million) | 597.81          | 562.62          | 748.73          | 562.62  | 749.55  | 718.39  | 717.04  | 748.73  |
| Official External Debt as % of GDP  | 42.0            | 39.3            | 50.2            | 39.3    | 51.4    | 49.2    | 48.5    | 50.2    |

Source: Ministry of Finance and Samoa Bureau of Statistics estimates

**Table 7.2.2: TOTAL DEBT SERVICING AS % OF MERCHANDISE EXPORTS AND SERVICES**

|   | Apr08-<br>Mar09 | Apr09-<br>Mar10 | Apr10-<br>Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|---|-----------------|-----------------|-----------------|---------|---------|---------|---------|---------|
| Total Debt Servicing (\$ Million)                 | 20.22           | 20.27           | 24.97           | 5.95    | 5.12    | 4.94    | 7.75    | 7.16    |
| As % of Merchandise exports plus services exports | 6.0             | 6.0             | 7.5             | 8.6     | 5.9     | 6.0     | 8.1     | 10.4    |

Source: Ministry of Finance and Samoa Bureau of Statistics estimates

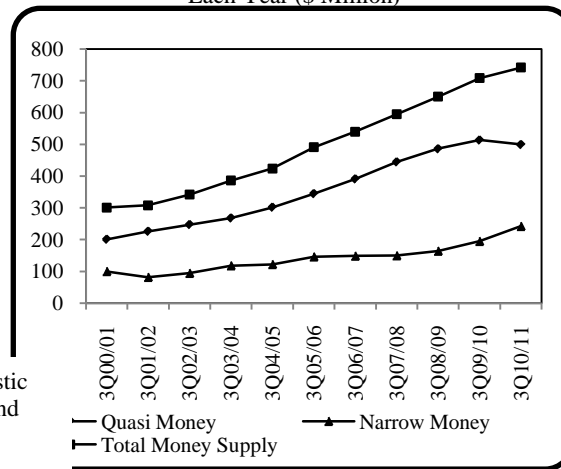
## 8. MONEY SUPPLY AND DOMESTIC CREDIT EXPANSION

### 8.1 Money Supply

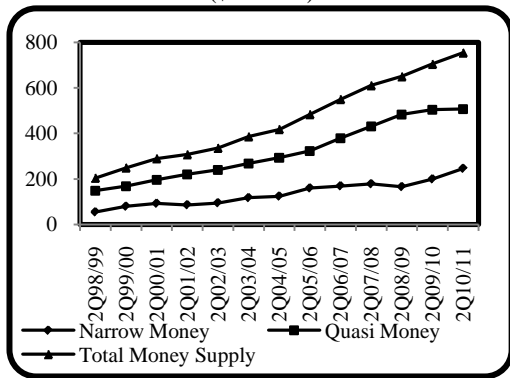
*The Money Supply (M2) is defined as: Currency in circulation + Demand deposits + Savings deposits + Time deposits with the commercial banks.*

*Growth in money supply is regarded as an indicator of the level of economic activity and can be a lead indicator of future inflationary pressures*

**Figure 8.1.1:** Narrow Money, Quasi Money & Total Money Supply in the Third Quarter (Mar Quarter) of Each Year (\$ Million)



**Figure 8.1.2:** Net Foreign Assets, Net Domestic Assets & Total Money Supply in the Second Quarter (Dec Quarter) of Each Year (\$ Million)



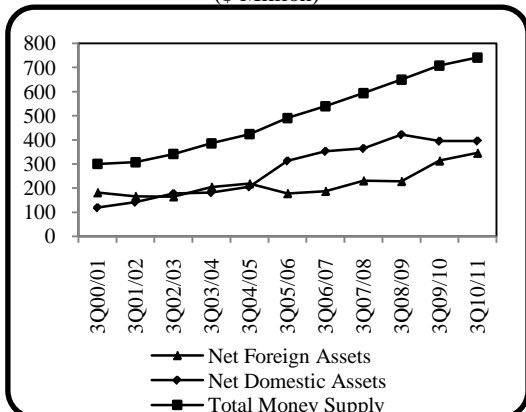
**Money Supply**

Money supply at end March 2010/2011 stood at \$741.63 million, increasing by \$33.02 million from March 2009/2010. This result was mainly determined by the surge in Narrow Money of \$47.21 million whilst Quasi Money recorded a decline of \$14.19 million. The rise in Narrow Money was largely caused by the increase in demand deposits of \$43.42 million followed by the increase in currency outside banks by \$3.79 million. Time deposits had largely influenced the drop in Quasi Money of \$14.19 million with a decline of \$25.25 million whilst Foreign Currency deposits of residents and Savings deposits had recorded increases of \$5.68 million and \$5.38 million over the corresponding 2009/10 period.

**Net Foreign Assets and Net Domestic Assets**

Net Foreign Assets stood at \$346.16 million and Net Domestic Assets amounted to \$395.47 million at end March 2010/11. Net Foreign Assets had risen by \$32.23 million and Net Domestic Assets had also increased slightly by \$0.80 million from end March 2009/10.

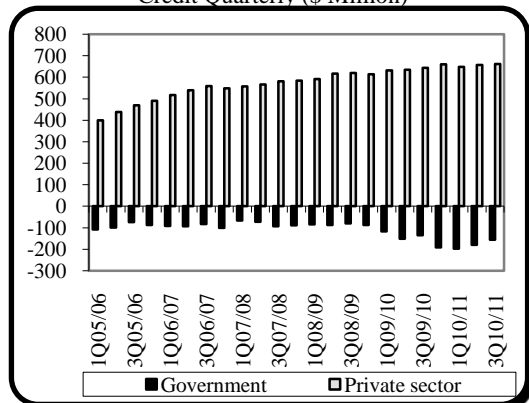
**Figure 8.1.2:** Net Foreign Assets, Net Domestic Assets & Total Money Supply in the Third Quarter (Mar Quarter) of Each Year (\$ Million)



## 8.2 Domestic Credit Expansion

*Domestic credit expansion, (or lending by commercial banks) is one of the primary factors in driving money supply and in stimulating private sector growth. It comprises primarily of two components, commercial bank lending to government and to the private sector. Government has been a net depositor with the banking system, so that domestic credit expansion has focused primarily on the private sector.*

**Figure 8.2.1: Government & Private Sector Credit Quarterly (\$ Million)**



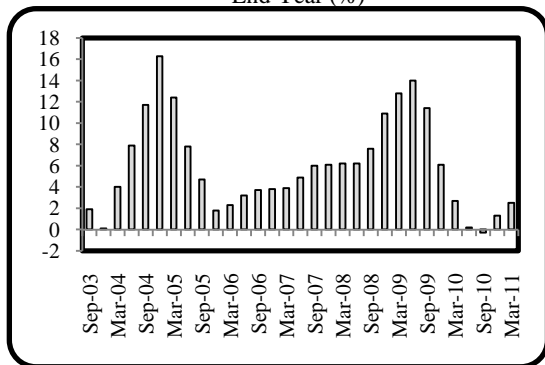
Domestic credit outstanding at end March 2010/11 valued at \$608.62 million, increased by \$16.64 million from end of March 2009/10. This outcome was largely caused by a surge of \$31.18 million in credit to the private sector. Claims on non-financial public enterprises and claims on non monetary financial institutions had also recorded increases of \$5.03 million and \$3.34 million whilst government deposits with the banking system had declined by \$22.91 million throughout this period respectively.

## 9. INFLATION

*Inflation, as measured by the Consumer Price Index (CPI), provides an indication of the movement in the cost of living, or conversely, the change in the purchasing power of money. The CPI is based on a basket of consumer goods and services and includes both imports (52%) and domestic items (48%).*

### 9.1 Consumer Price Index

**Figure 9.1.1: CPI All Groups Annual Average Rate End Year (%)**



The annual average rate of inflation at end March 2010/11 was 2.5%, declined by 03 percentage points from end March 2009/10. The twelve months moving average for the local component of the CPI had declined by 2.6 percentage points over this period. This result was strongly dominated by the declines of 7.8 and 4.7 percentage points in local food prices and transport/communication prices. The import component of the CPI had risen by 2.1 percentage points due mainly to increases of 20.9, 8.2 and 7.8 percentage points in transport/communication, alcohol/tobacco and housing/households prices respectively. On the contrary, imported food prices and clothing/footwear prices had recorded declines of 1.8 and 1.1 percentage points throughout this period.

The overall result has shown that food prices had largely driven the downward trend in all items (local and import components) of the CPI with a decline of 4.2 percentage points followed by a drop of 1.1 percentage points in clothing/footwear prices over end of March 2009/10.

**Table 9.1.1: ANNUAL INFLATION (%)**

|                     | Apr08-Mar09 | Apr09-Mar10 | Apr10-Mar11 | 3Q09/10 | 4Q09/10 | 1Q10/11 | 2Q10/11 | 3Q10/11 |
|---------------------|-------------|-------------|-------------|---------|---------|---------|---------|---------|
| All Item Index      | 12.7        | 2.7         | 2.5         | 2.7     | 0.2     | -0.3    | 1.3     | 2.5     |
| Imported Good Index | 15.9        | 1.6         | 3.7         | 1.6     | -0.7    | -0.6    | 1.4     | 3.7     |
| Local Good Index    | 10.3        | 3.7         | 1.3         | 3.7     | 0.5     | -0.4    | 0.8     | 1.3     |

Source: Samoa Bureau of Statistics and Ministry of Finance

## 9.2 Petroleum Prices

*Petroleum products considered in the analysis are kerosene, diesel and petrol. Changes in the prices of petroleum products are important as they affect electricity and transportation costs for all sectors of the economy. Local retail prices for petroleum products are derived directly from international market prices without subsidy.*

**Figure 9.2.1: End Quarter Petrol Prices**



International prices (US currency) for petrol, kerosene and diesel amounted to \$105.49 cents, \$113.91 cents and \$111.65 cents per bbl at end March 2010/11 respectively. Petrol, kerosene and diesel had increased by \$22.58 cents, \$32.88 cents and \$30.02 cents respectively from end March 2009/10.

For the domestic retail prices, petrol, kerosene and diesel were valued at \$2.63 sene, \$2.51 sene and \$2.70 sene per litre at end of March 2010/11. Petrol had increased by 0.19 sene, kerosene by 0.37 sene and diesel by 0.34 sene from end March 2009/10 to end March 2010/11.

**Table 9.2.1: END QUARTERLY PETROLEUM PRICES**  
(retail price in SAT/ltr & FOB Price ex Singapore in USD/bbl)

|                 | 2009/10 |           |        |           | 2010/11   |           |          |           |        |           |
|-----------------|---------|-----------|--------|-----------|-----------|-----------|----------|-----------|--------|-----------|
|                 | March   |           | June   |           | September |           | December |           | March  |           |
|                 | Retail  | FOB Price | Retail | FOB Price | Retail    | FOB Price | Retail   | FOB Price | Retail | FOB Price |
| <b>Petrol</b>   | 2.44    | 82.91     | 2.51   | 89.92     | 2.50      | 82.40     | 2.41     | 89.26     | 2.63   | 105.49    |
| <b>Kerosene</b> | 2.14    | 81.03     | 2.33   | 94.18     | 2.33      | 88.16     | 2.26     | 96.20     | 2.51   | 113.91    |
| <b>Diesel</b>   | 2.36    | 81.63     | 2.55   | 94.15     | 2.56      | 87.73     | 2.47     | 94.66     | 2.70   | 111.65    |

Source: Ministry of Finance