



# Samoa Bureau of Statistics

## Gross Domestic Product

### March 2023 Quarter

### Overview

3<sup>rd</sup> July 2023



**GDP using Production Approach is now compiled at GDP at purchaser prices replacing GDP at market prices. Base year remains at 2013.**

**Special points of interest:**

- GDP Growth: 7.4%
- GDP at Constant 2013 Prices (real): WST \$512.3 million
- GDP at Current Prices (nominal) - WST \$644.4 million
- Nominal GDP per capita WST \$3,074

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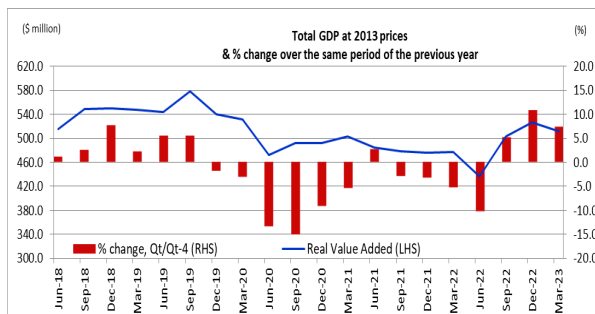
Economic activity, as measured by Gross Domestic Product (GDP) increased by 7.4% in the March 2023 quarter, recording total GDP in real terms of \$512.3 million. GDP recorded a third consecutive quarter of positive growth after four consecutive quarters of negative growth in real terms; this follows growth rates of 10.7% and 5.2% for the December and September 2022 quarters. The economy has since the reopening of international borders in August 2022 resumed its recovery phase, international travel has dramatically increased compared to the corresponding quarter of the previous year enabling the economy to continue growing towards its pre-pandemic state. Accommodation and Restaurants industry continues to increase in real growth as a result of the influx of visitors arriving for business activities, holiday as well visiting friends and relatives with the review quarter. Trading in terms of retailing and wholesaling activities as well as service based industries related to tourism have increased its performances compared to the same quarter of 2022.

**GDP Growth:**

Gross Domestic Product for the **March 2023 Quarter** at constant 2013 purchaser prices amounted to \$512.3 million, increasing by 7.4% compared to the March 2022 quarter. This is the third quarter of positive economic growth following a series of quarterly declines coinciding with the pandemic spread.

Chart 1 shows GDP at constant prices from June 2018 to March 2023 and the year-on-year (y-o-y) growth rates as measured by the percentage change on the

**Chart 1: Total GDP at constant prices & growth rates, Jun 2018 - Mar 2023**



same quarter of the previous year. As shown in Chart 1, the nations economy continues to grow positively for three consecutive quarters; quarterly real value added is gradually recovering heading towards its pre-pandemic economic position. As a result, the services sector which makes up 63.7% of the economy increased by 12.3% on a year on year basis. Of the eight industries categorized under this sector, seven industries experienced positive growth resulting in the 12.3% increase when compared to the corresponding quarter of the previous year.

Conversely, the goods producing or secondary sector with a total share of 11.2% to aggregated real GDP decreased its value added by 7.3% compared to the March 2022 quarter. The primary sector which consists of Agriculture and Fishing industries also recorded a decline in growth of 2.2% with a total composition of 8.5% to total real GDP for the reviewed quarter. Public administration which accounts for 9.0% of the economy's aggregated real GDP also recorded a decline in value added by 1.4% compared to the same quarter of the previous year.

**Chart 2: Percentage-point contributions to GDP growth by industry; March 2023 quarter**

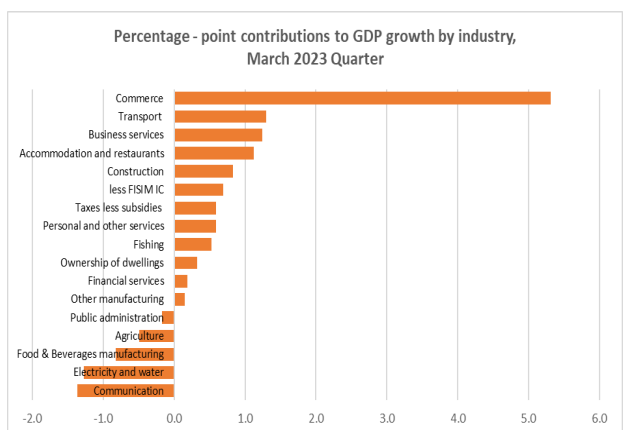


Chart 2 above indicates the percentage-point (pp) contributions of each industry to the overall growth of 7.4% in the March 2023 quarter. The largest contributors to this positive growth were from Commerce, Transport, Business services and Accommodation and Restaurants to name a few respective contributions of 5.3, 1.3, 1.2 and 1.1 percentage points to the overall growth of 7.4% within the March 2023 quarter.

# Overview cont'd

Commerce, the biggest industry in the economy was the main contributor to total GDP growth in constant terms; it went up by 20.4% with an increase of \$21.8 million on a year-on-year basis. This was fuelled by increased retailing and wholesaling activities related to food, beverages, tobacco, stationaries, construction materials and gaseous products. Commerce performance was consistent with the 14.4% increase in remittances on a year-on-year basis.

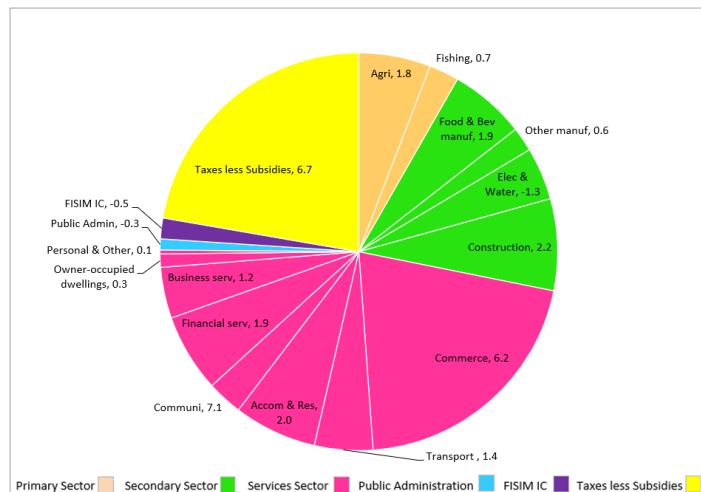
Transport was the second biggest contributor to the overall growth this quarter; it went up by 63.8% compared to March 2022 due to the growth in land transportation. This is the third consecutive quarter of positive growth for the industry. Business Services was the third biggest contributor to total real GDP growth for the quarter under review with a 57.1% increase compared to the same quarter of the previous year. This industry continues to head towards its pre-pandemic performance experiencing three consecutive quarters of positive growth. Its real value added is the third highest within the industry since the onset of the Covid-19 pandemic in March 2020.

On the other hand, industries that declined in the quarter under review were Communication, Electricity and Water, Food and Beverage manufacturing, Agriculture and Public Administration with respective contributions to aggregate constant 2013 prices of -1.4pp, -1.3pp, -0.8pp, -0.5pp and -0.2pp.

## GDP Levels (Nominal):

Gross Domestic Product at current prices for the **March 2023 quarter** amounted to \$644.4 million. It increased by 20.4% with GDP per capita also registering an increase of 19.2% compared to the corresponding quarter of the previous year. Chart 3 below shows the industry composition of GDP at current market prices in the March 2023 quarter. Tertiary sector (services industries) comprising 54.4% of total nominal GDP went up by 19.3% or \$56.7 million on a year-on-year basis. The Secondary or the goods-producing sector contributing an 11.5% to total nominal GDP went up by 26.6% on a y-o-y basis for the period under review. The Primary sector which accounts for 10.4% of nominal GDP increased its value added by 17.2% compared to March 2023. Public Administrations' share comprising 11.8% of total nominal GDP decreased by 1.6% on a year on year basis.

**Chart 3: Composition of Nominal GDP, March 2023 Quarter**

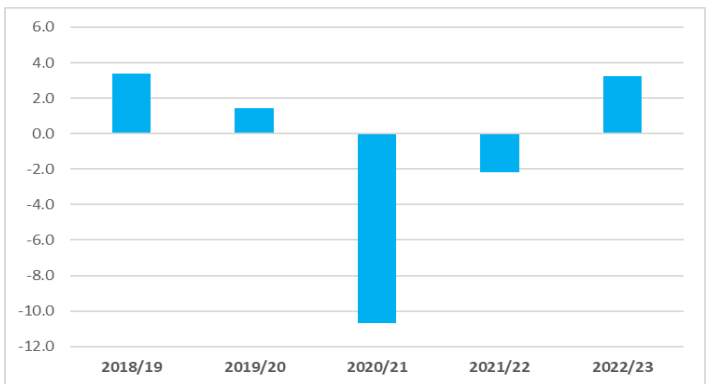


## Twelve Months Review for year ending March 2023

GDP for the **Financial Year ending March 2023** (April 2022—March 2023) at current market prices was \$2,414.5 million (or \$2.4 billion), increasing by 10.7% compared to the \$2,181.2 million (or \$2.2 billion) recorded in the year ending March 2022. At this level, GDP per capita was \$11,602 increasing by 9.6% over the previous year ending March 2022.

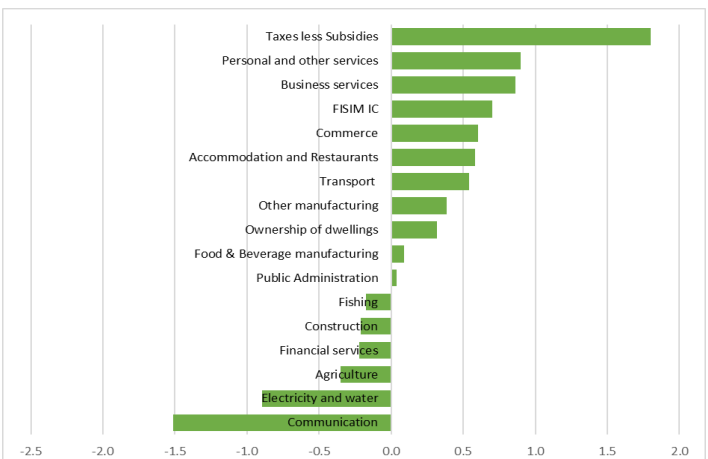
In constant 2013 prices, GDP stood at \$1,978.7 million (or \$2.0 billion) in the year ending March 2023 increasing by calendar year 2022 increasing by 3.2% over the \$1,916.7 million (or \$1.9 billion) recorded in the year ending March 2022. The fiscal year period under review composed of three quarters of positive growth and one quarter of negative growth.

**Chart 4: Percentage change in Constant Prices for year ending March**



Depicted in Chart 4 above are the real growth rates in the last five years ending March. The economy recorded an increase in growth for FY2022/23 with a positive growth of 3.2% following two consecutive years of negative growth. This was driven mainly by the increase in Taxes less subsidies, Personal and other services, Business services, Financial Intermediation Services Indirectly Measured, Commerce, Accommodation and Restaurants, Transport, Other manufacturing, Ownership of dwellings, Food & Beverage manufacturing and Public Administration with respective contributions of 1.8 pp, 0.9 pp, 0.9 pp, 0.7 pp, 0.6 pp, 0.5 pp and 0.4 pp each to the overall growth of 3.2%.

**Chart 5: Percentage-point contributions to GDP growth for FY ending March 2023**



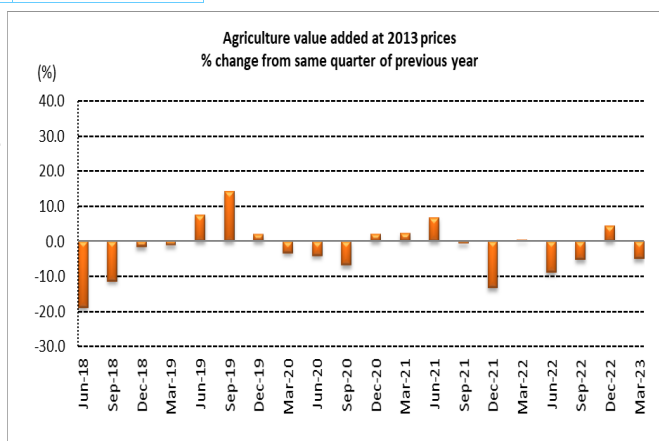
# Individual Industry Quarterly Performance

AGRICULTURE	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	51.4	55.7	59.4	6.6	15.6
Value added (constant 2013 prices) WST (millions)	40.5	37.9	38.5	1.6	-5.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	0.4	-0.5		
Contribution to aggregate nominal GDP: <i>percent</i>	9.6	8.6	9.2		

**Chart 6: Percentage change in Agriculture real value added; Jun 2018 - Mar 2023**

Agriculture recorded a total value added of \$38.5 million at constant 2013 prices for the March 2023 quarter decreasing by 5.0% on a year on year basis. This outcome reflected the decline in the non-marketed production of crops domestically by 12.9% which comprises approximately 62% of total real value added. A notable decline of 91.8% in the produce component of agricultural exports was also recorded for this industry compared to the corresponding quarter of the previous year. It contributed negatively to the total real growth by 0.5% in the period under review.

Value added in nominal terms was recorded at \$59.4 million for the industry increasing by 15.6% compared to the March 2022 quarter, and increased by 6.6% when compared to December 2022. Its total nominal share to GDP (9.2%) has increased by 0.6 percentage points compared to the previous quarter.

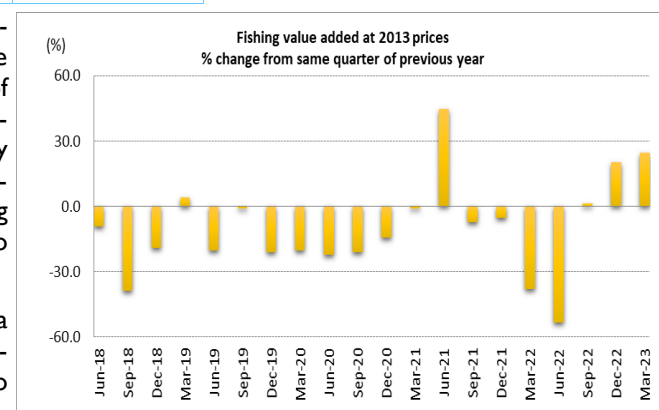


FISHING	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	6.0	12.2	7.9	-35.3	30.9
Value added (constant 2013 prices) WST (millions)	4.2	6.8	5.3	-22.2	24.6
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.6	0.3	0.3		
Contribution to aggregate nominal GDP: <i>percent</i>	1.1	1.9	1.2		

**Chart 7: Percentage change in Fishing real value added; Jun 2018 - Mar 2023**

Fishing recorded a total value added of \$5.3 million in real terms increasing by 24.6% compared to the March 2022 quarter. This is the third quarter of positive growth after four consecutive quarters of negative growth for the industry. Recorded increase in exports generated growth of \$1.0 million mainly through exports of quality chilled fish and frozen fish for canning. The volume of offshore landings also went up by 36.2% when compared to the corresponding quarter of 2022. The industry contributed 0.3 percentage points to total real GDP growth.

In nominal terms, the industry's value added increased by 30.9% on a year-on-year basis generating \$7.9 million. Its contribution to aggregated nominal GDP increased by 0.1 percentage points compared to the March 2022 quarter.

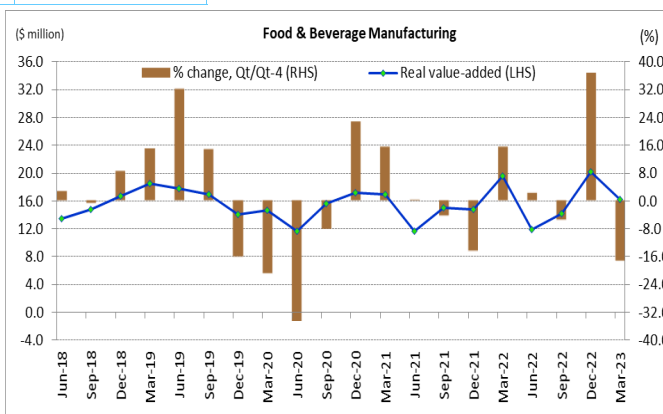


# Individual Industry Quarterly Performance

FOOD & BEVERAGE MANUFACTURING	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	14.7	27.0	23.2	-13.9	57.6
Value added (constant 2013 prices) WST (millions)	19.6	20.1	16.2	-19.5	-17.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.6	1.3	-0.8	<b>Chart 8: Food &amp; Beverage Manufacturing quarterly value added at constant prices &amp; % change over the same period of the previous year; Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	2.8	4.2	3.6		

Food and Beverage Manufacturing generated a total value added of \$16.2 million in real terms for the quarter under review, decreasing by 17.1% compared to the same quarter of the previous year. The decline in the manufacturing component of food exports by 91.8% was the main contributor to the industry's performance in the quarter under review. Although Beverage manufacturing recorded a positive growth of 20.4% in real terms, it was not significant enough to counter the negative growth experienced in food manufacturing.

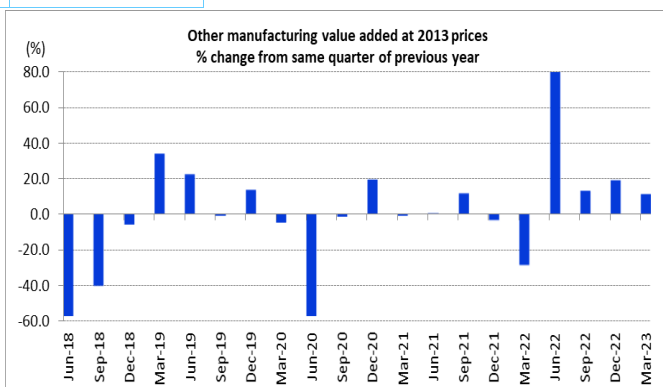
In nominal terms, Food and Beverage generated a total value added of \$23.2 million for the reviewed quarter, increasing by 57.6% compared to the corresponding quarter of 2022. Its contribution to total nominal GDP increased by 0.8 percentage points from 2.8 percent in March 2022 to 3.6 percent for the March 2023 quarter. It decreased by 0.6 percentage points when compared to the previous quarter.



OTHER MANUFACTURING	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	8.3	14.2	11.1	-22.0	32.7
Value added (constant 2013 prices) WST (millions)	5.8	9.9	6.4	-35.0	10.9
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.5	0.4	0.2	<b>Chart 9: Percentage change in Other Manufacturing real value added; Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	1.6	2.2	1.7		

In real terms, the industry recorded a total value added of \$6.4 million increasing by 10.9% compared to March 2022 quarter. It contributed 0.2 percentage points to GDP growth for the quarter under review. This is the fourth consecutive quarter of positive growth for the industry following two consecutive quarterly declines. However, on a quarterly basis, its real value added went down by 35.0% (\$0.6 million).

In constant 2013 prices, the Other Manufacturing industry recorded a total value added of \$11.1 million increasing by 32.7% compared to March 2022 quarter. Its share to aggregate nominal GDP increased by 0.1 percentage points amounting to 1.7 percent for the quarter under review.



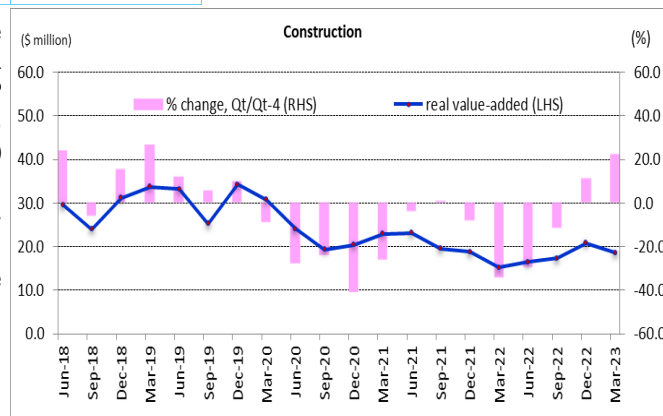


# Individual Industry Quarterly Performance

CONSTRUCTION	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	17.9	26.5	28.2	6.2	57.1
Value added (constant 2013 prices) WST (millions)	15.2	20.8	18.6	-10.8	22.3
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.8	0.5	0.8	<b>Chart 10: Construction quarterly value added at constant prices &amp; % change over the same period of the previous year; Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.4	4.1	4.4		

Construction produced a total value added of \$18.6 million in the March 2023 quarter in constant prices, increasing by 22.3% on a year-on-year basis. It contributed 0.8 percentage points overall GDP growth for the March 2023 quarter. The Government Finance Statistics (GFS) December 2022 report recorded an increase of \$21.0 million or 162.9% in the net acquisition of nonfinancial fixed assets when compared to the same quarter of the previous year. This reflects the continuation developments mainly major construction and infrastructural works such as completion of roadworks during the March 2023 quarter.

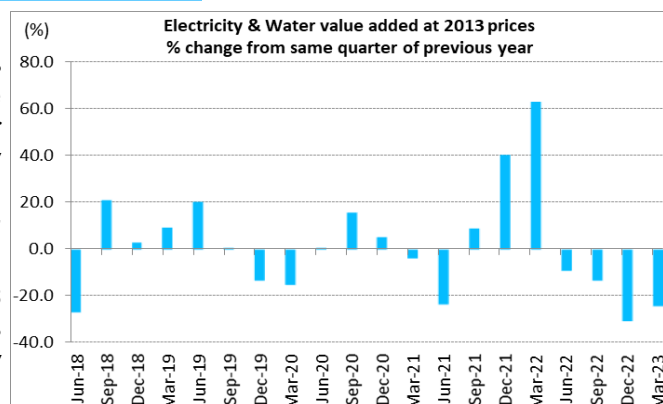
The Construction industry contributed 4.4 percent to total GDP in current prices for the period under review. It has evidently increased in its share to total nominal GDP both on a y-o-y and q-o-q basis.



ELECTRICITY AND WATER	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	17.7	9.6	11.8	22.6	-33.3
Value added (constant 2013 prices) WST (millions)	21.4	13.9	16.2	16.4	-24.3
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	1.9	-1.5	-1.3	<b>Chart 11: Percentage change in Electricity &amp; Water real value added; Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.3	1.5	1.8		

Electricity and Water generated a total value added of \$16.2 million at constant prices in the quarter under review, decreasing by 24.3% compared to the March 2022 quarter. The industry's performance was driven by the decline in water production on a year-on-year basis. Electricity on the other hand increased its real value added by 14.2% mainly through diesel and hydro production; however, it was not enough to counter the decline experienced in Water when compared on a yearly basis.

In nominal terms, the industry recorded a total value added of \$11.8 million decreasing by 33.3% on a yearly basis and increasing by 16.4% on a quarterly basis. Its share to total nominal GDP went down by 1.5 pp from 3.3pp in March 2022 to 1.8pp in March 2023 quarter.



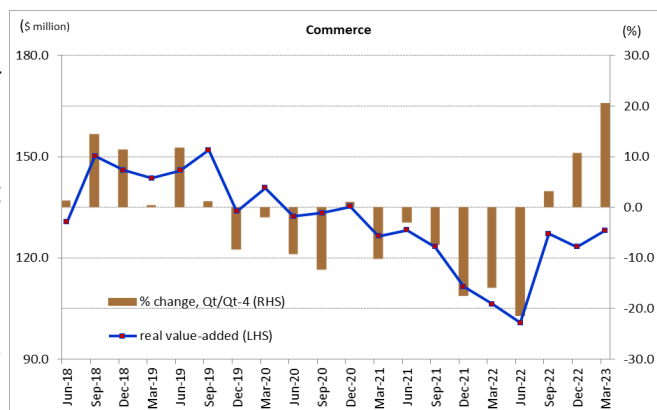
# Individual Industry Quarterly Performance

COMMERCE	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	117.2	138.2	145.6	5.4	24.3
Value added (constant 2013 prices) WST (millions)	106.4	123.3	128.1	3.9	20.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-4.7	2.8	5.3		
Contribution to aggregate nominal GDP: <i>percent</i>	21.9	21.3	22.6		

**Chart 12: Commerce quarterly real value added & % change over the same period of the previous year; Jun 2018 - Mar 2023**

Commerce remains the largest industry in the economy holding a share of 22.6% of total nominal GDP. Real value added amounted to \$128.1 million in the period under review generating an increase of 20.4% which registers a third consecutive quarter of positive growth following six consecutive quarters of negative performance.

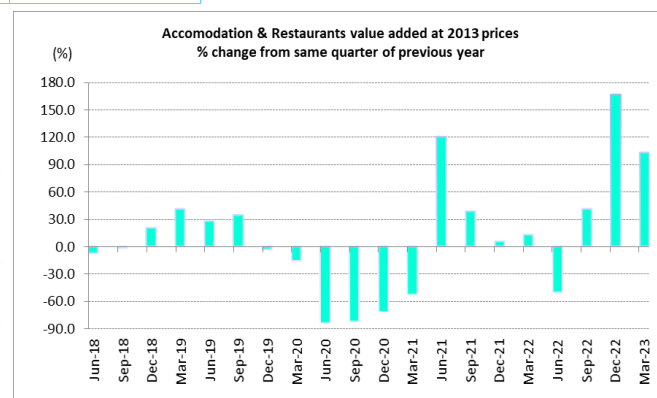
This positive growth was mainly driven by the increase in retailing activities and wholesaling by 24.4% and 21.5% which coincides with the notable increase in remittance by \$22.1 million (or 14.4%) when compared to March 2022 quarter. Total employment also increased for the commerce industry by 3.4% with female employee numbers increasing 7.0% and males by 0.9% for the March 2023 quarter on a year-on-year basis. Commerce contributed a share of 5.3 percentage points to total real GDP growth in the quarter under review.



ACCOMMODATION AND RESTAURANTS	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	6.2	11.8	15.5	31.4	148.6
Value added (constant 2013 prices) WST (millions)	4.4	8.9	9.0	1.7	103.5
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.1	1.3	1.1		
Contribution to aggregate nominal GDP: <i>percent</i>	1.2	1.8	2.4		

**Chart 13: Accommodation & Restaurants, percentage change in real value added over the same period of the previous year; Jun 2018 - Mar 2023**

Accommodation and Restaurants recorded a real value added of \$9.0 million, increasing significantly by 103.5% compared to the corresponding quarter of the previous year. This performance reflects the industries continuous recovery in growth after international borders were opened in August 2022 wherewith an influx of tourists, business partners, visiting families and friends jumped at the opportunity to once again visit our independent island nation. CBS recorded \$13.7 million or 7.8% of the total remittance for the March 2023 quarter were in the form of banknotes which is mainly brought in by travelers entering the country. Accommodation recorded an increase in value added by \$4.9million with employment increasing by 50.5% compared to the March 2022 quarter. It contributed positively (1.1pp) to total real growth for the period under review.

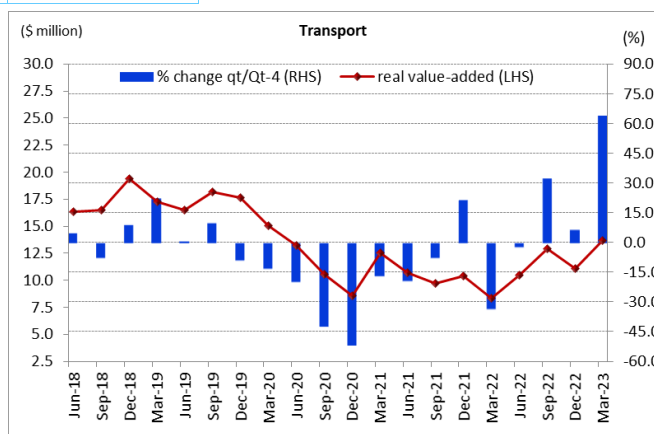


# Individual Industry Quarterly Performance

TRANSPORT	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	8.7	12.1	15.2	26.0	74.9
Value added (constant 2013 prices) WST (millions)	8.3	11.1	13.6	23.1	63.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.0	0.2	1.3	<b>Chart 14: Transport quarterly growth rates with total value added at constant 2013 prices, Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	1.6	1.9	2.4		

Transport value added at constant 2013 prices for March 2023 stood at \$13.6 million. This is an increase of 63.8% when compared to the same quarter of the previous year mainly caused by the growth in land transport by 62.8% (or \$4.8 million). This is the third consecutive quarter of positive growth recorded following two quarters of negative growth. The industry contributed 2.4 percent to total real GDP growth for the quarter under review. On a quarterly basis, the industry recorded an increase of 23.1%.

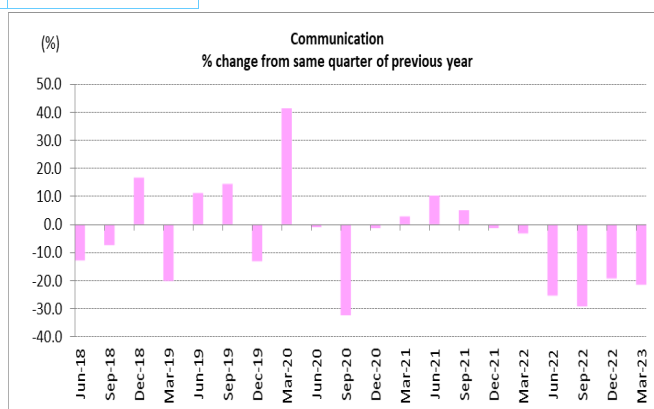
In nominal terms, transport services recorded a value added of \$15.2 million recording a 74.9% growth compared to the corresponding quarter of the previous year. Its contribution to aggregated nominal GDP amounted to 2.4 percent which saw an increase in its contribution by 0.8 percentage points compared to the same quarter of the previous year.



COMMUNICATION	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	28.9	23.8	24.9	4.7	-13.7
Value added (constant 2013 prices) WST (millions)	25.8	20.3	20.2	-0.6	-21.6
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	-1.2	-1.4	<b>Chart 15: Communication percentage change in real GDP from the same quarter of the previous year, Jun 2018 - Mar 2023</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	5.4	3.7	3.9		

Communication generated a real value added of \$20.2 million decreasing by 21.6% compared to the corresponding quarter of 2022. The industry contributed negatively (-1.4 pp) to the reviewed quarters aggregated real growth rate. This coincides with the -2.6% decline in employment for the industry as indicated in the Employment March 2023 Report. This is the fifth consecutive quarter of negative growth for the industry following three consecutive quarters of positive growth. Compared to December 2022, its real value added decreased by 0.6%.

In nominal terms, the industry's value added went down by 13.7% compared to the March 2022 quarter. Its share to total nominal GDP went down by 1.5 percentage points from 5.4% in March 2022 to 3.9 percent in the quarter under review.



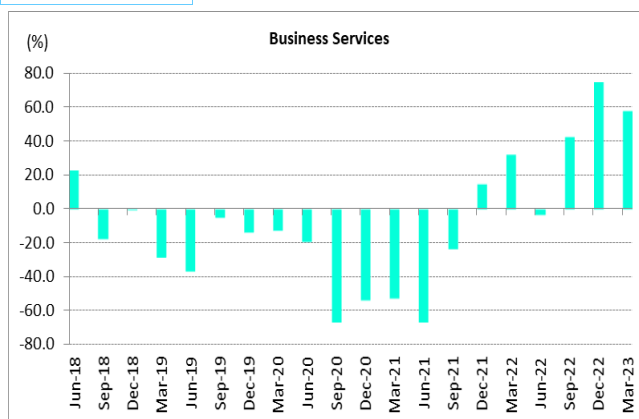
# Individual Industry Quarterly Performance

BUSINESS SERVICES	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	9.9	17.7	15.6	-12.2	57.8
Value added (constant 2013 prices) WST (millions)	8.9	17.0	14.0	-17.7	57.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.4	1.9	1.2		
Contribution to aggregate nominal GDP: <i>percent</i>	1.8	2.7	2.4		

**Chart 16: Business Services, % change in value-added at constant 2013 prices from Jun 2018 - Mar 2023**

Business services produced a total value added of \$14.0 million at constant 2013 prices in March 2023 recording an increase of 57.1% on a year-on-year basis. The industry's positive growth was primarily driven by an increase in other business services particularly travel-related businesses such as travel agencies, renting and leasing of vehicles and properties and landscaping & maintenance to name a few. The industry was the third largest positive contributor with its share of 1.2 percentage points to overall real growth of GDP. Employment for the industry recorded an increase of 6.1% on a year on year basis.

In nominal terms, the industry added \$15.6million (or 57.8%) in the reviewed quarter compared to March 2022. Its contribution to total nominal GDP increased by 0.6 percentage points from 1.8 percent to 2.4 percent in the quarter under review.

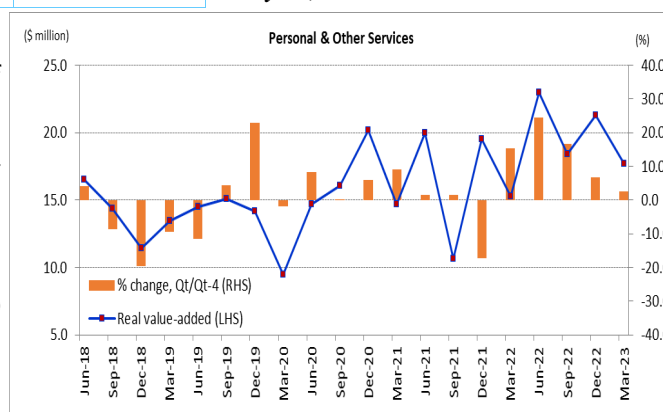


PERSONAL & OTHER SERVICES	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	17.6	14.0	18.0	28.7	2.5
Value added (constant 2013 prices) WST (millions)	15.3	21.3	17.7	-16.8	15.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.1	0.4	0.6		
Contribution to aggregate nominal GDP: <i>percent</i>	3.3	2.2	2.8		

**Chart 17: Personal & Other Services quarterly value added at constant prices & % change over the same period of the previous year; Jun 2018 - Mar 2023**

Personal and other services recorded an increase in constant 2013 prices by 15.8% compared to March 2022 with a total value added of \$17.7 million. This is the fifth consecutive quarter of positive growth for the industry since March 2022. This was consistent with the increase in activities pertaining to religious organizations, computer maintenance, communication equipment servicing as well as funeral and related activities. The industry contributed 0.6 percentage points to total real GDP growth for the March 2023 quarter.

Personal & other services generated total nominal GDP of \$18.0 million registering an increase of 2.5% compared to the same quarter of the previous year. It recorded its contribution to aggregated nominal GDP of 2.8% for the quarter under review.

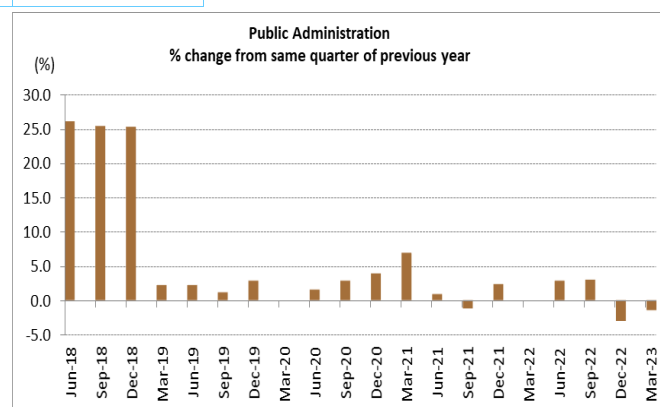




# Individual Industry Quarterly Performance

PUBLIC ADMINISTRATION	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	77.3	75.8	76.0	0.3	-1.6
Value added (constant 2013 prices) WST (millions)	48.5	47.5	47.8	0.7	-1.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	-0.3	-0.2		
Contribution to aggregate nominal GDP: <i>percent</i>	14.4	11.7	11.8		

**Chart 18: Public Administration, % change in value-added at constant 2013 prices from Jun 2018 - Mar 2023**

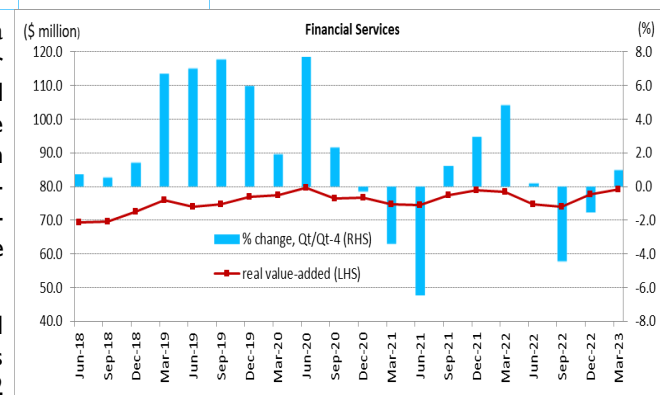


Public administration produced a total value added in constant terms of \$47.8 million decreasing by 1.4% compared to the same quarter of the previous year. It is the second largest industry in the economy which contributed -0.2 percentage points to aggregated real growth for the period under review. This is the second consecutive quarter of negative growth following twenty-two consecutive quarters of positive growth for the industry.

Its contribution to total nominal GDP decreased by 2.6 percentage points from 14.4 percent for March 2022 to 11.8 percent in the March 2023 quarter. Value added recorded in current prices was \$76.0 million decreasing by 1.6% on a year on year basis.

FINANCIAL SERVICES	GDP Mar 2022 Quarter	GDP Dec 2022 Quarter	GDP Mar 2023 Quarter	% change from Dec 2022 quarter (q-o-q)	% change from Mar 2022 quarter (y-o-y)
Value Added (current prices) WST (millions)	69.9	108.8	78.7	-27.7	12.5
Value added (constant 2013 prices) WST (millions)	78.3	77.7	79.1	1.8	1.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.8	-0.3	0.2		
Contribution to aggregate nominal GDP: <i>percent</i>	13.1	16.8	12.2		

**Chart 19: Financial Services value added at constant prices & % change over the same period of the previous year; Jun**



Financial services' real value added increased by 1.0 percent on a year-on-year basis amounting to \$79.1 million for the period under review. This performance was driven the increase in value added recorded for Commercial Banks and other finance and insurance institutions by 55.6% and 2.8% respectively. by the decline in growth experienced in non-financial institutions as well as financial intermediation services by 10.3% and 3.4% respectively. It contributed positively by 0.2 percentage points to total real GDP growth for the March 2023 quarter.

In nominal terms, the industry recorded a 12.5% increase compared to the March 2022 quarter with a total value added in current prices of \$78.7 million. Its share to total nominal GDP was recorded at 12.2 percent for the quarter under review.

# NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

## Background Information

### Overview

This publication is the eighteenth release for estimates of GDP at constant (2013) prices. In the process of updating the base year from 2009 to 2013 the overall estimation system has been exhaustively reviewed, leading to improved methodologies and the adoption of a range of new data sources and revised benchmarks wherever available. The revised overall estimates have not resulted in significant changes to the picture of the Samoan economy presented by the earlier 2009-based estimates, but it is believed that the revised system is more robust, and will be better able to quickly reflect future disturbances to economic growth. The section below on “General reasons for rebasing estimates at constant prices” sets out the purpose of rebasing estimates, and the nature of the processes involved.

The key features of the overall system review and associated rebase are as follow:

- base year for constant price estimates was updated from 2009 to 2013
- ISIC classification have been upgraded from the ISIC Revision 3.1 to Revision 4 as recommended in the SNA 2008
- an increased reliance on summary data from the VAGST system
- the incorporation of latest benchmarks, including
  - ⇒ Household Income and Expenditure Survey, 2013
  - ⇒ Business Activity Survey, 2013
  - ⇒ Population Census, 2016
  - ⇒ Financial data on the Financial Sector operations
  - ⇒ information from other sources, particularly for Government Finance Statistics, Merchandise trade, Employment and Wage data; SNPF, Commodity prices from CPI, Agriculture volume data, visitor arrivals by purpose, livestock production, and landings of in-shore and off-shore fishing catch.
- more detailed data on industry level have been incorporated hence provide benefits for the detailed analysis, with results only at the aggregated industry level

### General reasons for rebasing estimates

When interpreting movements over time in broadly-based indicators such as GDP, the effects of changing prices make it difficult to see the “real” changes i.e. what would the changes have been if there had been no change in the component prices? If dealing with a single commodity e.g. sales of taro, it is possible to simply look at the quantities sold, and say with some confidence that “real” sales of taro are going up, down, or are flat.

But with an aggregate as complex as GDP, commodities such as taro, long-line tuna catch, road building, haircuts and financial services are all intermingled, and it is not possible to immediately see the changes in the overall “quantity” of production. In order to aggregate such diverse commodities, it is necessary to express the underlying flows in terms of the prices of a single period (the “base year”). By expressing the detailed flows in monetary terms and at the price of a single period, they can then be aggregated, and the resulting aggregate values of diverse items can then be analysed for the direction and extent of their change “at constant prices”.

This process of valuing the production of detailed commodities at constant prices and then aggregating them is – in principle - directly analogous to the way in which the Consumer Price Index (CPI) is compiled. Whereas the CPI measures **prices** of detailed commodities over time and then weights those prices together by their base-period values to derive an aggregate measure of price, the derivation of constant price estimates measures detailed **quantities** over time and then weights those quantities together by their base-period values to derive an aggregate “quantum” measure.

Just as the CPI is rebased regularly, there is a further analogy between the compilation of the CPI and the necessity to rebase measures at constant prices. As noted in international recommendations:

“...over time the pattern of relative prices in the base period tends to become progressively less relevant to the economic situations of later periods to the point where it becomes unacceptable to continue using them to measure volume changes from one period to the next. It is then necessary to update the weights.”

### **Methodological changes associated with the review of the system for estimating GDP at current and constant prices**

As an integral part of the rebasing to 2013 prices, all benchmarks, assumptions and data sources were evaluated to see if they could be improved. In addition to changes due to the adoption of a more recent base year, the estimates of GDP and its components have been affected by improvements throughout the estimation system.

### Revised benchmarks

It is not practicable to undertake all major data collections in every period eg. the work required to conduct and process a national HIES, Business Activity Survey means that conducting these surveys every 5 years as Samoa has been doing is a major achievement. As a result it is often necessary to use **partial indicators** for extrapolating benchmarks, and the quality of the resulting estimates depends on the assumption that the relationship between the indicator and the benchmark remains constant over time.

# NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

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When benchmarks are then derived for subsequent periods it is often the case that the relationship between indicator and benchmark has changed, and this leads to revisions between the benchmark periods and into the period before the next benchmark revision. As a specific example of how this can impact on the estimates, when the recent rebasing was conducted in 2013 there was insufficient information on the financial services available to the Bureau to actually reflect the financial services contribution to the economy. This leads to this component of GDP remained low until the detailed information was made available from the CBS during the 2013 rebase estimates. The more detailed information at a subsector level in financial service as well as insurance revealed that there had been strong growth in the sector over the years with its level substantially increased compared to the 2009 series.

Fortunately, the major strengthening of the national statistical system during the last decade has led to a breadth of experience in the use of administrative data sources that are available to supplement censuses and surveys, and more effort is put into strengthening cooperation and coordination amongst the data users and data providers. Furthermore, resources are being allocated to permit more regular data collections than was the case a decade or more ago. As a result, 2018 HIES enumeration is completed, Agriculture Census will be conducted in early 2020 with more developments into the integration of businesses administrative data to facilitate timely and less costly collection on the Business Activities. It is anticipated that future rebases and systems reviews will be far less subject to revision due to benchmarks becoming very much out of date.

### Improved national statistical system:

Any system for estimating GDP is basically a framework for bringing together a wider range of economic and social statistics. The quality of the resulting estimates will be directly dependent on (a) the quality of the component systems, and (b) the extent to which the components are integrated eg, common definitions and classifications. In reviewing the latest system for estimating GDP it was evident that the national statistical system is far more robust and better integrated than it was a decade ago despite challenges

A key example of better integration is that businesses paying VAGST and NPF contributions are now classified to the same industry in both systems – as a result the average earnings measures by industry from NPF data can now be confidently related to the estimates of output by industry from VAGST data, and so provide a directly relevant measure of labour costs associated with that industry output. Other activities to improve this integration further is continuing; with the development of an Integrated Business Information System developed and housed in

the Bureau, with data sharing amongst Government Ministries and Corporations like Ministry for Revenue, Ministry of Commerce Industry and Labour as well as National Provident Fund.

Ministry of Agriculture and Fisheries have been supportive during this rebase exercise with the electronic transfer of fishing data especially the inshore and off-shore data, a great example of a statistical system with strong cooperation. With the general improvements in the quality of the national statistical system (which includes agencies other than SBS) the need to adjust source data for obvious outliers has been significantly reduced. When the first system was established there were many series which regularly showed unrealistic fluctuations: some were monitored manually, others were so consistently unreliable that automatic checks were built in to keep them within set limits. While the latest system still features some moving averages to allow for known timing problems (eg, 7 paydays in one quarter, 6 in the next) the source data now stand on their own merits. Not only is the revised system now drawing on better quality component data, but it will also be able to more quickly reflect turning points and the effect of shocks such as cyclones.

### New classification— ISIC Revision 3.1 to Revision 4

In compliance with international best practice, one of the major developments was the re-classification of business by the nature of business activities using the ISIC Rev.4 from Rev.3.1 previously used. This is a significant activity in assuring that Samoa's data is comparable to other countries economy, as well in its relation to other systems like Balance of Payments and Government Finance Statistics. This has impacted on the value added levels of some industries like Construction and Business Services; with some establishments that were involved in architectural consultancy more on the services being previously classified under construction but are now in the business services—under architectural and engineering consultancy services.

### Methodological changes:

The general methods remain largely unchanged between 2009 and 2013 except for the opportunity to refine and improve the system as well as incorporation of the new benchmark data from the major surveys.

**Agriculture:** The general methods remain largely unchanged between 2009 and 2013 except for the opportunity to refine and improve the factors that were used in the estimation of the marketed commodities. This was related to the change in coverage of the market survey which previously covers the Fugalei market only, and now expanded to cover other markets and stalls around the islands including the main market in Savaii. The single biggest influence on the change in movements

# NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

## Background Information

between the two systems was the introduction of the 2013 HIES benchmarks, and this resulted on 2013-based estimates being lower in 2013 compare to the (2009) previous series.

**Fishing:** Fishing like Agriculture methods remain largely unchanged except for the introduction of the HIES 2013 data as well as the use of the inshore and off-shore survey data from the Fisheries Division of the Ministry of Agriculture and Fisheries in the system.

### **Industries which rely on VAGST data:**

Benchmarks from the Business Activity Survey 2013 were considered and adjusted accordingly, in light of the coverage in the BAS for some industries and in comparison with VAGST data.

In many ways the VAGST system is a nearly ideal indicator for measuring value added in many industries:

- its scope is “value added”, the same concept as underlies GDP;
- it is a sub-annual system, with timely reporting;
- returns are monitored closely to ensure compliance;
- good working relation with MfR mean that SBS industry coding is being applied;
- its coverage spans the non-agricultural monetary side of the domestic economy.

As such the VAGST system provides regular, reliable aggregate data for the key items: sales, and purchases. If VAGST did not exist it would require a major (to the point of being impracticable) on-going business survey, at huge cost to both SBS and the reporting business community. Inevitably the results from the VAGST system have been adopted as the primary data source for many industries.

The industries which use only VAGST results in estimating the current price values (CPVs) of monetary value added for that industry are:

- OTHM Manufacturing other than food and beverages
- ELEW – but only the water component, and this will change if we can get good data directly from SWA (water is in VAGST, electricity is not)
- TRAD Commerce
- COMM Communication
- BUSS Business Services
- PERS Personal services
- OTHR Other services

Industries which use VAGST as the primary data source for monetary CPVs but supplement these with data from other sources are:

- FOOD Food and beverage manufacturing (+ exports)
- CONS Construction (+ building material imports as additional indicator);
- TSPT Transport (+ estimates for buses and taxis outside VAGST)

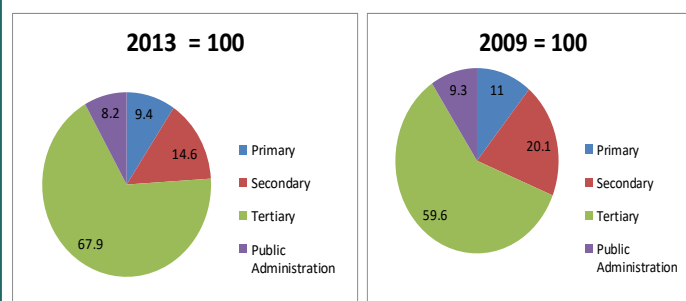
Apart from these VAGST based industries, The Finance Industry main data source is now primarily from the Profit and Loss Statement summary provided by the Central Bank of Samoa. This not only enables the calculation of the FISIM, but also the breakdown of other components of the Finance Sector like Insurance, Central Bank and Other financial institutions.

### Impact of the revised estimates on the economic structure and growth

The combined effect of the rebasing to 2013 prices, revising methodologies and data sources remained unchanged at the aggregated level. However the revised benchmarks as expected led to changes in the value added composition of industries, as well as year on year growth rates. The change saw the Tertiary sector share increased by 8.3 percentage point with Secondary, Primary and the Public Admin sector loosing 5.5, 1.6 and 1.1 percentage points respectively.

Underpinning the change was the Finance sector becoming the second largest industry after Commerce, with Construction moving to sixth and Other Manufacturing to be the smallest in 2018 with 1.8 percent share. The trend is indicative of the changes occurred in the period from 2009 to current with the completion of some major infrastructural projects as well as the effect of the closure of Yazaki in August 2017. Public Administration, Agriculture and Communication sectors were in the 2nd, 3rd and fourth in the ranking .

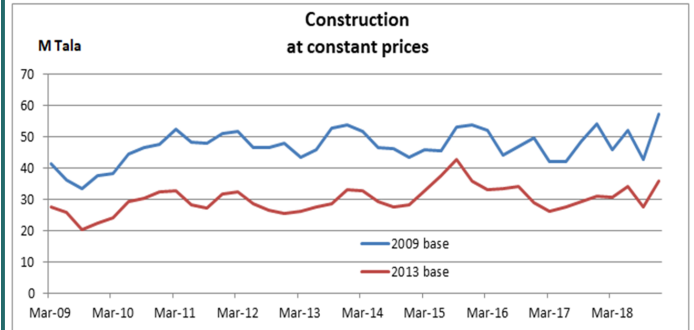
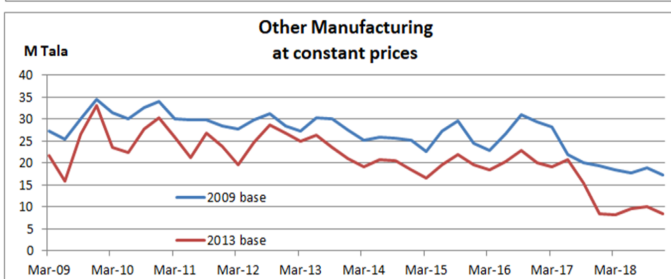
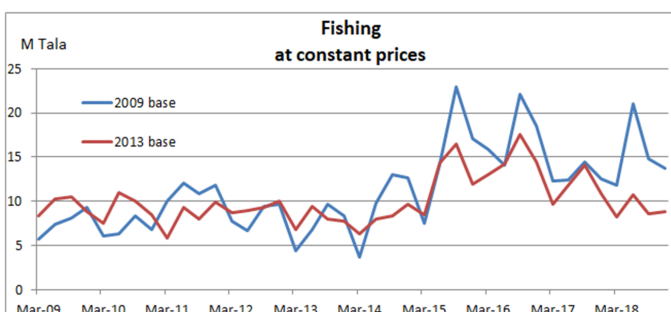
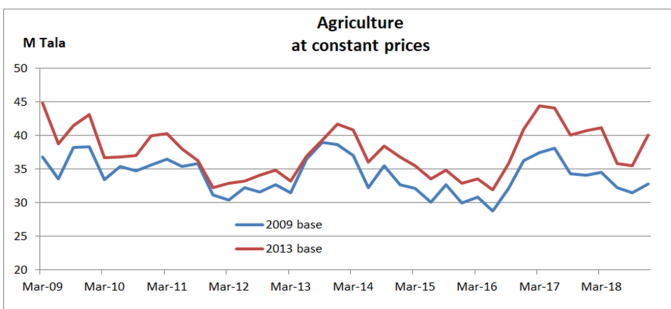
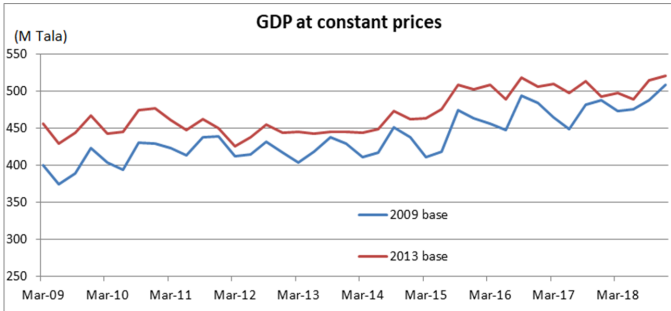
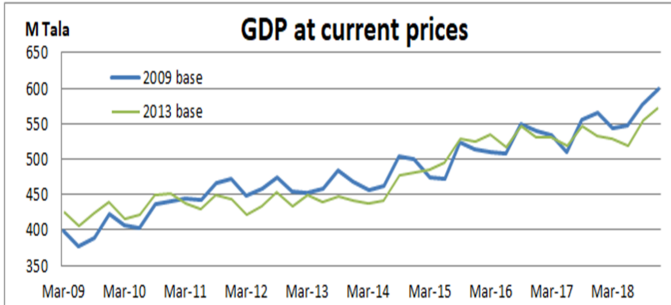
### **Comparison of GDP shares 2018, by broad sectors in 2013 and 2009 prices,**



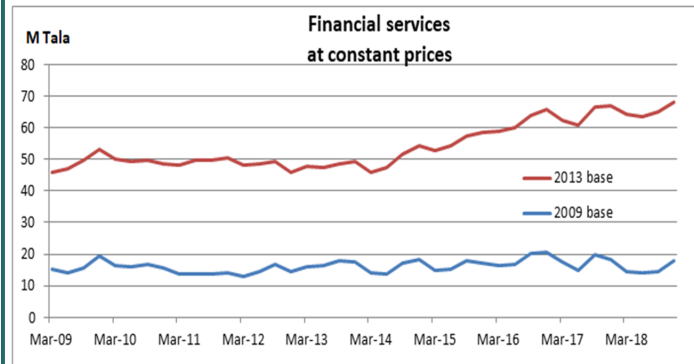
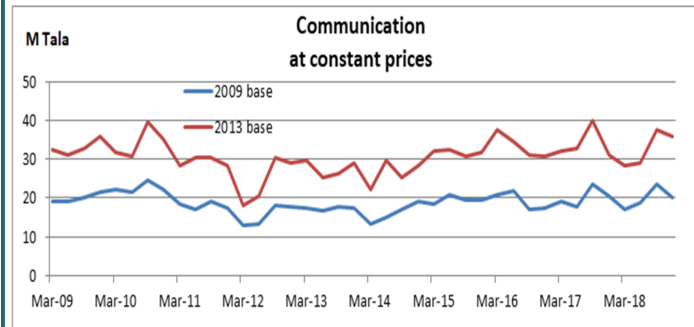
# NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

## Background Information

Some of the key results for GDP at current and constant 2013 prices compared to 2009 prices;



The gap between the two base periods for the Construction and Other Manufacturing reflects the change in the level of activities in the two periods, with 2013 having a lower end compared to 2009. On the other hand Communication indicated that there have been more activities in the 2013 period compared to 2009.



The gap between the two base periods for the Financial services reflects the change in the level of activities in the two periods, with 2013 having a higher value of activities compared to 2009. This also attributed to improved data sources used for this industry compared to the previous data set.



# NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

## Background Information

### INTRODUCTION

The compilation of national accounts statistics is a dynamic process, and therefore needs to adapt to reflect a variety of measures and indicators consistent with developments and structural changes in the economy over a period of time. It is therefore expected that revisions and updates are made to the historical series on a quarterly or annual basis as new data sources are brought into the model and as various benchmarks and assumptions are validated and updated.

This quarterly report is the eighteenth of the new quarterly series of GDP estimates at constant 2013 prices. This report is an ongoing publication and can also be downloaded from our website [www.sbs.gov.ws](http://www.sbs.gov.ws).

### ABOUT GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) is Samoa's official measure of economic growth. GDP is compiled and published using the **production approach**, this approach measures the total value of goods and services produced in Samoa, after de-deducting the cost of goods and services used in the production process. This is also known as the value-added approach.

**Broad industry groups:** The GDP tables attached to this report follows the broad groupings based on the International Standard Industry Classification (ISIC) Revision 4. Classification of economic activity is important in the determination of the extent and nature of the information collected and the quality of the data compiled.

- primary industries (agriculture and fishing)
- secondary sector or the goods-producing industries (manufacturing, construction, electricity & water)
- Tertiary sector or service industries (wholesale trade; retail trade and accommodation; transport, postal, and warehousing; information media and telecommunications; finance and insurance services; rental, hiring, and real estate services; professional, scientific, technical, administrative, and support services; public administration and safety; education and training; health care and social assistance; arts, recreation, and other services).



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#### **SBS Vision:**

**"To strengthen Statistical services  
for the development of  
Samoa"**

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