



Samoa Bureau of Statistics

Government Finance Statistics Report

March Quarter 2023

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Overview

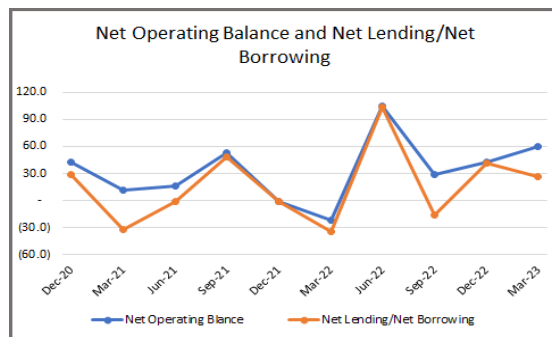
Highlights:

- The Net Lending/Borrowing balance recorded a surplus of \$26.4 million.
- The Net Operating Balance also recorded a surplus of \$60.3 million for March 2023 quarter.
- Total revenue aggregated to \$248.5 million driven by the increase in Taxes and Grants during the period
- Operating expenses increased by \$19.2 million from March 2022
- Net acquisition of NFA's recorded a total of \$33.9 million in March 2023.
- Total outstanding debt decreased by \$68.5 million compared to March 2022.

The Central Budgetary Government operations for the third quarter of the fiscal year 2022/23 rounded up with a surplus of \$26.4 million in the Net Lending/Borrowing Balance (NLB). The promising result was driven by the strong growth in revenue collection of \$101.0 million offsetting the increase in government expenditure of \$40.2 million during the quarter. If compared to the same period of the last financial year, the NLB significantly went up by \$60.8 million.

Similarly, the Net Operating Balance (NOB) recorded a surplus of \$60.3 million for the March 2023 quarter which makes it the fourth consecutive quarter of positive outturns in a row. The strong growth in taxes and grants over the last twelve months were the most contributing factors to the positive quarter-end results. Furthermore, it is also an indicative of the country's economy being slowly recovered following the reopening of borders for visitors as well as private businesses being back on track with their daily normal operations. In comparison to March 2022 and December 2022, the NOB respectively went up by \$81.7 million and \$17.5 million from the two quarter levels as shown in the chart below.

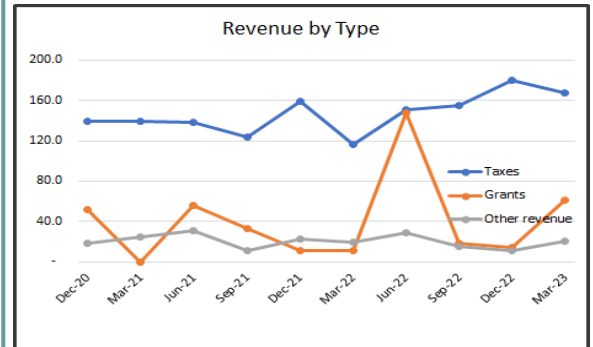
Chart 1: Net Lending/ Net Borrowing and Net Operating Balance



REVENUE

Total revenue recorded at the end of the third quarter amounted to \$248.5 million. Within the amount, 67.2 percent were from taxes at a total of \$167.0 million, grants contributed \$61.4 million equivalent to a share of 24.7 percent of total revenue and the Other revenue category contributed \$20.1 million translated into a share of 20.1 percent for the quarter under review.

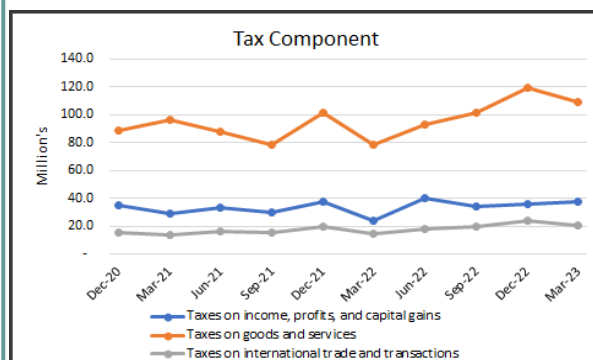
Chart 2: Revenue by Type



Taxes

Total taxes collected and recorded for the March quarter 2023 aggregated to \$167.0 million. All tax components had promising performances throughout the second quarter. Revenue from Taxes on Goods and Services totalled at \$109.1 million had significantly went up on a yearly basis by \$30.6 million. Taxes on Goods and Services is comprised of VAGST, Excise Tax and Tax on specific services. The VA tax total as of the end of March 2023 was \$67.9 million. The amount marginally went up by \$20.3 million if compared to the same quarter of 2022. In addition, Excise Tax also increased by \$8.1 million from the 2022 level to record its current balance of \$36.7 million for March 2023. The chart below shows the trends of each tax component over the last ten fiscal quarters.

Chart 3: Tax Component



Grants

Total grant assistance recorded during the period was \$61.4 million. The amount went up significantly from March 2022 by \$50.1 million and \$47.0 million above the previous quarter.

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Other Revenue

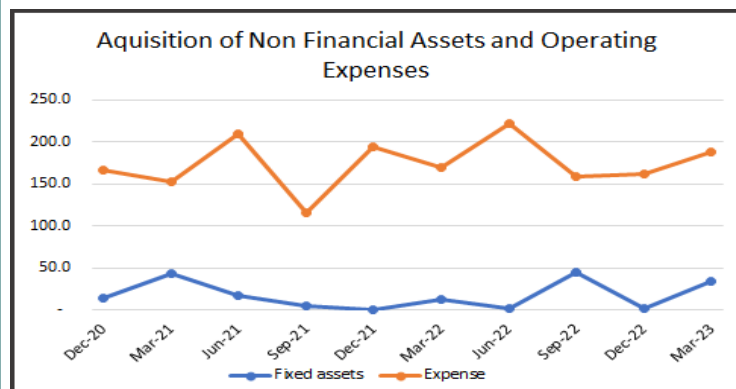
Other revenue receipts were \$20.1 million. The amount integrates and accounts contributions from sales of goods and services, property income and fines, penalties, and forfeits of \$12.3 million, \$7.7 million and \$0.2 million. The aggregated amount recorded for Other revenue slightly went up by \$0.8 million compared to its corresponding 2022 quarter, and \$8.9 million above the previous quarter amount.

EXPENDITURE

The Budgetary Central Government total expenditure recorded during the quarter was \$222.1 million. Total spending towards operational commitments was \$188.2 million and the rest was for the acquisition of non-financial assets. Over the course of twelve months, total expenditure recorded an increase of \$40.2 million but \$58.0 million more, compared to the December 2022 quarter.

In details, operational expenses increased by \$19.2 million compared to March 2022. This was primarily due to the double increase of \$7.4 million in spending on the use of goods and services as well as the \$16.0 million on grants to other government units from their March 2022 levels. On the contrary, short-falls was recorded for compensation of employees, interest payments, subsidies and social benefits, saving \$5.5 million during the three months period. On the other hand, total spending towards the acquisition of fix assets aggregated to \$33.9 million, equivalent to an increase of \$21.0 million from last year. If compared to the previous quarter, acquisition of fix assets significantly went up by \$32.3 million. The composition of each component is illustrated in the chart below.

Chart 4: Operating expenses and Acquisition of non financial assets



EXPENDITURE BY FUNCTIONS OF GOVERNMENT

At the sector level, the General Public Services sector received a total share of \$48.2 million during the three months from January to March 2023. The sector's share slightly increased by \$5.0 million from its corresponding quarter of 2022. Economic affairs received the second largest share of \$45.5 million. Of the amount, 40.0 per cent (\$18.1 million) was allocated for the transport sector, 22.0 per cent (\$10.1 million) was allocated for the Agriculture and Fisheries sector and the rest was distributed amongst other sectors such as Energy, Infrastructure, Communications and others. Economic affairs share of expenditure in March 2023 increased by \$10.4 million and \$15.7 million from March 2022 and December 2022.

Furthermore, spending towards the Health sector amounted to \$4.0 million, registering an increase of \$7.6 million from the previous year. Education sector total share of expenditure during the period was par relative to the last year's amount, with a minor addition of \$0.7 million. Social sector received a total of \$23.8 million, where it was \$11.0 million higher than the March 2022 amount.

Table 1: Expenditure by function March 2023

Expenditure by Function	Dec-22	Mar-22	Mar-23	% Change	Contribution to Change	Composition
General Public Services	34.6	53.6	48.2	(10.1)	(2.6)	21.7
Economic Affairs	29.8	49.8	45.5	(8.5)	(2.1)	20.5
Health	33.4	34.6	40.0	15.8	2.7	18.0
Education	26.3	24.9	30.6	22.8	2.8	13.8
Public Order and Safety	17.4	15.4	18.3	18.7	1.4	8.2
Social Protection	11.0	13.0	23.8	83.2	5.3	10.7
Housing and Community Amenities	4.4	7.9	8.6	8.9	0.3	3.9
Environmental Protection	5.8	4.2	5.8	39.2	0.8	2.6
Recreation, Culture, and Religion	1.4	1.3	1.3	(4.2)	(0.0)	0.6
Total Expenditure by Function	164.1	204.6	222.1	8.5	8.5	100.0

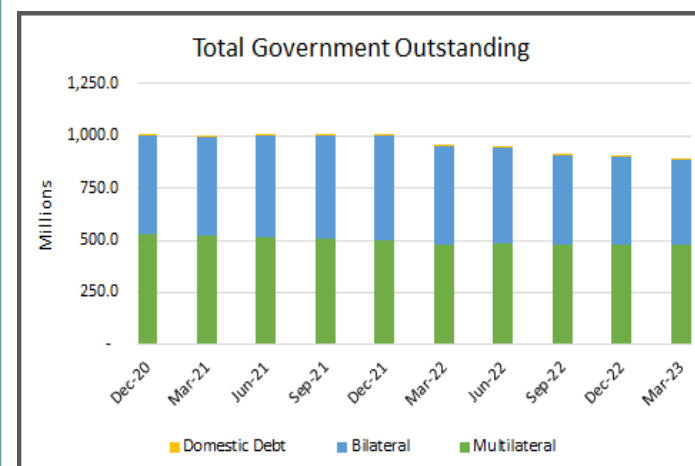
GOVERNMENT DEBT

Total Government outstanding debt as at the end of March 2023 stood at \$882.9 million. Comprised of external debt of \$882.1 million and domestic debt at \$0.8 million. Government debt decreased from the previous quarter by \$20.6 million.

Loans to financial institutions amounted to \$477.6 million accounted for 54.2 percent of external debt. The ADB and the World Bank were the largest debt providers with a combined amount of \$455.2 million and the rest were loans to institutions namely the OPEC, European Investment Bank and the International Food Agricultural Development Organization totaled at \$22.5 million.

Moreover, total debt to the PRC Government and the Japanese Government (JICA) as of the end of March 2023 was \$404.4 million. Samoa owed the Chinese government \$337.5 million, however, the amount continued to decline since March 2022 by \$0.2 million on average. If compared to the previous quarter, monies owed to the PRC went down by \$17.8 million from the December 2022 quarter. Total government debt inclusive of domestic debt decreased by \$68.5 million over the last twelve months.

Chart 5: Government Debt—March 2023





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What are Government Finance Statistics?

Government Finance Statistics provide statistics that enable policymakers and analysts to study developments in the financial operations, financial position and liquidity situation of the government sector in a consistent and systematic manner. Balancing items have been created to provide summary information such as Net Operating Balance (NOB) and Net Lending (+) or Borrowing (-). The detailed data can also be used to examine specific areas of government operations, example: particular forms of taxation, level of expense and the amount of government borrowing etc. The harmonization of this system with other macroeconomic statistical systems like the System of National Accounts means that data from the GFS can be combined with data from NA to assess government performance in relation to the rest of the economy. Similarly, it can also be used for inter-country analysis of government operations, such as comparisons of ratios of taxes or expense to gross domestic product.

The Bureau is continuing with the work on refinements and improvements to the framework ensuring compliance with the latest GFSM 2014 published by the IMF. This also ensure that the latest information is incorporated in the system and reflected in the report.

This report provides the latest available information on the government financial operations and activities presented in tables attached and ordered as follows:

- Table 1: Statement of Operations: December 2019 - March 2022
- Table 2: Revenue: December 2019 - March 2022
- Table 3: Expense: December 2019 - March 2022
- Table 4: Transactions in Assets and Liabilities: December 2019 - March 2022
- Table 5: Classification of Function of Government: December 2019 - March 2022
- Table 6: Total Government Debt: December 2019 - March 2022

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