



Samoa Bureau of Statistics

Gross Domestic Product

December 2017 Quarter

Overview

6th April 2018



Special points of interest:

- GDP Growth - 0.1%
- GDP at Constant 2009 Prices (real) - WST \$484.6 million
- GDP at Current Prices (nominal) - WST \$564.2 million

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Economic Activity, as measured by Gross Domestic Product (GDP) slightly went up by **0.1% in the December 2017 quarter**. This follows a revised growth rate of **-2.6% in the September 2017 quarter**. Aggregate GDP in real terms amounted to \$484.6 million making it the second highest quarterly level to be achieved since the series began. The growth in the period was driven by the good performances in the Tertiary sector or service industries and some industries in the Secondary sector. Activity in the tertiary industries rose 4.9 percent, with 8 of the 9 service industries recording increases in the December 2017 quarter.

GDP Growth:

Gross Domestic Product for the **December 2017 Quarter** at constant prices was \$484.6 million, increasing by 0.1% compared to the December 2016 quarter. It went up by 0.7% compared to the September 2017 quarter.

Chart 1: Total GDP at constant prices & growth rates, Dec 2014—Dec 2017

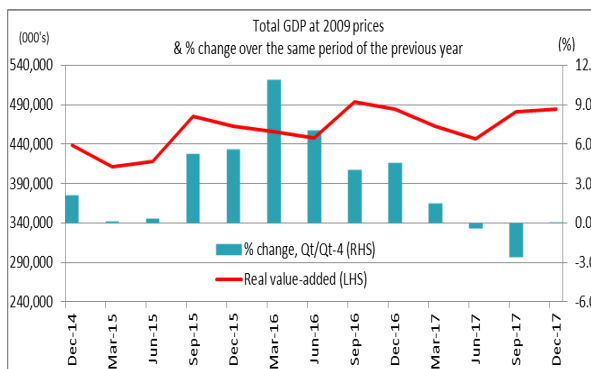


Chart 1 shows the trend in total GDP at constant prices and growth rate from December 2014 to December 2017 as measured by the percentage change in real value added over the same quarter of

the previous year (y-o-y). The growth in the December 2017 quarter was driven by good performance in the Tertiary sector or service industries and some industries in the Secondary sector, which more than offset the downturn in the Primary sector. Tertiary sector recorded an increase of 4.9% in the December 2017 quarter compared to the December 2016 quarter. Overall growth in the service industries was led by a 2.9 percent increase in Commerce, particularly retailing and wholesaling activities related to food, beverage, tobacco, stationaries and gaseous products.

Chart 2: Percentage-point contributions to GDP growth by industry; Dec 2017 Quarter

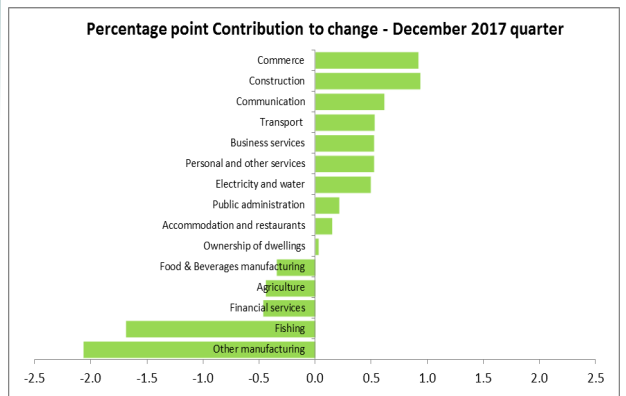


Chart 2 illustrates the percentage-point (pp) contributions of each industry to the overall growth rate of 0.1% in the December 2017 quarter. Major contributors to growth were Commerce (0.9 pp), Construction (0.9 pp), Communication (0.6 pp), Transport (0.5 pp), Business services (0.5 pp), Personal & other services (0.5 pp) and Electricity & Water (0.5 percentage points). Other positive contributors were Public administration, Accommodation & restaurants and Ownership of Dwellings.

Overview cont'd

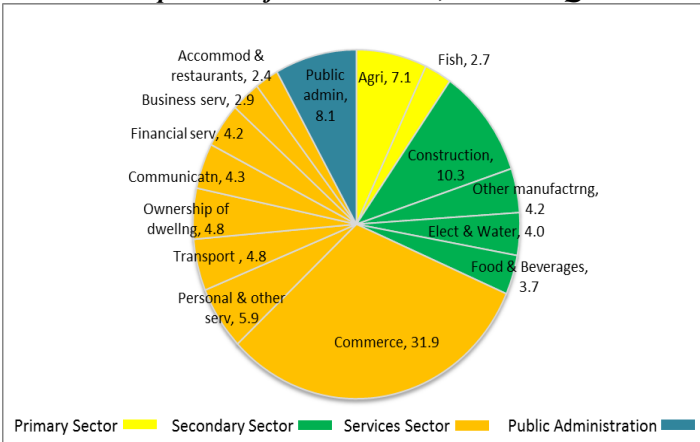
Conversely, industries that contracted in the period under review were Other Manufacturing, Fishing, Financial services, Agriculture and Food & Beverage manufacturing recording contributions of -2.1, -1.7, -0.5, -0.4 and -0.3 percentage points respectively to overall growth.

GDP Levels (Nominal):

GDP at current prices or Nominal GDP for the December 2017 quarter amounted to \$564.2 million, it increased by 4.5% compared to the corresponding quarter of 2016. This was mainly due to increases in Commerce, Electricity & Water, Public Administration, Transport and Communication with respective increases of 7.6%, 34.9%, 8.6%, 13.6% and 15.3% over the December 2016 quarter.

GDP Composition (Nominal):

Chart 3: Composition of Nominal GDP, Dec 2017 Quarter

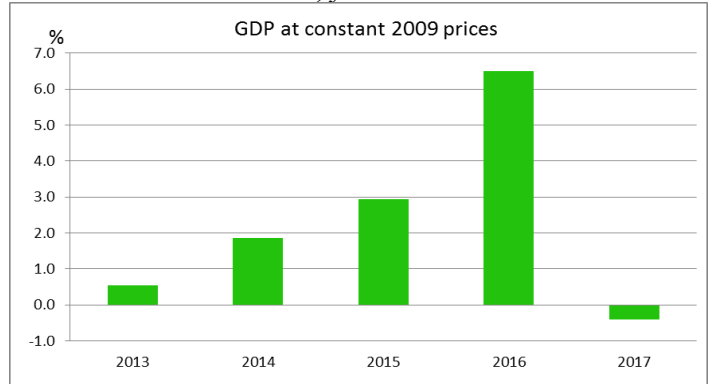


Depicted in Chart 3 is the industry composition of GDP at current market price for the December 2017 quarter. The Tertiary sector remains the biggest sector having a total share of 59.9% of total GDP. It went up by 3.7% compared to the same period of the previous year. The increase in the sector was mainly driven by the performance of the Commerce industry which accounted for more than half of the sectors' total share. The secondary or goods producing sector was the second largest industry with a share of 22.1%, decreasing by 5.2%. The decline in the sectors' share was mainly due to the contraction in the Manufacturing industries. The growth in Construction activities and Electricity & Water was not high enough to offset the downturn in the other industries in the sector. The Primary sector weakened, dropping by 11.1% on a y-o-y basis. Public Administration share increased by 3.8% compared to December 2016.

Twelve Months Review: (Jan - December 2017)

GDP for the year ended December 2017 (Jan - Dec 17) at current market prices stood at \$2,163.5 million, increasing by 2.6% compared to the year ended December 2016. At this level, GDP per capita was \$11,020. It increased by 2.4% compared to 2016. Value added at constant 2009 prices was \$1,874.4 million, down by 0.4% compared to the year ended December 2016.

Chart 4: GDP Growth rates, year ended Dec 2013—2017



Illustrated in Chart 4 are the real growth rates in GDP from 2013 to 2017. The decline experienced in the year 2017 was mainly driven by the negative growth in Fishing and Other Manufacturing. The poor performance by Fishing throughout the year 2017 was driven by the 50.8% decrease in volume of export and the 18.6% drop in inshore landing compared to 2016. Other industries with negative contributions were Construction, Transport, Financial services and Business services. The closing down of the YAZAKI plant in August 2017 after 26 years of operation in Samoa has impacted negatively on the economy. YAZAKI was one of the main contributors to the Manufacturing industry.

Chart 5: Percentage-point contributions to GDP growth by industry; year ended December, 2017

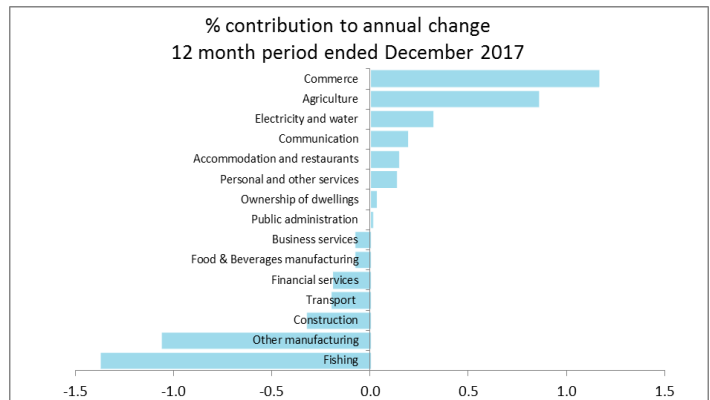


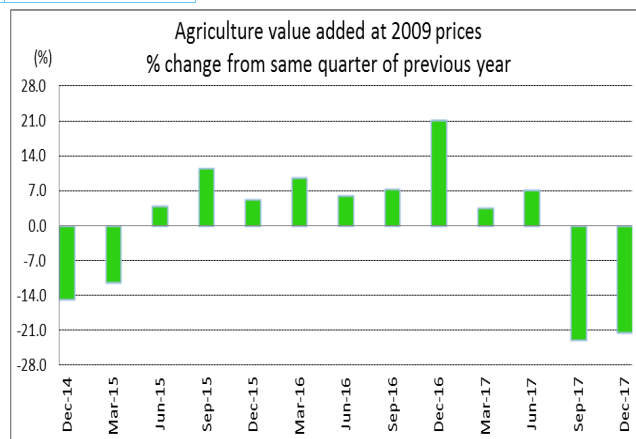
Chart 5 shows the contributions of each industry to overall GDP growth of -0.4% in the year ended December 2017.

Individual Industry Quarterly Performance

AGRICULTURE	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	42,268	42,761	39,926	-6.6	-5.5
Value added (constant 2009 prices) WST (thousands)	36,223	34,299	34,090	-0.6	-5.9
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	1.3	0.4	-0.4	Chart 6: Percentage change in Agriculture real value added; Dec 2014— Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	7.8	7.7	7.1		

Agriculture produced a total value of \$34.1 million in real terms, decreasing by 5.9% in the period under review. This makes it the first quarter of negative growth for the sector after four consecutive quarters of positive growth since December 16. The sector has a share of 7.1% to total nominal GDP.

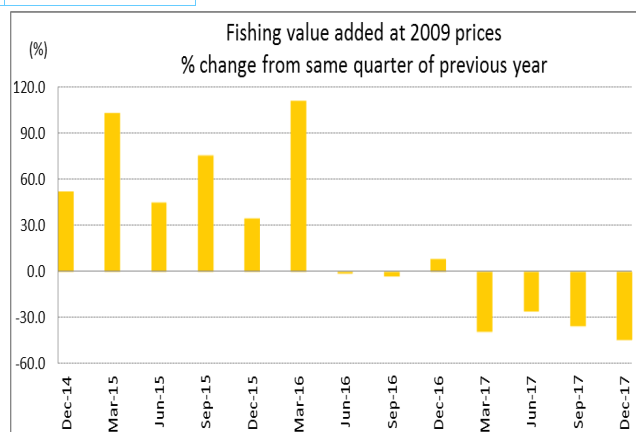
The sector's performance in real terms was consistent with the decrease in domestic consumption of crops by 4.8%, decline in livestock by 2.7% and a significant drop in the volume of exported produce by 23.1% recorded in December 2017 compared to same quarter of the previous year.



FISHING	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	17,305	17,328	15,425	-11.0	-10.9
Value added (constant 2009 prices) WST (thousands)	18,467	14,279	10,306	-27.8	-44.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-1.6	-1.7	Chart 7: Percentage change in Fishing real value added; Dec 2014— Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	3.2	3.1	2.7		

The Fishing industry value added stood at \$10.3 million in the period under review, recording a notable decline of 44.2% compared to the corresponding period in 2016.

The decline in the industry's performance was consistent with the drop in the volume of fish exported in the period by 51.0% compared to the same quarter of the previous year. Moreover, in-shore landing shows a significant decline of 48.7% in volume of fish being supplied to the markets in comparison to December 2016. The industry was amongst the negative contributors to GDP growth with a -1.7 percentage point contribution and a share of 2.7% of GDP.

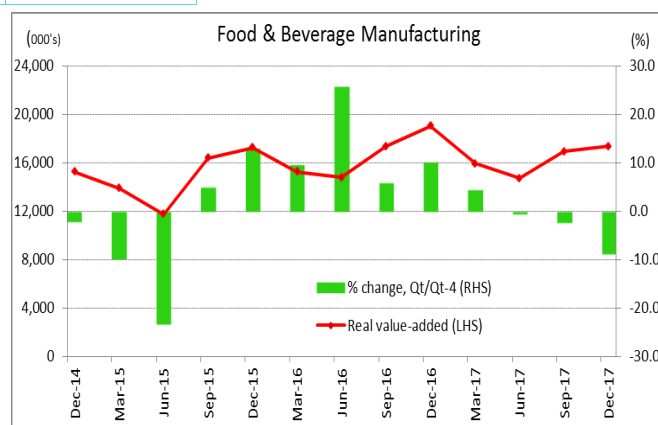


Individual Industry Quarterly Performance

FOOD & BEVERAGE MANUFACTURING	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	22,489	19,709	20,891	6.0	-7.1
Value added (constant 2009 prices) WST (thousands)	19,011	16,924	17,351	2.5	-8.7
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.4	-0.1	-0.3	Chart 8: Food & Beverage Manufacturing quarterly value added at constant prices & % change over the same period of the previous year; Dec 2014 — Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	4.2	3.5	3.7		

Food & Beverage manufacturing produced a total value added in real terms of \$17.4 million, registering a decrease of 8.7% when compared to December 2016. This makes it the third consecutive quarter of negative growth for the industry as can be seen on Chart 8. The industry contributed negatively by 0.3 percentage points to the overall growth in the period with a 3.7% share to total GDP.

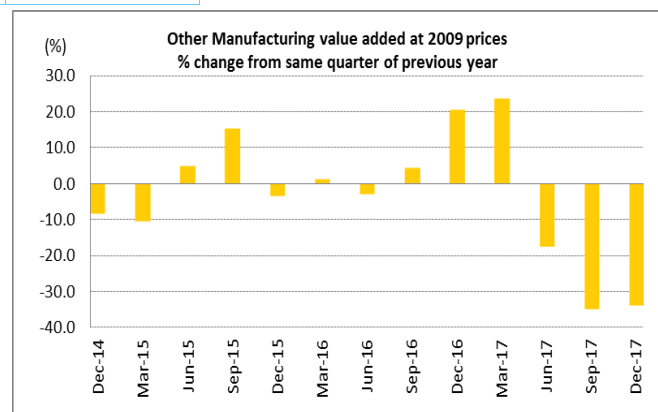
The negative outturn by the industry reflects the decline in local production of food and beverages in December 2017 when compared to December 2016. Export of food and beverage also experienced a decline by 26.9% when compared to the same quarter of the previous year.



OTHER MANUFACTURING	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices)	33,321	23,659	23,432	-1.0	-29.7
Value added (constant 2009 prices) WST (thousands)	29,438	20,155	19,443	-3.5	-34.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	1.1	-2.2	-2.1	Chart 9: Percentage change in Other Manufacturing real value added; Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	6.2	4.3	4.2		

In real terms, Other manufacturing recorded a total value of \$19.4 million in the period under review. It decreased by 34.0% on a y-o-y basis, registering a contribution of -2.1 percentage points to the overall growth in the period.

Other manufacturing's y-o-y performance continues to decline as a consequence of the closing down of the YAZAKI plant which was one of the biggest manufacturing companies in the industry. This makes it the third consecutive quarter of negative growth in real terms for the industry as can be seen on Chart 9.

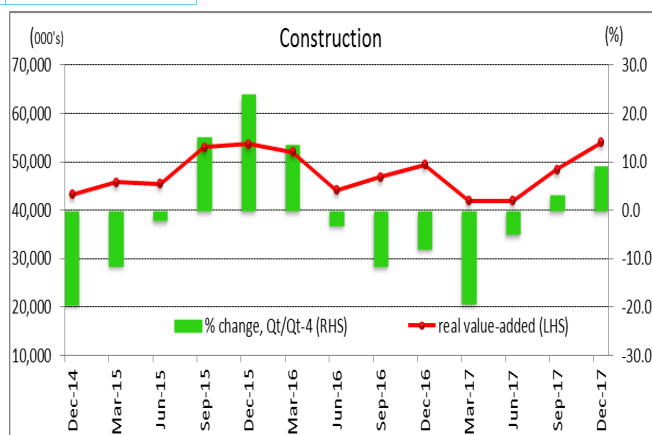


Individual Industry Quarterly Performance

CONSTRUCTION	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	53,506	52,320	58,052	11.0	8.5
Value added (constant 2009 prices) WST (thousands)	49,449	48,400	53,963	11.5	9.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.9	0.3	0.9	Chart 10: Construction quarterly value added at constant prices & % change over the same period of the previous year; Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	9.9	9.4	10.3		

Construction registered an increase in real value-added of 9.1% making it the second quarter of positive growth, following five consecutive quarters of negative performances (which started in June 2016 ending June 2017). Total value added in the December 2017 quarter amounted to \$54.0 million in real terms. This was the highest value added ever generated by the industry since the series began. The industry was the second biggest positive contributor to overall GDP growth in the period.

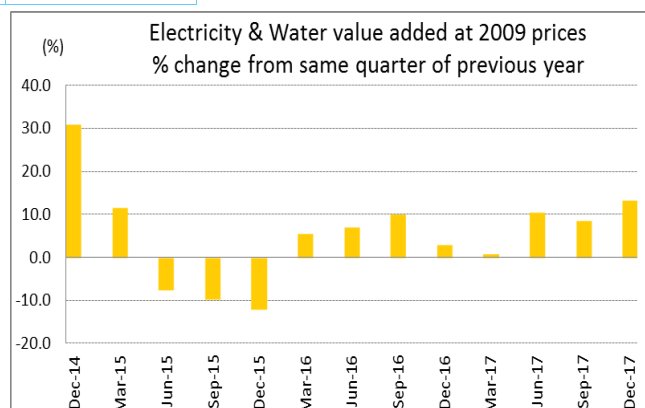
Major construction activities carried out in the period under review contributed to the industry's good performance.



ELECTRICITY AND WATER	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	16,670	23,561	22,479	-4.6	34.9
Value added (constant 2009 prices) WST (thousands)	17,907	20,577	20,281	-1.4	13.3
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.1	0.3	0.5	Chart 11: Percentage change in Electricity & Water real value added; Dec 2014— Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	3.1	4.2	4.0		

Electricity & Water real value added stood at \$20.3 million, increasing by 13.3% on a y-o-y basis. This was translated into a contribution of 0.5 percentage points to the overall GDP growth. The industry has now recorded eight consecutive quarters of positive growth. The positive performance by the industry in the period reflects respective increases of 19.8% and 1.7% in water and electricity production on a year-on-year basis.

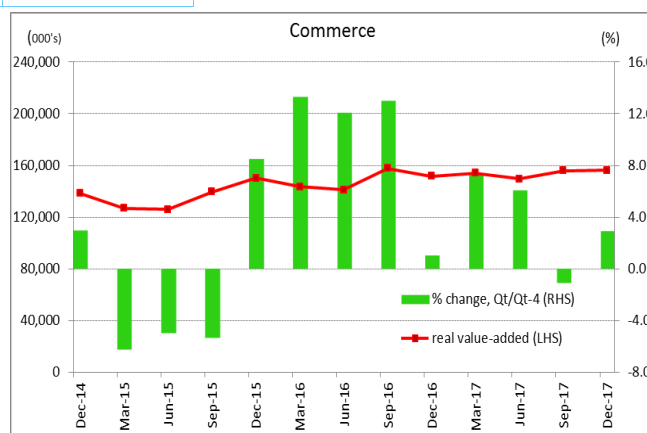
The industry's share to total nominal GDP was 4.0%.



Individual Industry Quarterly Performance

COMMERCE	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	167,022	177,565	179,783	1.2	7.6
Value added (constant 2009 prices) WST (thousands)	151,764	156,005	156,214	0.1	2.9
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-0.4	0.9	Chart 12: Commerce quarterly real value added & % change over the same period of the previous year; Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	31.0	31.9	31.9		

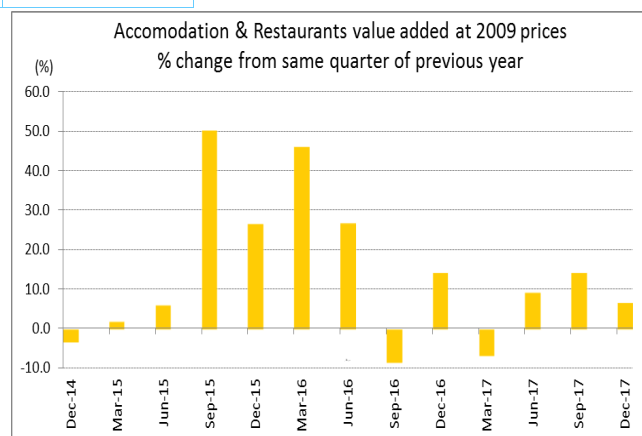
Commerce generated a real value added of \$156.2 million in the period under review, increasing by 2.9% over December 2016. The industry was the biggest contributor to GDP growth with a contribution of 0.9 percentage points. The industry's value added was the second highest ever generated by the industry. The industry continues to be the leading contributor to total GDP with a share of 31.9%. The growth in the industry was triggered by the increase in retailing and wholesaling activities related to food, beverages, tobacco, stationaries and gaseous products in the country. This reflects the 11.2% increase in the VAGST collected in the period. The performance by the industry was also assisted by the 20.2% increase in remittances.



ACCOMMODATION AND RESTAURANTS	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices)	11,774	15,581	13,431	-13.8	14.1
Value added (constant 2009 prices) WST (thousands)	10,736	13,310	11,449	-14.0	6.6
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	0.3	0.1	Chart 13: Accommodation & Restaurants, percentage change in real value added over the same period of the previous year; Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	2.2	2.8	2.4		

Accommodation and restaurants generated a total real value added of \$11.4 million, increasing by 6.6% compared to the same period of the previous year. The industry was amongst the number of industries that contributed positively to overall growth, with a contribution of 0.1 percentage point.

The upturn in the sector reflects the 2.7% increase in the number of holiday inbound tourist in the period. Holiday tourist made up more than 40% of the total number of visitors arrived in the December 2017 quarter.

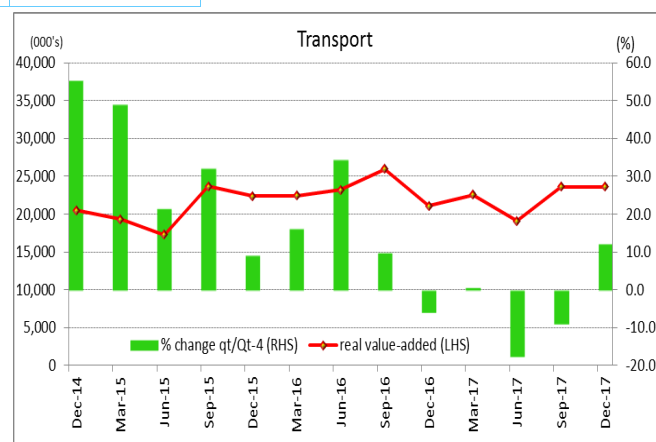


Individual Industry Quarterly Performance

TRANSPORT	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	24,080	26,829	27,361	2.0	13.6
Value added (constant 2009 prices) WST (thousands)	21,051	23,627	23,605	-0.1	12.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.3	-0.5	0.5	Chart 14: Transport quarterly growth rates with total value added at constant 2009 prices, Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	4.5	4.8	4.8		

Transport value added in constant prices in December 2017 stood at \$23.6 million, increasing by 12.1% when compared to the December 2016 quarter. It contributed 0.5 percentage points to overall GDP growth. This makes it the first positive growth following two consecutive quarters of negative performances.

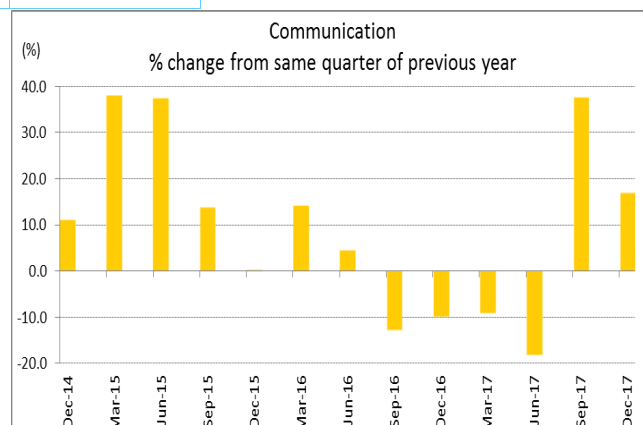
The positive outturn was driven by the growth in storage, warehousing and cargo handling activities.



COMMUNICATION	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	20,905	26,867	24,106	-10.3	15.3
Value added (constant 2009 prices) WST (thousands)	17,427	23,576	20,392	-13.5	17.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.4	1.3	0.6	Chart 15: Communication percentage change in real GDP from the same quarter of the previous year, Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	3.9	4.8	4.3		

Communication real value added increased by 17.0% on a year on year basis. This makes it the second quarter of positive growth following four consecutive quarters of negative performances within the industry since September 2016. The industry contributed a positive 0.6 percentage points to overall growth, increasing its share to total GDP from 3.9% in December 2016 to 4.3% in December 2017.

When compared to the previous quarter, the industry's real value added declined by 13.5%.

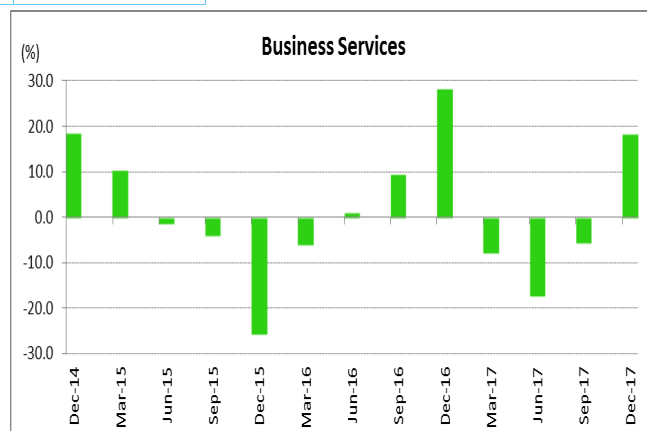


Individual Industry Quarterly Performance

BUSINESS SERVICES	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	13,704	14,505	16,538	14.0	20.7
Value added (constant 2009 prices) WST (thousands)	13,903	14,791	16,435	11.1	18.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.7	-0.2	0.5	Chart 16: Business Services, % change in value-added at constant 2009 prices from Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	2.5	2.6	2.9		

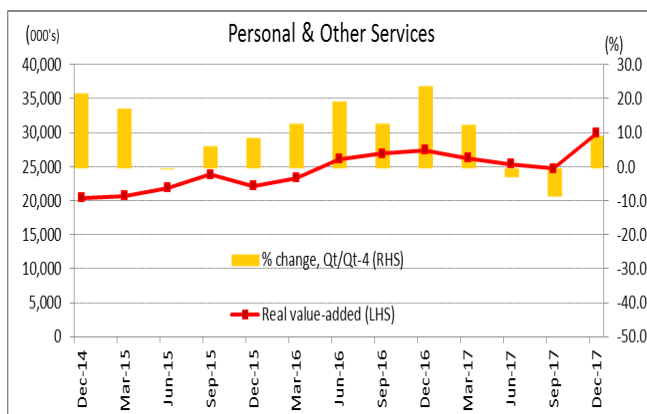
Business services generated a total value added of \$16.4 million at constant 2009 prices in the period under review. This makes it the second highest value added ever achieved by the industry since the \$17.6 million in September 2012. It increased by 18.2% over the same quarter of the previous year. The industry contributed a 0.5 percentage points to the overall GDP growth in December 2017.

When compared to September 2017, value added by the industry also went up by 11.1%.



PERSONAL & OTHER SERVICES	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	29,877	27,443	33,543	22.2	12.3
Value added (constant 2009 prices) WST (thousands)	27,415	24,693	29,934	21.2	9.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	1.1	-0.4	0.5	Chart 17: Personal & Other Services quarterly value added at constant prices & % change over the same period of the previous year; Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	5.5	4.9	5.9		

Personal & other services recorded a total value-added of \$29.9 million in real terms. On a year on year basis, the industry's output grew by 9.2% compared to the December 2016 quarter. The industry contributed 0.5 percentage points to overall GDP growth. In nominal terms, the industry increased by 12.3% registering a share of 5.9 percent to total GDP.

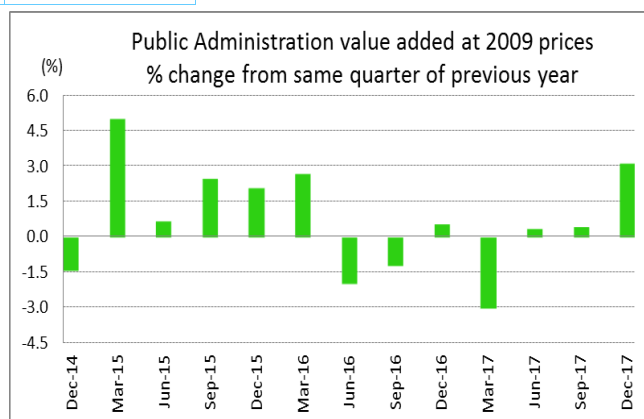


Individual Industry Quarterly Performance

PUBLIC ADMINISTRATION	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices)	42,594	42,836	46,243	8.0	8.6
Value added (constant 2009 prices) WST (thousands)	33,377	32,882	34,412	4.7	3.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	0.0	0.2	Chart 18: Public Administration, % change in value-added at constant 2009 prices from Dec 2014 – Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	7.9	7.7	8.2		

Public Administration was up both on a quarter on quarter and year on year basis by 4.7% and 3.1% respectively. It recorded a value added of \$34.4 million at constant 2009 prices. The industry contributed 0.2 percentage points to overall growth. The industry's share to total GDP was 8.2%. The positive performance was consistent with the 0.6% increase in employment for the industry.

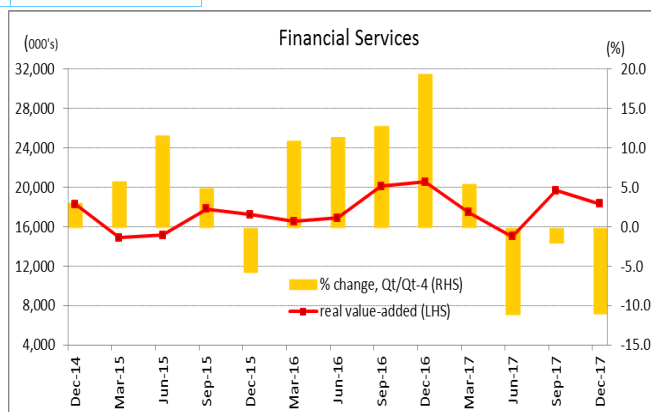
In nominal terms, the industry recorded an increase of 8.6% compared to the corresponding quarter of the previous year as a result of the 8.4% increase in wages and salaries for the industry.



FINANCIAL SERVICES	GDP Dec 2016 Quarter	GDP Sep 2017 Quarter	GDP Dec 2017 Quarter	% change from Sep 2017 quarter (q-o-q)	% change from Dec 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	26,464	26,990	23,567	-12.7	-10.9
Value added (constant 2009 prices) WST (thousands)	20,557	19,684	18,304	-7.0	-11.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.7	-0.1	-0.5	Chart 19: Financial Services value added at constant prices & % change over the same period of the previous year; Dec 2014 — Dec 2017	
Contribution to aggregate nominal GDP: <i>percent</i>	4.9	4.9	4.2		

Financial services real value added decreased by 11.0% on a year on year basis. The industry recorded a total value added at constant prices of \$18.3 million for the quarter under review.

The year on year performance reflects the decrease in demand for financial intermediation such as central banking, financial leasing, insurance and other activities auxiliary to financial intermediation.



NATIONAL ACCOUNTS REVISIONS & NEW DEVELOPMENTS

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 seventeenth release of the new quarterly series of GDP estimates at constant 2009 prices. This report is an ongoing publication and can also be downloaded from our website www.sbs.gov.ws.

REVISIONS

This update incorporates minor revisions to estimates of value-added of Fishing from September 2011 to September 2017 as a result of the availability of the actual population figure for 2016. Thus inter-censal periods from September 2011 needs to be revised to reflect the actual population figure for 2016. Revisions were also made to the September 2017 estimates as usual given the availability of actual numbers from some of the sources such as the VAGST data, employment data and visitors arrivals. This publication is subject to revisions in the next publication pending the availability of revised numbers and the rebasing of the GDP series.

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 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 3.1. 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 or goods-producing industries (manufacturing, construction, electricity & water);
- tertiary 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).

NEW DEVELOPMENT

Rebasing

The rebasing of the whole national accounts estimates will take place in the next publication expected to be released by the end of June 2018. This will incorporate the latest available information from the year 2013 such as the Household Income and Expenditure Survey, Agriculture Survey, the Business Activity Survey and other benchmark information. There will also refinements and improvements in the methods, sources as well as the classifications used as part of the Rebasing program.



SBS Vision:
"To strengthen Statistical services for
the development of
Samoa"

National Accounts & Finance Statistics Division
FMFM II Building, Level 2 PO Box 1151
Apia, Samoa

Phone: (685) 62006 / 29326
Fax: (685) 24675
E-mail: fsd@sbs.gov.ws