



# Samoa Bureau of Statistics

## Gross Domestic Product

September 2017 Quarter

### Overview

21<sup>st</sup> Dec 2017

**NEW!**

#### Special points of interest:

- GDP Growth - -3.7%
- GDP at Constant 2009 Prices (real) - **WST \$475.7 million**
- GDP at Current Prices (nominal) - **WST \$549.9 million**

#### Inside this issue:

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Gross Domestic Product (GDP) was down by 3.7% in the period under review making it two consecutive quarters of negative growths, following a -0.4% in the June 2017 quarter. This was the lowest growth recorded since the -4.9% in the December 2012 quarter. The unfavorable performance in the September quarter was a result of a slow down in economic activities in the period and the closing down of the YAZAKI plant which has negatively impacted on the Other Manufacturing industry.

#### GDP Growth:

Gross Domestic Product for the **September 2017 Quarter** at constant prices amounted to \$475.7 million, decreasing by 3.7% compared to the September 2016 quarter. When compared to the June 2017 quarter, GDP increased by 6.6%.

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

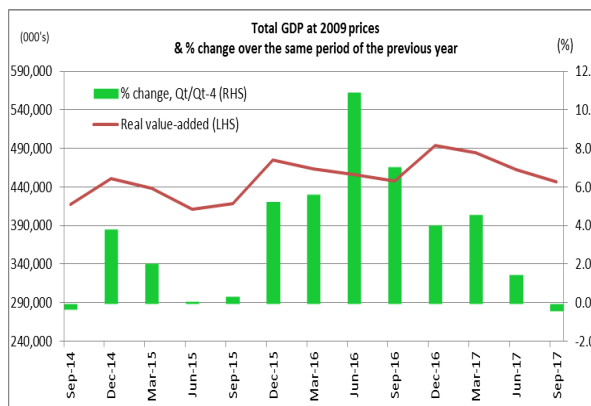


Chart 1 shows the trend in GDP at constant prices and the growth rates from September 2014 to September 2017 as measured by the percentage

change in real value added over the same quarter of the previous year (y-o-y). The decrease in the overall level of economic activity and the closing down of the YAZAKI plant after 26 years of operation in Samoa have impacted negatively on the economic performance in the September 2017 quarter. YAZAKI was one of the main contributors to the Other manufacturing industry.

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

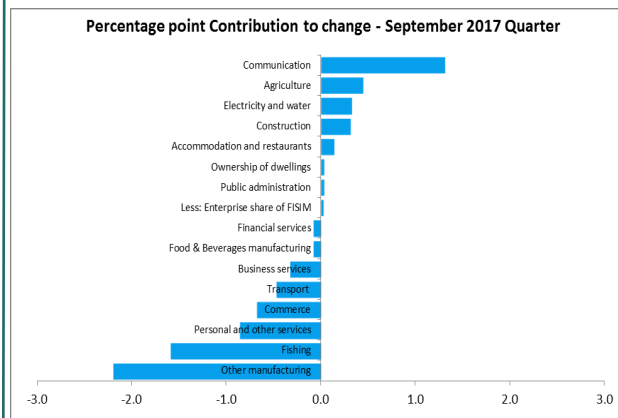


Chart 2 illustrates the percentage-point (pp) contributions of each industry to the overall growth rate of -3.7% in the September 2017 quarter. Industries that contracted in the period were Other manufacturing, Fishing, Personal & other services, Commerce, Transport, Business services, Food & beverage manufacturing and Financial services with respective contributions of -2.2, -1.6, -0.9, -0.7, -0.5, -0.3, -0.1 and -0.1 percentage points.

On the other hand, industries that made positive contributions to the economy were Communication, Agriculture, Electricity & Water, Construction and

# Overview cont'd

Accommodation & Restaurants with respective contributions of 1.3, 0.4, 0.3, 0.3 and 0.1 percentage points each.

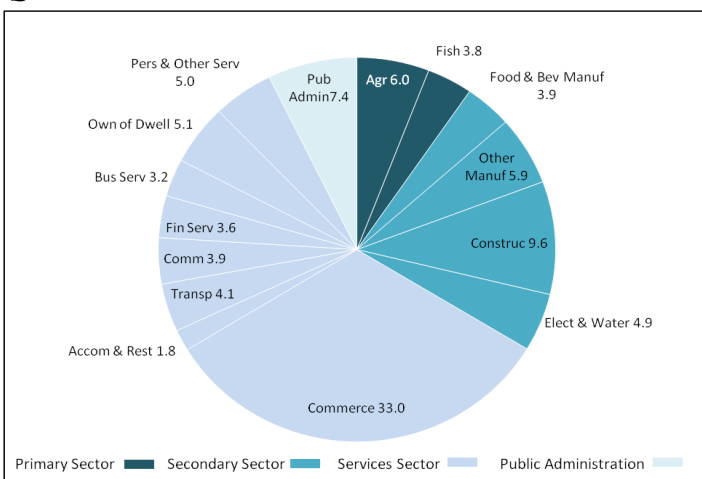
## GDP Levels (Nominal):

Gross Domestic Product at current market prices for the September 2017 quarter amounted to \$550 million, slightly down compared to the corresponding quarter of 2016. The industries that contributed mainly to this decrease were Other manufacturing, Food & Beverage manufacturing, Transport, Business services and Personal & other services.

## GDP Composition (Nominal):

The industry composition at current market prices for September 2017 is depicted in Chart 3. As shown, the Tertiary sector remains the largest industry with a share of 59.6% of total nominal GDP. This was an increase of 0.5% over the September 2016. The secondary sector was the second largest industry with a share of 21.7%, dropping its share by 0.9%. The decrease in the sector's share was mainly due to the decline in the share of the Manufacturing industries. The Primary Sector's share went up by 0.2% compared to Sep-

**Chart 3: Composition of GDP (Nominal), September 2017 Quarter**



tember 2016 with a share to total GDP of 10.9%. Public Administration contributed 7.8%, increasing slightly by 0.3% over September 2016.

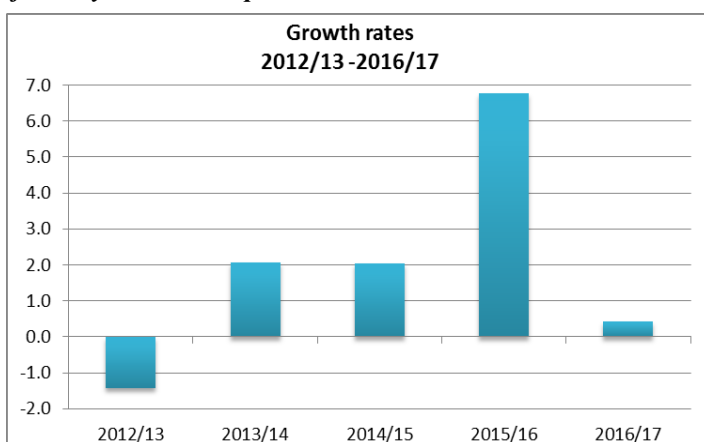
## Twelve Months Review: (October 2016 - September 2017)

GDP for the year ended September 2017 at current market prices stood at \$2,132.9 million, an increase of 2.4% over the year ended September 2016.

In terms of constant 2009 prices, value added was \$1,868.7 million, increasing by 0.4% compared to the year ended September 2016.

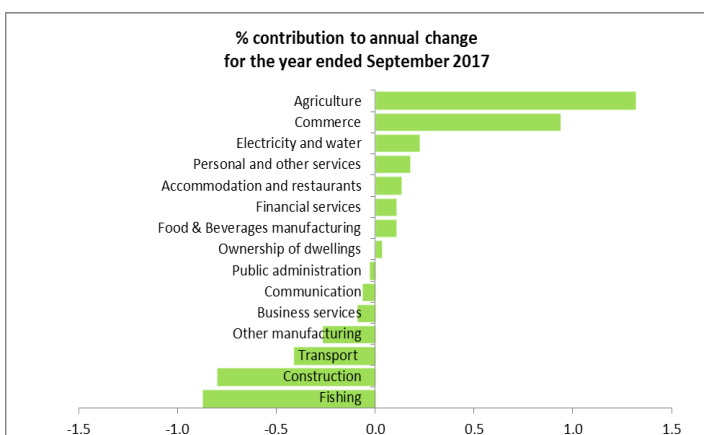
Chart 4 shows the y-o-y growth rates from 2012/13 to 2016/17 as measured by the percentage change over the previous year. Growth rates have been positive in the last four consecutive years 2013/14—2016/17 ranging from 0.4% to 6.8% following a negative growth of 1.4% in 2012/13.

**Chart 4: Percentage change in value added at constant prices, for the year ended September 2012/13 - 2016/17**



The positive performance in the year ended September 2017 was due to the favorable performances by most of the industries except for Food & Beverage manufacturing, Other manufacturing, Transport, Communication and Business services which recorded negative contributions of -0.2, -0.2, -0.3, -0.2 and -0.1 percentage points to overall growth of 0.4% in the year ended September 2017. Chart 5 shows the contributions of each industry to the overall increase of 0.4% in the year ended September 2017.

**Chart 5: Percentage-point contributions to change in real GDP by industry, for the year ended September 2017**

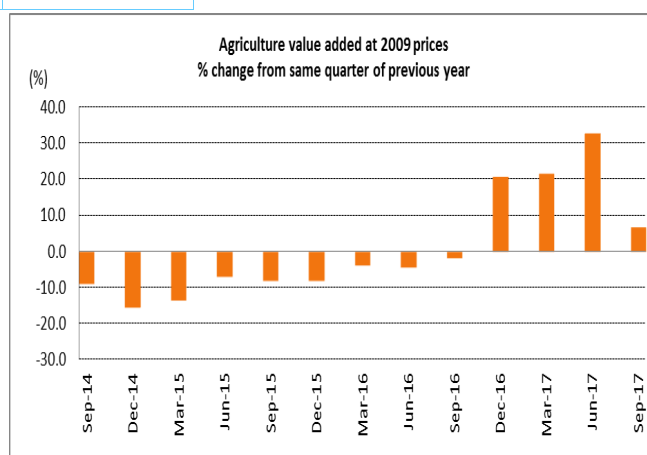


# Individual Industry Quarterly Performance

AGRICULTURE	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	42,042	42,531	42,761	0.5	1.7
Value added (constant 2009 prices) WST (thousands)	32,100	38,162	34,299	-10.1	6.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.1	2.1	0.4	<b>Chart 6: Percentage change in Agriculture real value added; Sep 2014— Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	7.6	8.3	7.8		

Agriculture produced a total value of \$34.3 million in real terms, increasing by 6.8% in the period under review. This makes it the fourth quarter of positive growth for the sector, contributing a 0.4 percentage points to overall growth in the period. The sector has a share of 7.8% to total nominal GDP.

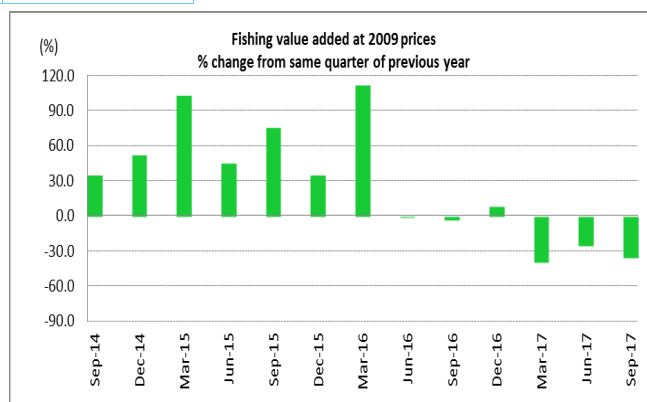
The sector's performance was consistent with the increase in quantities on many of the agricultural produce supplied to the markets such as Taro (up by 121%), Taamu (up by 60%), Coconut (up by 19%), Cucumber (up by 19%) and Tomatoes (up by 11%) compared to same quarter of previous year.



FISHING	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	17,129	14,287	17,328	21.3	1.2
Value added (constant 2009 prices) WST (thousands)	22,128	10,455	14,284	36.6	-35.5
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	-0.8	-1.6	<b>Chart 7: Percentage change in Fishing real value added; Sep 2014— Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.1	2.8	3.2		

The Fishing sector value added stood at \$14.3 million in the period under review, recording a notable decline of 35.5% compared to the corresponding period in 2016.

The decline in the industry's performance correlates with the drop in the volume of fish exported in the period by 36.1% compared to the same quarter of the previous year. Moreover, in-shore landing shows a significant decline of 45.0% in volume of fish being supplied to the markets in comparison to September 2016. The industry was amongst the negative contributors to GDP growth with a -1.6 percentage points contribution and a share of 3.2% of GDP.

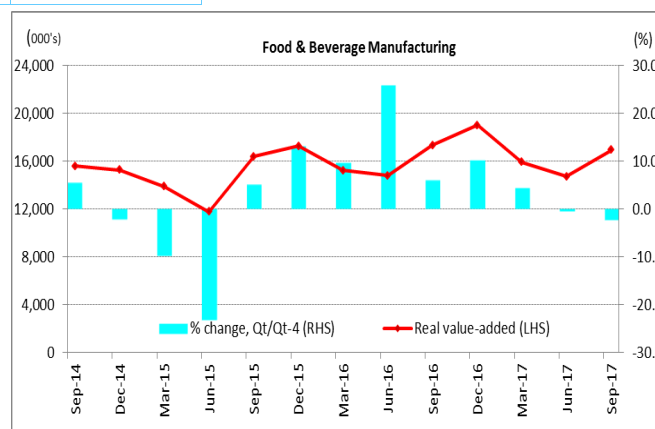


# Individual Industry Quarterly Performance

FOOD & BEVERAGE MANUFACTURING	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	21,291	17,760	19,709	11.0	-7.4
Value added (constant 2009 prices) WST (thousands)	17,339	14,701	16,924	15.1	-2.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.2	0.0	-0.1	<b>Chart 8: Food &amp; Beverage Manufacturing quarterly value added at constant prices &amp; % change over the same period of the pre- vious year; Sep 2014 — Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.9	3.5	3.6		

Food & Beverage manufacturing produced a total value added in real terms of \$16.9 million, registering a decrease of 2.4% when compared to September 2016. This makes it the second quarter of negative growth for the industry as can be seen on Chart 8. The industry contributed negatively by 0.1 percentage points to the overall growth in the period with a 3.6% share to total GDP.

The negative outturn by the industry reflects the decline in local production of food and beverages in September 2017 when compared to the same quarter of the previous year. Moreover, employment in the industry went down by 7.5% on a y-o-y basis. Its share to total GDP went down by 0.3% compared to September 2016.

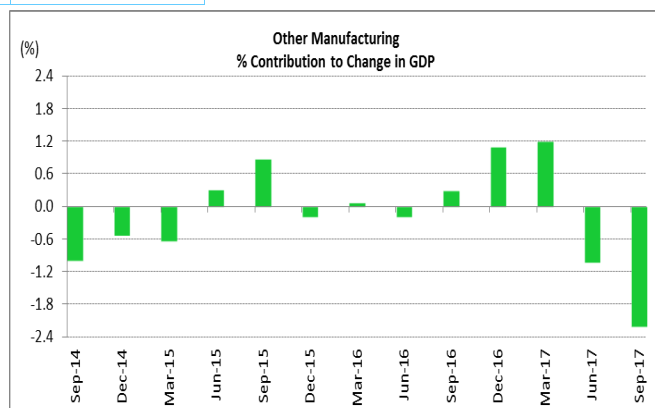


OTHER MANUFACTURING	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	34,734	25,301	23,659	-6.5	-31.9
Value added (constant 2009 prices) WST (thousands)	31,002	21,888	20,155	-7.9	-35.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-1.0	-2.2	<b>Chart 9: Contribution to change in Other Manufacturing real value added; Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	6.3	5.0	4.3		

In real terms, Other manufacturing recorded a total value of \$20.2 million in the period under review. It decreased by 35.0% on a y-o-y basis, registering a contribution of -2.2 percentage points to the overall growth in the period.

Other manufacturing's y-o-y performance was attributed to the downfall in the production of locally made products especially with the closure of one of the sectors main contributors namely YAZAKI Samoa which ceased operation in August 2017.

The industry's share to total nominal GDP dropped from 6.3% in September 2016 to 4.3% in September 2017.

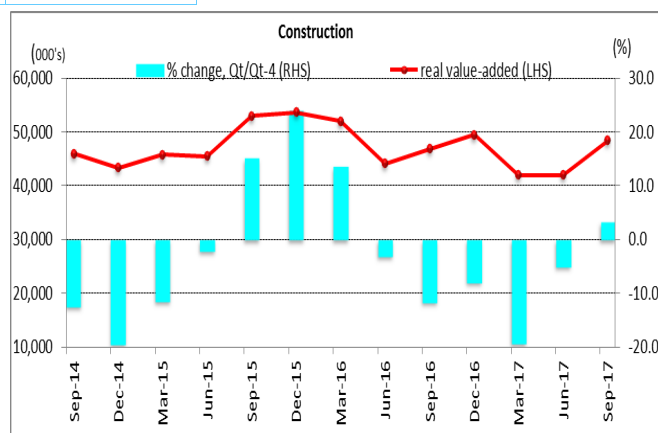


# Individual Industry Quarterly Performance

CONSTRUCTION	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	50,052	45,136	52,320	15.9	4.5
Value added (constant 2009 prices) WST (thousands)	46,856	41,934	48,400	15.4	3.3
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.3	-0.5	0.3	<b>Chart 10: Construction quarterly value added at constant prices &amp; % change over the same period of the previous year; Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	9.1	8.8	9.5		

Construction registered a growth in real value-added of 3.3% making it the first quarter of positive relapse from the previous five consecutive quarters of negative growth (which started in June 2016 ending June 2017). Total value added in the September 2017 quarter amounted to \$48.4 million.

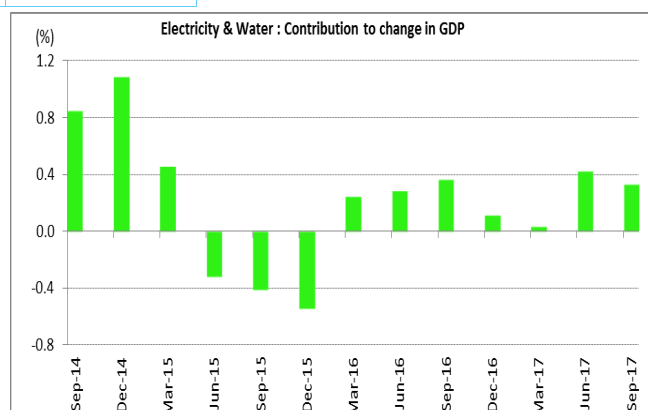
Major construction activities carried out in the period contributed to the industry's good performance in the period. Construction share to total nominal GDP increased by 0.4% to 9.5 percentage points over the September 2016 quarter.



ELECTRICITY AND WATER	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	18,166	22,238	23,561	6.0	29.7
Value added (constant 2009 prices) WST (thousands)	18,965	19,686	20,577	4.5	8.5
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.4	0.4	0.3	<b>Chart 11: Contribution to change in GDP at constant 2009 prices, Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.3	4.4	4.3		

Electricity & Water real value added stood at \$20.6 million, increasing by 8.5% on a y-o-y basis. This was translated into a contribution of 0.3 percentage points to the overall GDP growth. The industry has now recorded seven consecutive quarters of positive growth. The positive performance by the industry 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 nominal GDP went up by 1.0% in the period under review compared to September 2016 to 4.3 percentage points.

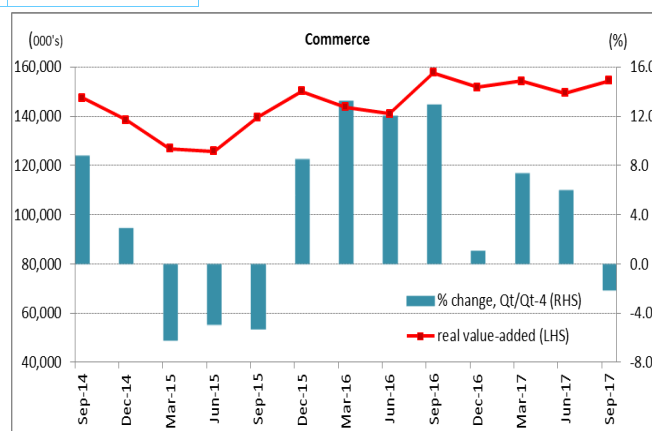


# Individual Industry Quarterly Performance

COMMERCE	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	173,551	167,491	175,697	4.9	1.2
Value added (constant 2009 prices) WST (thousands)	157,737	149,487	154,367	3.3	-2.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	3.8	1.9	-0.7	<b>Chart 12: Commerce quarterly real value added &amp; % change over the same period of the previous year; Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	31.5	32.8	31.9		

Commerce industry remains the largest contributor to the economy. In September 2017, the industry contributed negatively with a 0.7 percentage points to overall GDP growth. The industry total value added at constant prices stood at \$154.4 million, decreasing by 2.1% when compared to the September 2016 quarter. The decrease was expected considering the high value added recorded by the industry in September 2016.

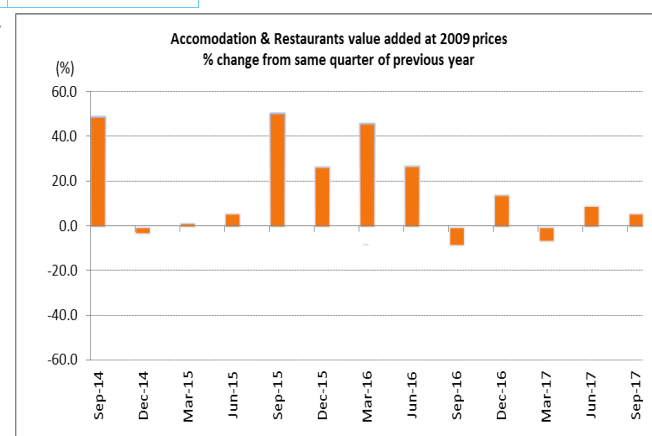
However, when compared to the June 2017 quarter, value added by the industry went up by 3.3%.



ACCOMMODATION AND RESTAURANTS	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	12,810	11,261	14,448	28.3	12.8
Value added (constant 2009 prices) WST (thousands)	11,648	9,959	12,342	23.9	6.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	0.2	0.1	<b>Chart 13: Accommodation &amp; Restaurants, percentage change in real value added over the same period of the previous year; Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal	2.3	2.2	2.6		

Accommodation & restaurant registered a real value added of \$12.3 million in constant prices in the September 2017 quarter, up by 6.0% compared to the same quarter of the previous year. On a quarter on quarter basis, the industry further went up by 23.9%. The positive performance by the industry correlates with an increase in the number of people employed in Accommodation by 0.5% compared to the same quarter of the previous year.

The industry contributed a positive 0.1 percentage point to the overall GDP growth and comprised a total share of 2.6% of aggregate nominal GDP.

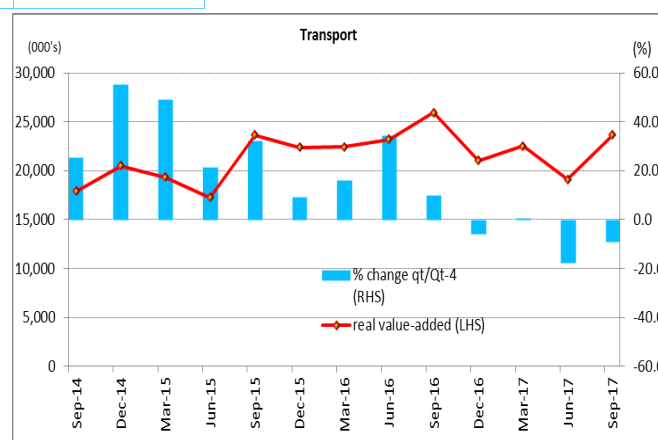


# Individual Industry Quarterly Performance

TRANSPORT	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	29,370	21,586	26,829	24.3	-8.7
Value added (constant 2009 prices) WST (thousands)	25,954	19,101	23,627	23.7	-9.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.5	-0.9	-0.5	<b>Chart 14: Transport quarterly growth rates with total value added at constant 2009 prices, Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	5.3	4.2	4.9		

Transport industry's value added in constant prices in September 2017 stood at \$23.6 million, dropping by 9.0% when compared to the September 2016 quarter. This was translated into a contribution of negative 0.5 percentage points to the overall GDP growth. This makes it the second consecutive quarter of negative growth for the industry.

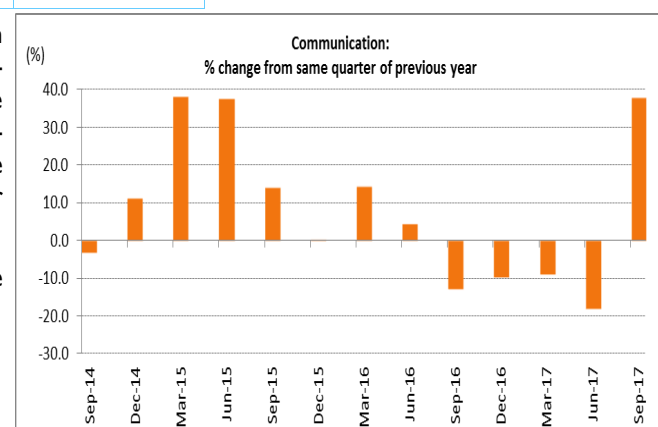
The notable decline in the sectors performance was mainly due to the unfavorable performance by air transport.



COMMUNICATION	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	20,259	20,338	26,867	32.1	32.6
Value added (constant 2009 prices) WST (thousands)	17,113	17,832	23,576	32.2	37.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.5	-0.9	1.3	<b>Chart 15: Communication percentage change in real GDP from the same quarter of the previous year, Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	3.7	4.0	4.9		

Communication real value added increased by 37.8% on a year on year basis. This makes it the first quarter of positive growth following four consecutive quarters of negative growth within the industry since September 2016. The industry contributed a positive 1.3 percentage points to overall growth, increasing its share to total GDP from 3.7% in September 2016 to 4.9% in September 2017.

When compared to the previous quarter, the industry's real value added went up by 32.2%.

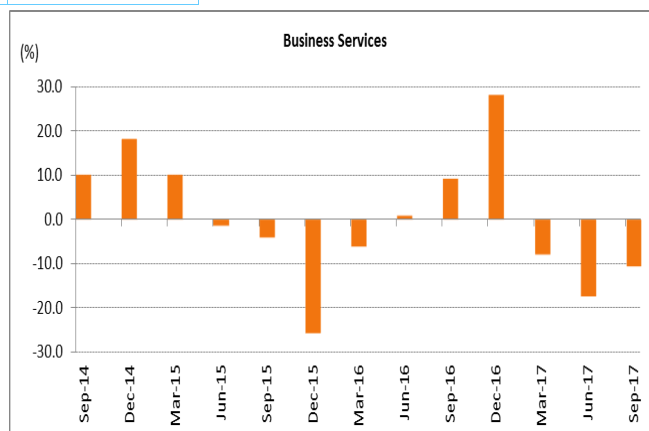


# Individual Industry Quarterly Performance

BUSINESS SERVICES	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	15,239	10,309	13,741	33.3	-9.8
Value added (constant 2009 prices) WST (thousands)	15,646	10,389	14,012	34.9	-10.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-0.5	-0.3	<b>Chart 16: Business Services, % change in value-added at constant 2009 prices from Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	2.8	2.0	2.5		

Business Services generated a total value added of \$14.0 million at constant 2009 prices in the period under review. It decreased by 10.4% compared to its outturn in the same quarter of the previous year. The industry was amongst the negative contributors to the overall GDP growth with a contribution of -0.3 percentage points.

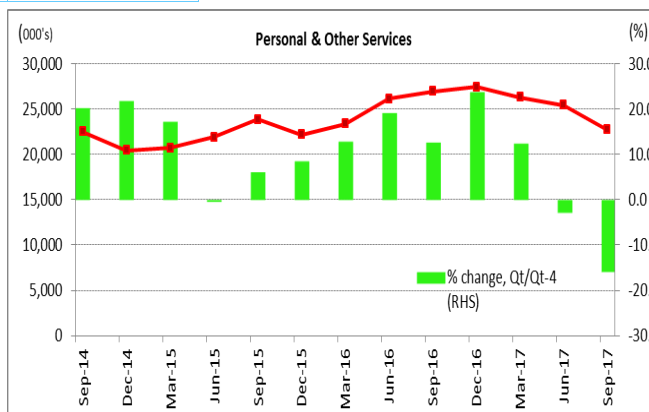
However, comparison of the period under review and June 2017, it shows a positive growth in value added of 34.9%.



PERSONAL & OTHER SERVICES	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	29,525	28,068	25,231	-10.1	-14.5
Value added (constant 2009 prices) WST (thousands)	26,910	25,413	22,676	-10.8	-15.7
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.6	-0.2	-0.9	<b>Chart 17: Personal &amp; Other Services quarterly value added at constant prices &amp; % change over the same period of the previous year; Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	5.4	5.5	4.6		

The industry recorded a decrease of 15.7% in real value added compared to the corresponding period of 2016 making it the second consecutive quarter of negative y-o-y performances. As it stood, the industry's value added at constant price was \$22.7 million.

Personal & other services was amongst the negative contributors to overall GDP growth recording a contribution of -0.9 percentage points. The industry's share to total GDP declined by 0.8% compared to September 2016 quarter.

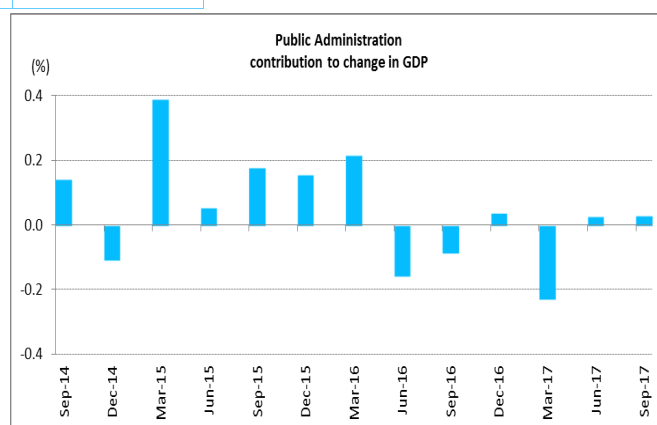


# Individual Industry Quarterly Performance

PUBLIC ADMINISTRATION	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	41,432	42,392	42,836	1.0	3.4
Value added (constant 2009 prices) WST (thousands)	32,740	32,846	32,882	0.1	0.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	0.0	0.0	<b>Chart 18: Contribution to % change in Public Administration real value added from the same quarter of the previous year, Sep 2014 – Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	7.5	8.3	7.8		

In real terms, Public Administration increased both on a year-on-year basis and quarter-on-quarter basis by 0.4% and 0.1% respectively. The industry's total value added at constant prices amounted to \$32.9 million in September 2017.

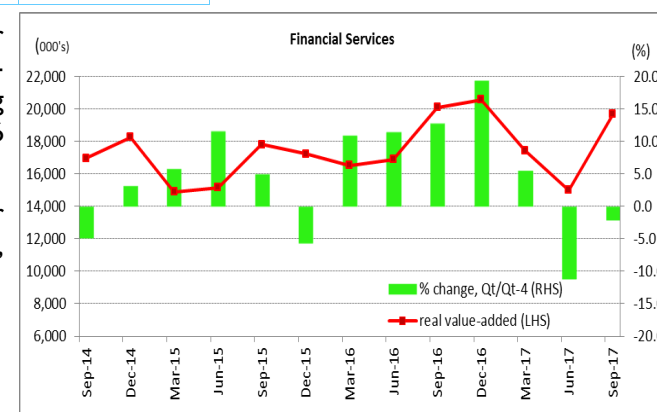
In nominal terms, the industry recorded an increase of 3.4% with a value added of \$42.8 million. This reflects the 3.9% increase in wages for the industry.



FINANCIAL SERVICES	GDP Sep 2016 Quarter	GDP Jun 2017 Quarter	GDP Sep 2017 Quarter	% change from Jun 2017 quarter (q-o-q)	% change from Sep 2016 quarter (y-o-y)
Value Added (current prices) WST (thousands)	26,901	22,235	26,990	21.4	0.3
Value added (constant 2009 prices) WST (thousands)	20,091	15,008	19,684	31.2	-2.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.5	-0.4	-0.1	<b>Chart 19: Financial Services value added at constant prices &amp; % change over the same period of the previous year; Sep 2014 — Sep 2017</b>	
Contribution to aggregate nominal GDP: <i>percent</i>	4.9	4.4	4.9		

Financial services real value added went down by 2.0% on a year on year basis. Value added at constant 2009 prices for the industry stood at \$19.7 million for the quarter under review dropping from its outturn of \$20.1 million recorded in the September 2016 quarter.

The year on year performance reflects the lack 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 sixteenth 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](http://www.sbs.gov.ws).

## REVISIONS

This update incorporates minor revisions to estimates of value-added for the June 2017 quarter. The revision to the Accommodation & restaurant and Agriculture sector was due to the availability of revised numbers in visitors arrivals and market survey of agriculture products. This publication is subject to revisions in the next publication pending the availability of revised numbers from the sources.

## 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 this year, so further revisions are to be expected once the Rebasing takes place. This will incorporate the latest available information from the year 2013 such as the Household Income and Expenditure Survey, the Business Activity Survey and other benchmark information. Initial work has already been conducted to ensure a smooth transition in the Rebasing Period.



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

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