



Samoa Bureau of Statistics

GDP (Expenditure)

Annual Analysis - 2024

Overview

GDP Expenditure at constant prices is compiled and published with 2013 as the base year on an annual basis.

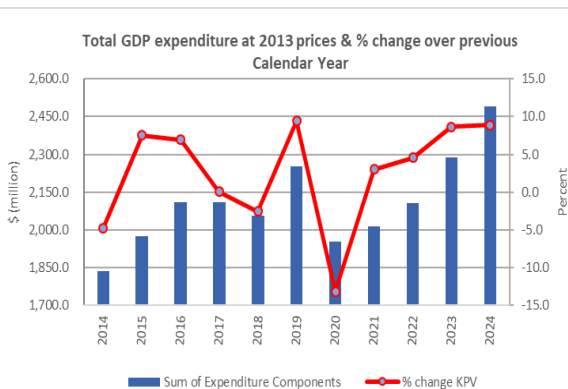
2013 = 100

Special points of interest:

- GDP at Current Prices (nominal) - **WST \$3,567.9million**
- GDP(E) at Constant 2013 Prices (real) - **WST \$2,486.0 million**
- GDP(E) Growth: **8.8%**

GDP Expenditure Growth:

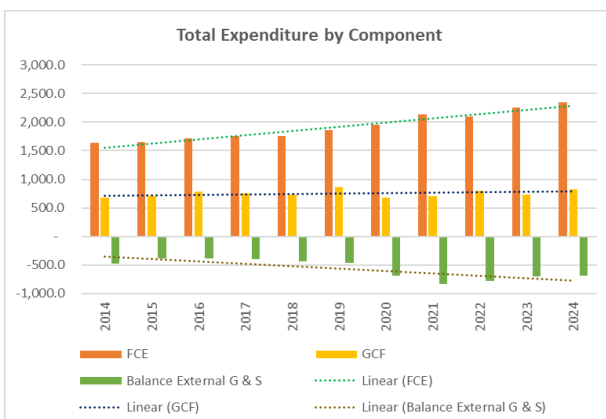
Gross Domestic Product (GDP) by Expenditure in constant 2013 prices for the calendar year 2024 went up by 8.8% when compared to the calendar year 2023. Total sum of expenditure components at constant prices stood at \$2,486.0 million (approximately \$2.49 billion), while in nominal terms, GDP expenditure amounted to \$3,567.9 million (approximately \$3.57 billion). Chart 1 shows GDP expenditure at constant prices for the last ten years with their year-on-year (y-o-y) growth rates.



Total GDP expenditure of \$3,567.9 million (\$3.57 billion) in nominal terms was recorded for the calendar year 2024. It went up by 15.9% compared to the previous year. This overall growth corresponds with consistent increases across all components of expenditure during the period under review.

Final Consumption Expenditure (FCE)

Chart 2: Total GDP expenditure at constant prices by

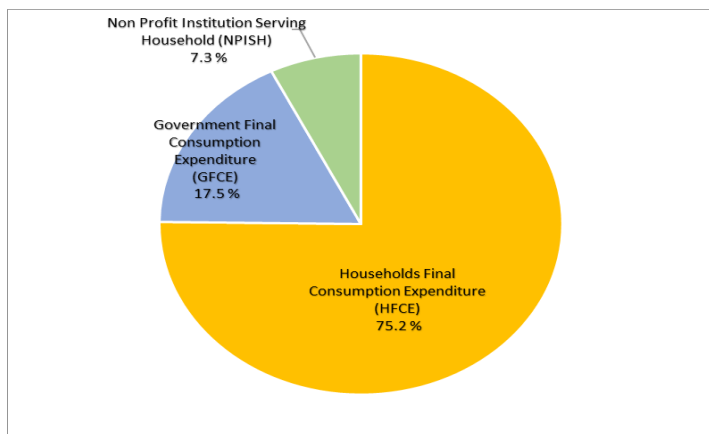


Final Consumption Expenditure (FCE) accounts for spending on goods and services primarily used to directly satisfy individual needs (consumption). On an annual basis, FCE totaled \$2,350.8 million in constant terms for the year 2024, reflecting a 4.5% increase compared to the \$2,249.1 million recorded in 2023. Non-Profit Institutions Serving Households (NPISH) experienced the highest growth, posting a significant increase of 23.8% compared to 2023. This was followed by Government Final Consumption Expenditure (GFCE), which recorded a notable rise of 12.1% during the same period. In contrast, Household Final Consumption Expenditure (HFCE) exhibited a more modest growth of 1.4%. This increase was driven by higher expenses in categories such as restaurants and hotels, communication, recreation and culture, transport, housing, electricity, gas and water, alcoholic beverages, tobacco, and narcotics, as well as non-food items.

Inside this issue:

Overview	1	The main components of total expenditure include Final consumption Expenditure (FCE), Gross Capital Formation (GCF), and the Balance on External Goods and Services, as illustrated in Chart 2 below. GCF experienced a positive growth of 11.3%, rising from \$733.2 million in the previous calendar year to \$816.3 million for the calendar year 2024. This increase was primarily driven by Acquisitions less Disposals of valuables, highlighting their pivotal role in boosting investment activity. Similarly, FCE demonstrated steady progress, also achieving a positive growth rate of 4.5%. In contrast, Net Exports registered a decline during the reviewed year, reflecting challenges in external trade performance. .
GDP(E) Growth	1	
Final Consumption Expenditure (FCE)	1	
Gross Capital Formation (GCF)	2	
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Chart 3: Final Consumption Expenditure Composition 2024 (2013=100)



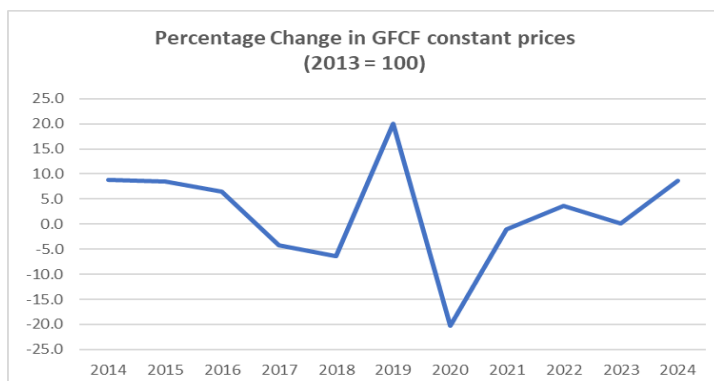
In the calendar year 2024, Final Consumption Expenditure (FCE) in constant terms was made up of 75.2% Household Final consumption Expenditure (HFCE), 17.5% Government Final consumption Expenditure (GFCE), and 7.3% Non-Profit Institutions Serving Households (NPISH), as shown in Chart 3.

Nominal FCE for the year 2024 totaled \$3,171.1 million (\$3.2 billion), representing a 11.9% increase compared to the previous year, 2023. The largest contribution to this growth came from Government Final Consumption Expenditure, which rose by 42.7% reaching \$685.5 million compared to \$480.3 million in 2023. HFCE and NPISH also recorded notable increases of 18.3% and 4.1%, respectively, for the year under review.

Gross Fixed Capital Formation (GFCF)

Total Gross Capital Formation (GCF) amounted to \$739.6 million in constant terms, reflecting a growth of 8.3% compared to \$682.9 million recorded in 2023. Chart 4 highlights the percentage change

Chart 4: Gross Fixed Capital Formation



in Gross Fixed Capital Formation (GFCF) in real terms, showing signs of recovery from the prolonged effects of the Covid-19 pandemic.

Gross Fixed Capital Formation (GFCF), also known as investment, refers to the acquisition of produced assets, such as construction,

durable equipment, and cultivated resources. In 2024, GFCF increased by 8.3% compared to 2023, with durable equipment making up nearly half of GFCF, rising by 15.5%. GFCF accounted for 90.6% of total GCF, while construction, contributing more than half of GFCF, grew modestly by 1.9% during the reviewed year. Inventories showed a substantial increase of 48.5% compared to 2023; however, they accounted for only 9.1% of total GCF.

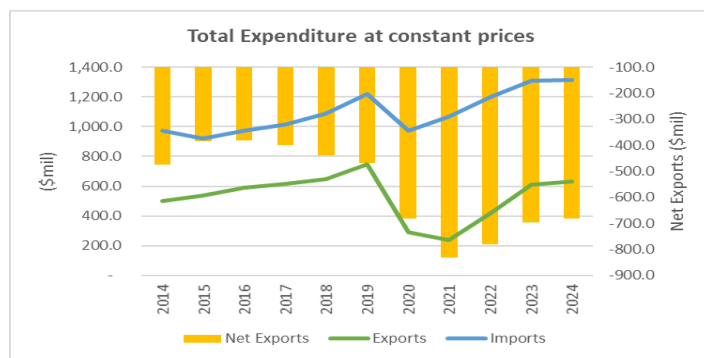
In nominal terms, GFCF reached \$994.0 million in 2024, recording a 10.6% increase from the \$898.4 million recorded in 2023. Changes in inventories also posted a remarkable growth of 48.8% for the calendar year under review.

Balance on External Goods and Services

The Balance on External Goods and Services, also known as net exports, measures the difference between a country's exports and imports of goods and services over a 12-month period. In 2024, net exports amounted to -\$681.1 million in constant prices.

As shown in chart 5, total imports increased in 2024, with expenditure in constant terms reaching \$1,314.6 million (\$1.3 billion)- a slight rise of 0.5% compared to 2023. Merchandise goods made up the majority of imports at 76.3%, while services accounted for 23.7%. Total exports in real terms also went up in 2024, to \$633.5 million; a 3.5% increase compared to the previous year. With normal business operations resuming, the country is gradually rebuilding its export activities and services.

Chart 5: Balance on External Exports & Imports of Goods at Services (2013 = 100)



GDP EXPENDITURE FRAMEWORK

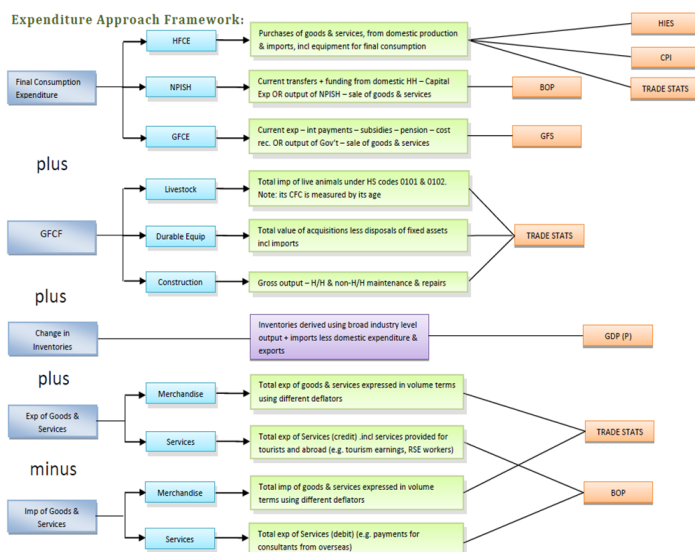
Background Information

Overview

The Samoa Bureau of Statistics has compiled and for the first time this quarter published Gross Domestic Product by Expenditure approach on an annual basis or calendar year for December 2021. This initiative was an ongoing development within the Finance Statistics Division (FSD) from the beginning; data has been collected and compiled adopting international statistical best practices as specified by the United National Statistical Division (UNSD). There are three main methods used to compile GDP namely 1) production approach, 2) expenditure approach and 3) income approach. Production and Expenditure approaches are the most commonly used approaches in compiling GDP within an economy.

Calculation of GDP using the expenditure approach combines consumption, government spending, investment and net exports. Essentially, the expenditure approach dictates that everything the both the private sector and government spend within a country must add up to the total value of all finished goods and services produced in a certain period of time or in our case within a calendar year.

There are four main aggregate expenditures that go into calculating GDP (Expenditure) namely Final Consumption Expenditure, Gross Fixed Capital Formation, Net Exports (Exports less Imports) and Inventories. The Expenditure Approach Framework adopted to calculate GDP (E) is illustrated here below:



Main Expenditure Components of GDP:

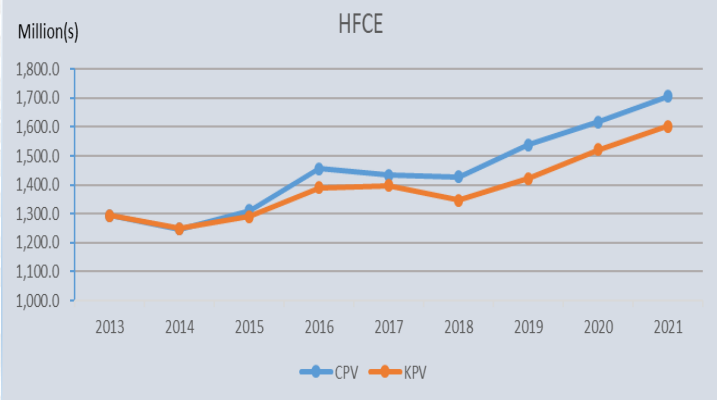
Household Final Consumption Expenditure (HFCE)
 Government Final Consumption Expenditure (GFCE)
 Non-Profit Institution Serving Households (NPISH)
 Gross Fixed Capital Formation (GFCF)
 Changes in Inventories
 Exports of Goods and Services
 Imports of Goods and Services

Methodology

1) Household Final Consumption Expenditure (HFCE)

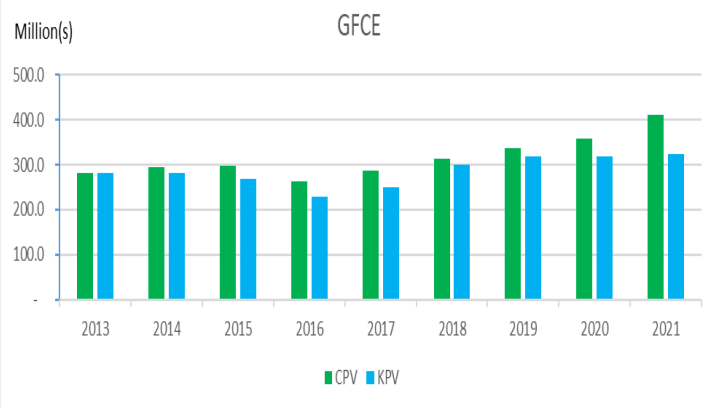
- The HFCE component of GDP E comprehends of various numbers of quantity with value and volume indicators that has been used to ex-

trapolate the 2013 benchmark estimates forward to produce quarterly estimates for both CPV and KPV. Data used to develop these indicators were validated from the 2011 to 2016 Census, 2013\2014 HIES and other Government administrative data. The indicators used to extrapolate the CPV estimates was measured by inflating the constant price estimates using CPI price indices at COICOP level.



2) Government Final Consumption Expenditure

- Government final consumption expenditure are directly sourced from the detailed Government finance report compiled by the Government Finance Statistics Unit. The CPV estimate includes total Output from compensation of employees (wages and salaries), consumption of fixed capital, governments use of goods and services and FISIM less; own account capital formation less; sales of goods and services plus transfers in-kind. KPV estimates of GFCE are compiled by deflating the CPV estimates for purchases of goods and services by the HFCE implicit price deflator.

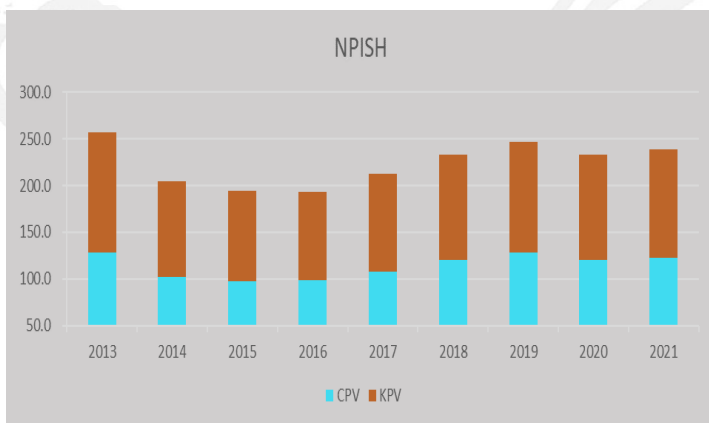


3) Non-Profit Institutional Serving Household (NPISH)

- NPISH final consumption expenditure measure non-government organizations financing. Benchmark estimates based on the 2013 HIES data on donations and gifts given by households to charities, religious organizations and for community projects, extrapolated forward using the household formation growth rate. The resulting CPV estimates of current expenses/output are deflated using all items CPI to derive the KPV estimates.

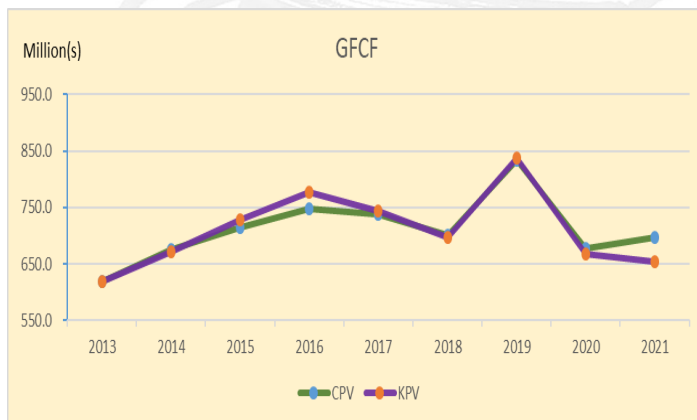
GDP EXPENDITURE FRAMEWORK

Background Information



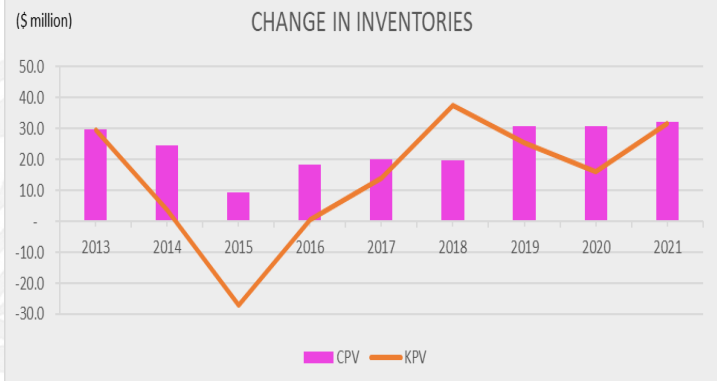
4) Gross Fixed Capital Formation (GFCF)

- CPV estimates for GFCF was based on supply-side estimates of construction materials sourced from the BOP data from CBS, durable equipment derived from adjusting the custom value of imports at the 2digit HS level for the relevant import duties, goods and services tax and trade margins, then added to the informal sector production. Imports data on construction materials, machinery and equipment, furniture and transport equipment. KPV estimates are derived by deflating the CPV estimates using a composite index of CPI building materials price indexes, weighted using 2013 import values. KPV estimates for local building materials are derived by applying local to imported content ratios based on 2013 HIES data for construction of private dwellings.



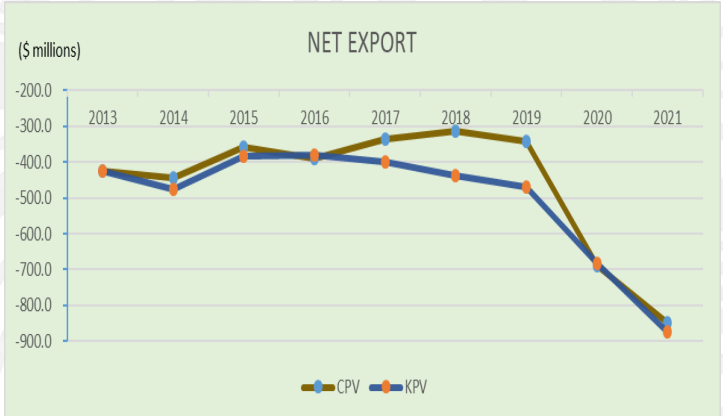
5) Changes in Inventories

- Data used to measure the changes in inventories derived from the VAGST Mainfile data, Livestock and Construction data from GDP P. CPV estimates are calculated by adding stock change for raw material, livestock Inventory, Construction raw materials and changes in stock. CPV and KPV estimates for changes in manufacturing output and work process, the GDP-P manufacturing output data and deflators, and VAGST sales data are used.



6) Exports & Imports of Goods and Services

- Merchandise and services data is sourced from the Export and Import data from CBS and our Trade statistics Unit. CPV estimates for exports and Imports of goods and services are aligned with BOP estimates.
- KPV estimates are derived by deflating the CPV estimates of goods exports and imports at the 2-digit HS level. Detailed BOP services items and debits using the closest proxy CPI price indexes.



GDP EXPENDITURE FRAMEWORK

Background Information

INTRODUCTION

The compilation of national accounts statistics using the expenditure approach 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 annual GDP report at expenditure approach is the first of the annual series of GDP estimates at constant and current prices using the expenditure approach. This report is an ongoing publication and can also be downloaded from our website 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 and expenditure approach**. The expenditure approach measures the total value of all final goods and services purchased in an economy over a set period of time. That includes all consumer spending, government spending, business investment spending and net exports.

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.

- Final Consumption Expenditure (sub-categorized into Households, General Government and Non-Profit Institutions Serving Households);
- Gross Capital Formation (sub-categorized into Gross Fixed Capital Formation, Changes in Inventories and Acquisitions less Disposals of Valuables); and
- Balance on External Goods and Services (sub-categorized into Exports and Imports of Goods and Services)

REVISIONS

The GDP numbers are subject to revisions in the next publication pending the availability of revised numbers from the sources on an annual basis.



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

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