



Samoa Bureau of Statistics

National Accounts Aggregates

Annual Analysis - 2021

Introduction:

This publication presents a summary of the principal national accounting aggregates at current prices based on official national accounts data compiled, published and disseminated for Samoa on an annual calendar basis. Data is primarily available in the form of analytical tables and charts. There are many levels of National Accounts Aggregates as presented in annex tables attached. For the purposes of maintaining the highest level of accuracy, this brief analysis will focus on three main aggregates namely, Gross Domestic Product (GDP), Gross National Income (GNI) and lastly Gross National Disposable Income (GNDI).

The main purpose behind accumulating national accounts statistics on a more aggregated level is to assist the Government, stakeholders, users, producers and the public at large in making informed, realistically based and factual planning for the development of the economy within the Independent Nation of Samoa.

National Accounts Aggregates

Chart 1: Trends of Annual National Accounts Aggregates

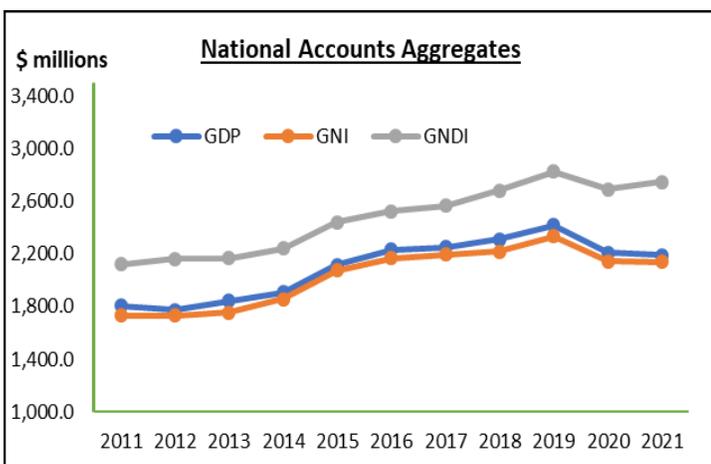


Chart 1 shows the level of the three main National Accounts aggregates within the economy of the nation. The trend throughout the years are the same, however, it's individual levels differ with

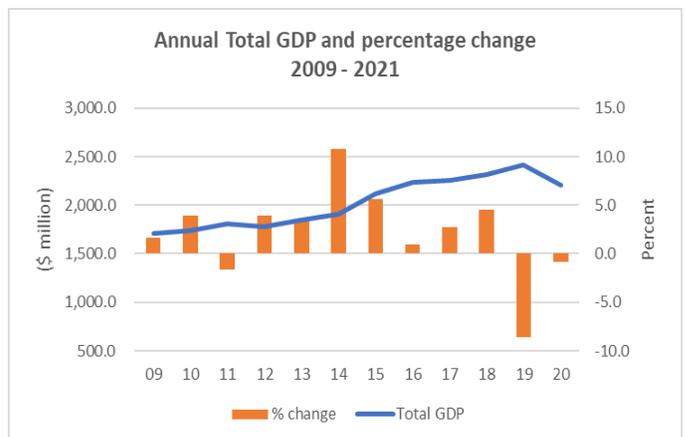
Gross National Income being at the lowest level followed by GDP and Gross National Disposable Income (GNDI) at the highest level. The level of progression of these aggregates have slowly increased throughout the years devoid of any significant change caused by events which have happened within these 12-month periods.

Gross Domestic Product (GDP):

Gross Domestic Product for the year 2021 recorded a total value added of \$2,191.2 (or \$2.19 billion); this translated to a 0.8% decline in GDP compared to the year 2020 which recorded a total value of \$2,209.6 million (or \$2.21 billion).

The year under review is the second consecutive year GDP has recorded a decline in current terms. The only other annual period which recorded negative growth was in 2012. The current situation regarding the Covid-19 global pandemic has evidently affected the economy of Samoa within the years of negative economic growth.

Chart 2: National Accounts Aggregates - GDP



The economic wealth of the country is suffering due to the pandemic and accompanying national restrictions applied to protect and keep the country safe from the effect of the Covid-19. Travel

restrictions have been enforced since the Government first declared a State of Emergency due to the emergence of the measles outbreak that has affected many and even caused deaths mainly in children towards the end of 2019. This was later followed by countless lockdowns to keep the country protected against Covid-19 in the beginning of the year 2020. All these factors contributed to the decline in the performance of the economy during the two (2) recent years.

Gross National Income (GNI)

Secondly, Gross National Income (GNI) is made up of Gross Domestic Product plus Primary Income less Primary Income. Primary Income includes Compensation of Employees (COE), Investment Income and Other Income. GNI includes incomes generated in another country but are accrued to the economy at state and vice versa. Gross National Income for the year 2021 recorded a total value of \$2,139.0 (or \$2.14 billion) for the calendar year 2021. Investment Income is the sub-component that contributed most to the decline in GNI; compensation of employees and other income however were fairly minimal in value.

Chart 3: Percentage Change in Gross Domestic Product and Gross National Income, 2009 - 2021

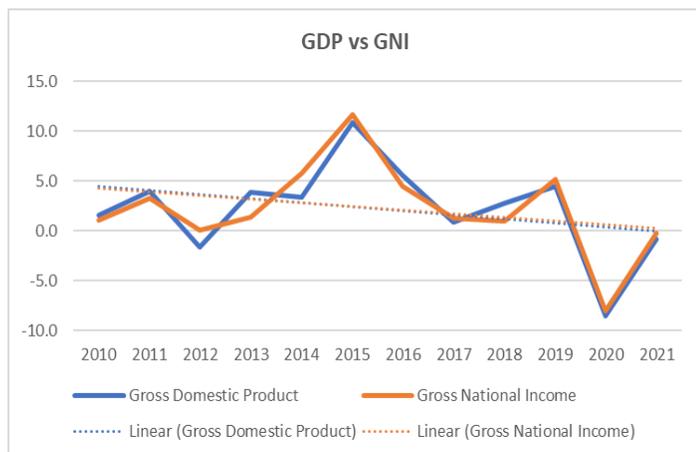


Chart 3 above shows GDP and GNI growth rates as measured by the percentage change on an annual basis. GNI like GDP has also declined for two consecutive years by 0.3% and 8.1% in the calendar years 2021 and 2020 respectively. Both measures have fluctuated a lot during this eleven year period with an overall downward trend in both these measures of economic growth. Both measure have peaked in 2015 and have also both reached its lowest in the previous calendar year 2020.

Compensation of Employees (net) and Other Primary Income (net) also contribute to the calculation of GNI; its levels however are not significant as included in accompany tables attached in appendix. The GNI level relative to GDP also reflects the contri-

bution of foreign direct investment in Samoa, where transfer payments remit back to mother companies recorded in the Balance of Payments debits.

Gross National Disposable Income (GNDI)

Gross National Disposable Income is a result of Gross National Income plus Transfer Income less Transfer Income paid. GNDI as stated in the SNA 2008 (p.35) *measures the income available to the total economy for final consumption and gross saving*. The Gross National Disposable Income, includes net factor income that is captured by GNI and remittances or current transfers. This in totality provides a better view of the income available to a country's residents. GNDI for the calendar year 2021 recorded a total value of \$2,745.4 million (or \$2.75 billion); it went up by 2.1% compared to the year 2020. GNI which recorded a negative growth conversely improved due to the increase of current transfers alone by 11.4%.

Chart 4: GNDI Components 2010 - 2021

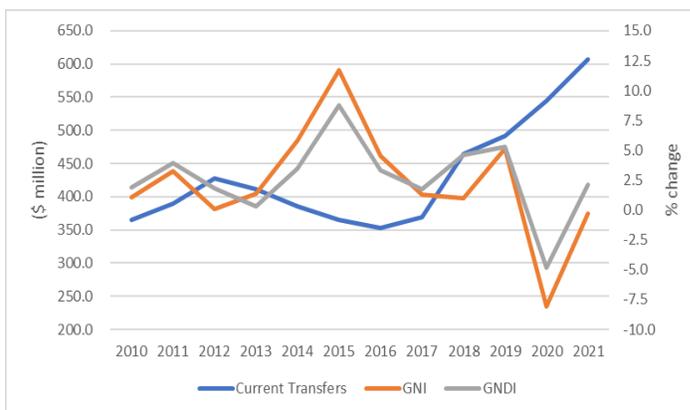


Chart 4 shows the Gross National Disposable Income and its components which are GNI and current transfers. As shown, the percentage change for GNI on annual basis was at 0.3%; however, after adding in transfers improved significantly resulting in a positive growth overall for GNDI.

Current Transfers better known as remittances received from abroad through relatives, friends has increased rapidly in the previous years. It recorded a total value of \$606.4 million for 2021 compared to the \$544.5 million acquired in the year 2020. This rapid increase in current transfers into the county is a strong indicator of the contribution made by locals who have travelled abroad under Seasonal Employment Schemes to New Zealand and Australia better provide financially for families. For more than 6 years, current transfers has increased significantly thus improving the level of GNDI as a whole.

NATIONAL ACCOUNTS AGGREGATES FRAMEWORK

Background Information

INTRODUCTION

The compilation of national accounts aggregates 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. These main aggregates and its components are among the most significant indicators of the state of any economy. 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 National Accounts Aggregate analysis is the first of the annual series of estimates on this level. This report is an ongoing publication and can also be downloaded from our website www.sbs.gov.ws.

ABOUT NATIONAL ACCOUNTS MEASURES

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.

National Accounts Aggregates: The Bureau in its endeavor to provide quality statistics on a higher level to assist the Government and country in making informed decisions, data-based planning and sound policy making have compiled these statistics. Following international guidelines and recommendations provided and put in place have produced national aggregates for the first time. 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.

- Gross Domestic Production;
- Gross National Income (sub-categorized into Compensation of Employees, Investment Income and Other Primary Income);
- Gross National Disposable Income (sub-categorized into Cur-

rent Transfers);

- Gross National Savings (including Household FCE, General Government FCE and NPISH-FCE);
- Changes in Net Worth due to Saving and Capital Transfers (including Capital Transfers net); and
- Net Lending / Net Borrowing (-) (including Gross Fixed Capital Formation, Changes in Inventories, Acquisitions less Disposals of Valuables and Acquisitions less Disposals of Non-produced Non-financial assets).



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

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