



Samoa Bureau of Statistics

Gross Domestic Product

March 2022 Quarter

Overview

4th Jul 2022



GDP using Production Approach is now compiled at GDP at basic prices replacing GDP at market prices. Base year remains at 2013.

2013 = 100

Special points of interest:

- **GDP Growth -**
-7.8%
- **GDP at Constant 2013 Prices (real) - WST \$464.0 million**
- **GDP at Current Prices (nominal) - WST \$534.0 million**

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Economic activity, as measured by Gross Domestic Product (GDP) went down by 7.8% in the March 2022 quarter, recording total GDP in real terms of \$464.0 million. GDP continues to drop making this quarter the third quarterly decline starting from the September 2021 quarter. This follows growth rates of -3.2% and -2.8% in the December and September quarters respectively. The economy continues to decline due to the impacts of the Covid-19 pandemic affecting economic activities within the March 2022 quarter in terms of international travel restrictions, global control measures and national lockdown. The pandemic has directly affected most sectors of the economy with retailing and wholesaling activities, service ventures incidental to transport, construction activities and manufacturing of products being the hardest hit this quarter.

GDP Growth:

Gross Domestic Product for the **March 2022 Quarter** at constant 2013 basic prices amounted to \$464.0 million, decreasing by 7.8% compared to the March 2021 quarter. This follows growth rates of -3.2% and -2.8% in the December and September 2021 quarters respectively.

Chart 1: Total GDP at constant prices & growth rates, June 2017 - March 2022

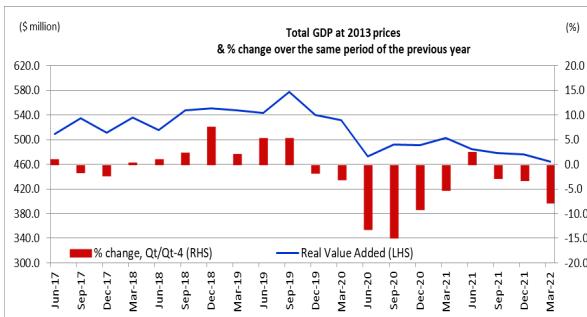


Chart 1 shows GDP at constant prices from June 2017 to March 2022 and the year-on-year (y-o-y) growth rates as measured by the percentage change on the

same quarter of the previous year. The economy recorded three consecutive quarters of negative growth reflecting the impact of the on-going restrictions on the Covid-19 pandemic for the country as a whole. As a result, services industries which make up more than 70 percent of the economy fell by 4.7 percentage while primary industries went down by 5.1 percentage. On the other hand, Goods-producing industries increased by 1.4 percentage in March 2022 on a year on year basis.

Chart 2: Percentage-point contributions to GDP growth by industry; March 2022 Quarter

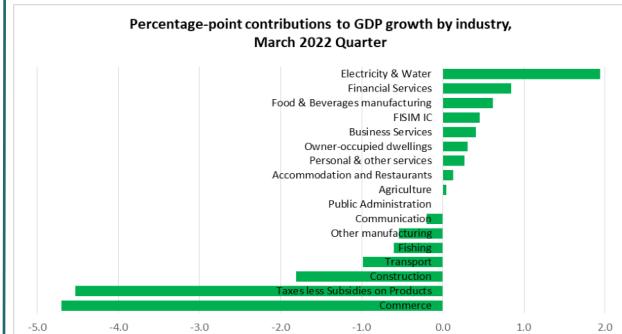


Chart 2 above indicates the percentage-point (pp) contributions of each industry to the overall growth of -7.8% in the March 2022 quarter. The largest contributors to this decline were from Commerce, Construction, Transport, Fishing and Other manufacturing with respective contributions of -4.7pp, -1.8pp, -1.0pp, -0.6pp and -0.5pp to the overall growth of -7.8% within the March 2022 quarter. Also noteworthy is the significant decline recorded for taxes and subsidies on products for the March 2022 quarter of -4.5pp to total growth.

The Commerce industry was the main contributor to the decline in GDP making this quarter the fifth consecutive negative growth for the industry. Wholesaling activities related to food, beverages, construction materials, liquid and gaseous products declined in the period under review.

Overview cont'd

Construction was the second biggest contributor to the overall decline this quarter; it went down by 33.6% compared to March 2021 due to the decline in exported products throughout the reviewed quarter. Its performance has not improved since the global economy was affected by the Covid-19 pandemic. Ease in lockdown conditions was not significant enough to counter the negative effects on all activities pertaining to this industry. Price growth on construction materials is another factor contributing to the deceleration of growth within the Construction industry.

Conversely, some of the industries that performed positively in the March 2022 quarter included Electricity and Water, Financial services and Food and Beverage manufacturing with respective contributions of 1.9 pp, 0.8 pp and 0.6 pp respectively to overall growth.

GDP Levels (Nominal):

Gross Domestic Product at current prices for the **March 2022 quarter** amounted to \$534.0 million. It went down by 2.1% compared to the corresponding quarter of 2021. This is the first quarter of negative growth following three consecutive quarters of positive growth in nominal terms. GDP per capita went down by 2.9% compared to March 2021.

Chart 3: Composition of Nominal GDP, Mar 2022 Quarter

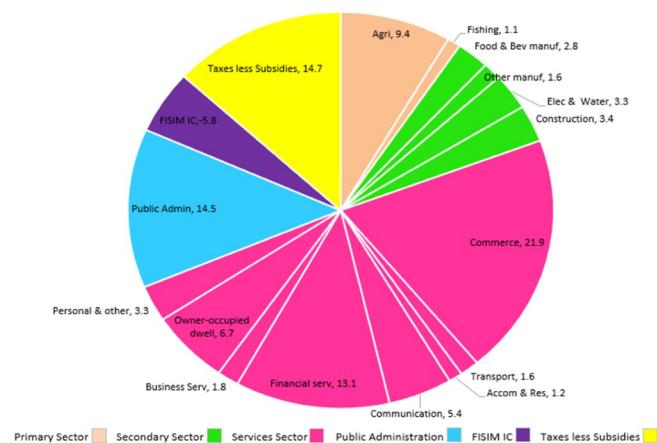


Chart 3 above shows the industry composition of GDP at current market prices in the March 2022 quarter. Tertiary sector (services industries) comprising 55.1% of total nominal GDP, went down by 3.4 percent compared to March 2021. The Secondary sector (good-producing industries) which is the second largest sector also went down by 7.4 percent on a y-o-y basis.

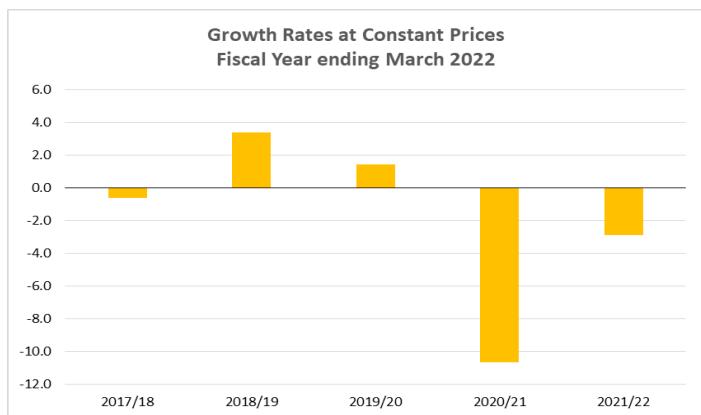
The Primary sector which accounts for 10.5% of nominal GDP increased its share by 1.4 pp as a result of the increase in the Agriculture industry's share on a year on year basis. Public Administrations' share which accounts for 14.5% of GDP increased by 3.8 percentage points compared to the March 2021 quarter.

Twelve Months Review for FY ending March 2022:

GDP for the **year ended March 2022** (April 2021 - March 2022) at current market prices was \$2,179.8 million (or \$2.18 billion), decreasing by 0.5% compared to the \$2,169.2 million recorded in the fiscal year ended March 2021. At this level, GDP per capita was \$10,657 decreasing by 0.3% over the previous fiscal year ending March 2021.

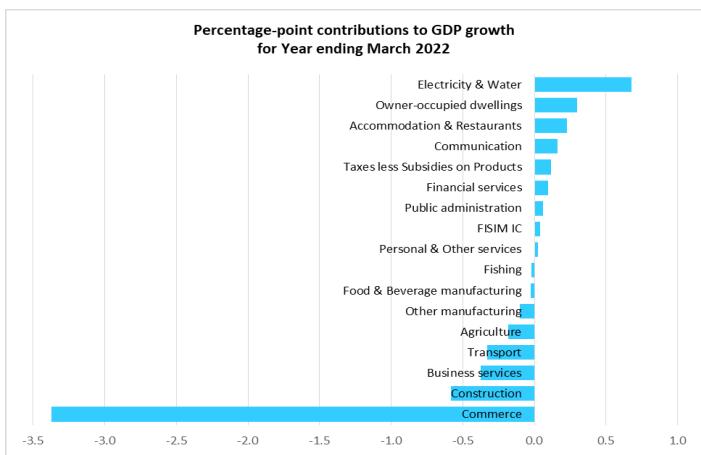
In constant 2013 prices, GDP stood at \$1,903.5 million in the year ended March 2021, decreasing by 2.9% over the \$1,959.8 million total value added recorded in the year ended March 2021 compared to the previous year.

Chart 4: Percentage change in Constant Prices for FY ending March



Depicted in Chart 4 are the real growth rates in the last five years ending March. The economy recorded a decline in growth for two consecutive years ending March with the year under review at a decline of 2.9%. This was driven by the downturn in economic activities in Commerce, Construction, Business Services, Transport, Agriculture and Other manufacturing with respective contributions of -3.4 pp, -0.6 pp, -0.4 pp, -0.3 pp, -0.2 pp and -0.1 pp each to the overall growth of -2.9% as shown below.

Chart 5: Percentage-point contributions to GDP growth for Calendar Year 2022



Individual Industry Quarterly Performance

AGRICULTURE	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	39.5	46.6	50.1	7.5	27.1
WST (millions)					
Value added (constant 2013 prices)	40.3	36.2	40.5	11.8	0.4
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.2	-1.3	0.0		
Contribution to aggregate nominal GDP: <i>percent</i>	7.2	8.2	9.4		

Chart 6: Percentage change in Agriculture real value added; Jun 2017 - Mar 2022

Date	% change from same quarter of previous year
Jun-17	35.0
Sep-17	10.0
Dec-17	-1.0
Mar-18	-5.0
Jun-18	-25.0
Sep-18	-5.0
Dec-18	-1.0
Mar-19	-1.0
Jun-19	8.0
Sep-19	15.0
Dec-19	-2.0
Mar-20	-2.0
Jun-20	-2.0
Sep-20	-2.0
Dec-20	-2.0
Mar-21	2.0
Jun-21	5.0
Sep-21	-2.0
Dec-21	-2.0
Mar-22	-10.0

Agriculture recorded a total value added of \$40.5 million at constant 2013 prices for the March 2022 quarter, up by 0.4% compared to the March 2021 quarter. This outcome reflects the positive growth in exported produce by 36.8%; increase in the volume of livestock by 4.7% and horticulture by 0.9% compared to the corresponding quarter of the previous year. Compared to the December 2021 quarter, the industry increased by 11.8% in constant 2013 prices.

It's share to total Nominal GDP increased by 2.2 percentage-points (pp.) from 7.2 percent in March 2021 to 9.4 percent recorded in the March 2022 quarter. It went up by 27.1% (or \$10.6 million) in nominal terms compared to March 2021 quarter.

FISHING	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	10.0	8.8	6.0	-31.7	-39.9
WST (millions)					
Value added (constant 2013 prices)	6.8	5.6	4.2	-24.9	-38.0
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	-0.1	-0.6		
Contribution to aggregate nominal GDP: <i>percent</i>	1.8	1.5	1.1		

Chart 7: Percentage change in Fishing real value added; Jun 2017 - Mar 2022

Date	% change from same quarter of previous year
Jun-17	-10.0
Sep-17	-10.0
Dec-17	-10.0
Mar-18	-10.0
Jun-18	-10.0
Sep-18	-45.0
Dec-18	-10.0
Mar-19	5.0
Jun-19	-10.0
Sep-19	-10.0
Dec-19	-10.0
Mar-20	-10.0
Jun-20	-10.0
Sep-20	-10.0
Dec-20	-10.0
Mar-21	5.0
Jun-21	35.0
Sep-21	-10.0
Dec-21	-10.0
Mar-22	-10.0

Fishing recorded a value added in constant 2013 prices of \$4.2 million decreasing by 38.0% compared to the March 2021 quarter; it also declined by 24.9% when compared to the previous quarter. The industry continues to deteriorate for the third consecutive quarter due to continuing Covid-19 restrictions limiting its performance. This reflects the decrease in domestic monetary fishing by 31.0%; exports also experienced a decline by 62.4% during the period under review. The volume of offshore landings through bottom fishing and trolling went down by 23.3%. Conversely, inshore landing went up by 29.6%. The Fishing industry recorded value added in current prices of \$6.0 million with a total contribution to nominal GDP of 1.1 percent.

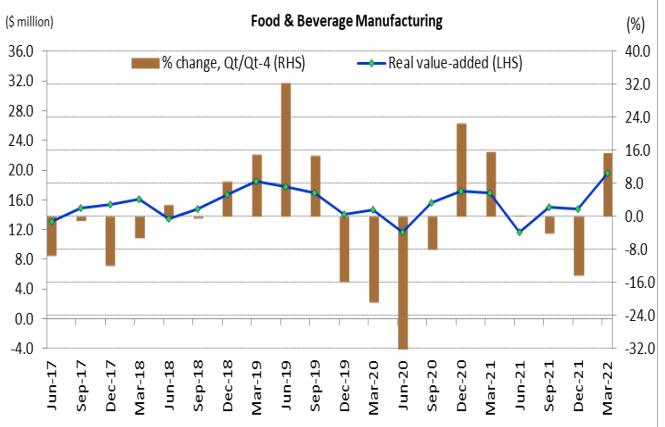
Individual Industry Quarterly Performance

FOOD & BEVERAGE MANUFACTURING	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	18.9	17.8	14.7	-17.0	-22.2
WST (millions)					
Value added (constant 2013 prices)	17.0	14.8	19.6	32.6	15.4
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.5	-0.6	0.6		
Contribution to aggregate nominal GDP: <i>percent</i>	3.5	3.1	2.8		

Chart 8: Food & Beverage Manufacturing quarterly value added at constant prices & % change over the same period of the previous year; Mar 2017 - Mar 2022

Food and Beverage industry produced a total value added in real terms of \$19.6 million in March 2022, increasing by 15.4% on a year-on-year basis. The increase in the local production of food manufacturing by 112.5% contributed to this positive outcome for the March 2022 quarter. The industry contributed 0.6 percentage-points to the overall real growth within the period under review.

Its contribution to total nominal GDP went down by 0.7 pp. to 2.8 percent. Beverage manufacturing declined in production by 28.4% due to lockdown restrictions enforced within the quarter due to maintain the spread of Covid-19 within the community.

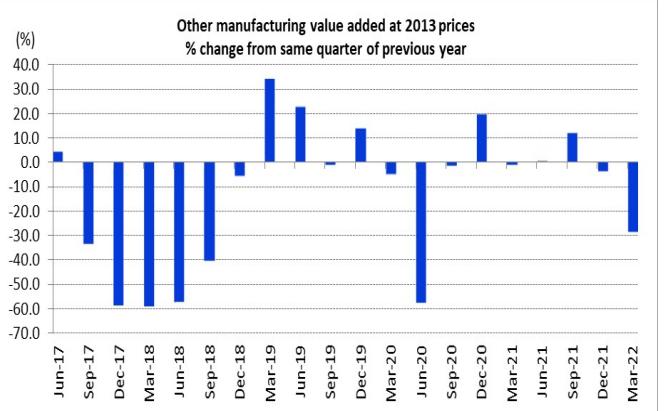


OTHER MANUFACTURING	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	10.4	12.2	8.3	-31.5	-20.3
WST (millions)					
Value added (constant 2013 prices)	8.1	8.3	5.8	-30.3	-28.6
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	-0.1	-0.5		
Contribution to aggregate nominal GDP: <i>percent</i>	1.9	2.1	1.6		

Chart 9: Percentage change in Other Manufacturing real value added; Jun 2017 - Mar 2022

In real terms, Other Manufacturing recorded a total value added of \$5.8 million in the period under review decreasing by 28.6% in comparison to the March 2021 quarter. It contributed negatively (0.5 pp) to GDP aggregate real growth in the period under review. When compared to the previous quarter, the industry also went down by 30.3% in real terms.

The industry recorded a total value added in nominal terms of \$8.3 million in the March 2022 quarter. It decreased by 20.3% and 31.5% compared to March and December 2021 quarter respectively. Its contribution to total nominal GDP declined by 0.5pp to -0.5 percent compared to March 2021.



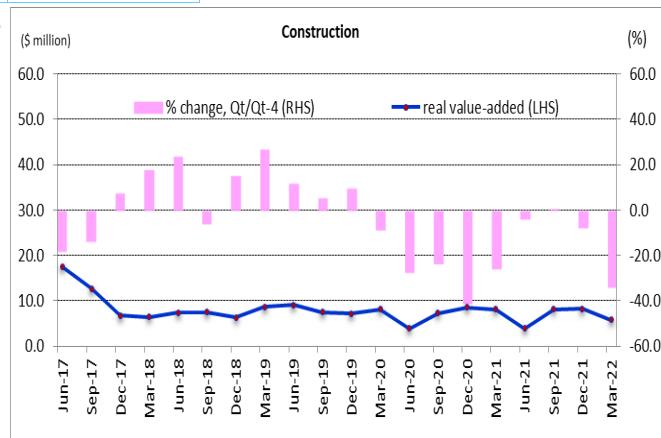
Individual Industry Quarterly Performance

CONSTRUCTION	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	24.6	22.8	17.9	-21.2	-27.1
Value added (constant 2013 prices) WST (millions)	22.9	18.8	15.2	-19.0	-33.6
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.7	-0.4	-1.8		
Contribution to aggregate nominal GDP: <i>percent</i>	4.5	4.0	3.4		

Construction recorded a total value added of \$15.2 million at constant 2013 prices; decreasing by 33.6% when compared to March 2021 quarter. This is the ninth consecutive quarter the industry has recorded negative growth. State of Emergency (SOE) restrictions enforced as well as the surge in the cost of construction materials has affected the industry's performance in the March 2022 quarter. Heavy civil construction work and major residential building both decreased in the period under review compared to the March 2021 quarter.

The industry's value added in nominal terms recorded a 27.1% decline compared to March 2021 quarter. Its contribution to total aggregate nominal GDP went down by 1.1pp from 4.5 percent in March 2021 to 3.4 percent in March 2022 quarter.

Chart 10: Construction quarterly value added at constant prices & % change over the same period of the previous year; Jun 2017 - Mar 2022

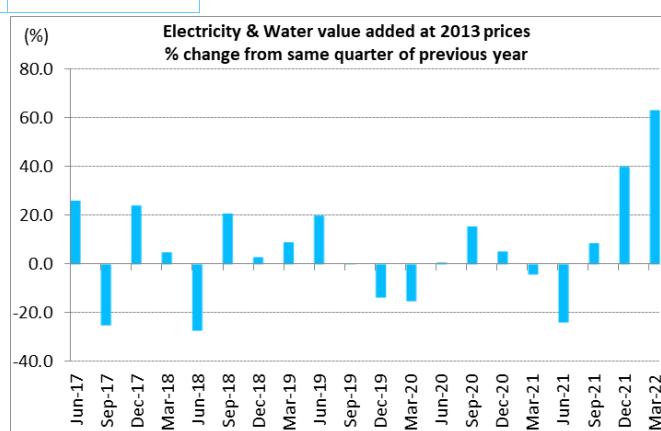


ELECTRICITY AND WATER	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	9.4	17.1	17.7	3.1	88.1
Value added (constant 2013 prices) WST (millions)	13.2	20.1	21.4	6.6	62.9
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.1	1.3	1.9		
Contribution to aggregate nominal GDP: <i>percent</i>	1.7	3.0	3.3		

Chart 11: Percentage change in Electricity & Water real value added; Jun 2017 - Mar 2022

Electricity & Water generated a total value added of \$21.4 million at constant prices in the March 2022 quarter, increasing by 62.9% on a year-on-year basis. The favorable performance reflects the increase in both electricity and water production. This is the third consecutive quarter the industry has experienced positive growth; it also contributed positively by 1.9 percentage points to total real growth.

The industry's total nominal value added recorded a 88.1% increase compared to the corresponding quarter of 2021. Its share to total nominal GDP went up by 1.6 percentage-points from 1.7 percent in March 2021 to 3.3 percent in the current period under review.

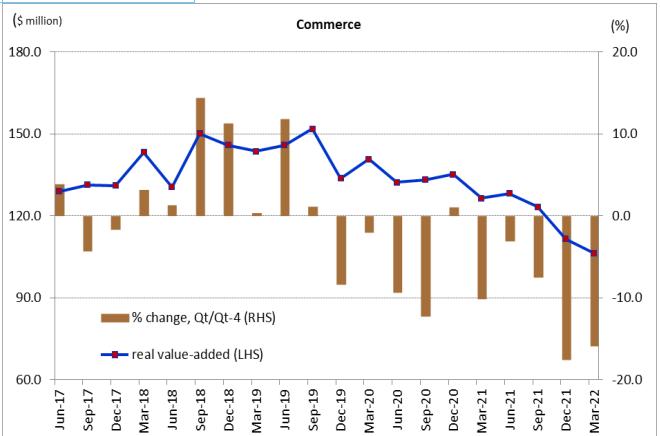


Individual Industry Quarterly Performance

COMMERCE	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	140.0	120.4	117.2	-2.7	-16.3
WST (millions)					
Value added (constant 2013 prices)	126.4	111.5	106.4	-4.6	-15.9
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-3.1	-5.4	-4.7		
Contribution to aggregate nominal GDP: <i>percent</i>	25.7	21.1	21.9		

Commerce continues to be the biggest industry in the economy holding the largest share of 21.9% of total nominal GDP. Its total value added in real terms amounted to \$106.4 million in the period under review decreasing by 15.9% on a year-on-year basis. It also went down by 4.6% when compared to the previous quarter. The unfavorable performance by the industry reflects the overall decline in wholesaling and retailing by approximately 1.0% and 0.7% each respectively. Commerce contributed -4.7 percentage points to aggregate real growth in the March 2021 quarter.

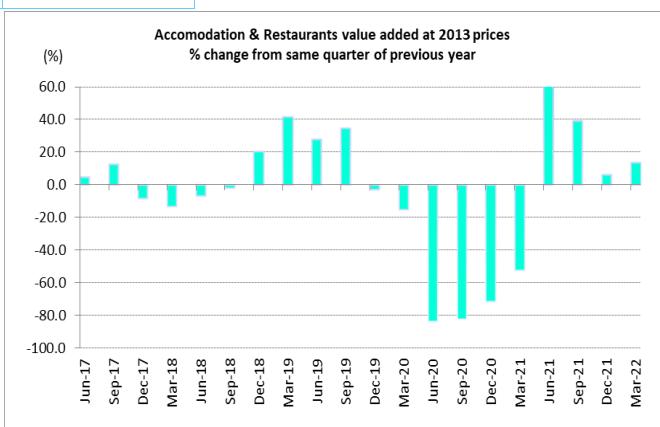
In nominal terms, the industry recorded a total value added of \$117.2 million decreasing by 16.3% compared to the corresponding quarter of 2021.



ACCOMMODATION AND RESTAURANTS	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	4.7	4.8	6.2	30.3	32.5
WST (millions)					
Value added (constant 2013 prices)	3.9	3.3	4.4	33.5	13.6
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.9	0.0	0.1		
Contribution to aggregate nominal GDP: <i>percent</i>	0.9	0.8	1.2		

Accommodation and Restaurant recorded a total value added of \$4.4 million in constant prices; increasing by 13.6% compared to the March 2021 quarter. This makes it the industry's fourth consecutive quarter of positive growth from the industry following six consecutive quarters of negative growth since the beginning of the Covid-19 pandemic affecting the economy. Restaurant activities was the major contributor in the industry's overall growth with a recorded share of 25.6%

In nominal terms, the industry recorded a 32.5% increase on a year-on-year basis, and contributed 1.2 percent increasing by 0.3 percentage points for the period under review.



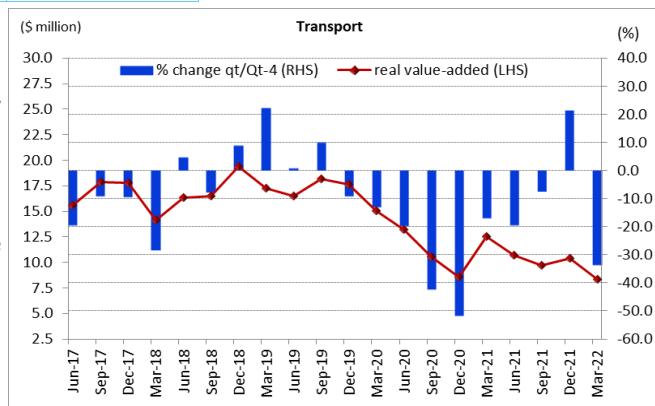
Individual Industry Quarterly Performance

TRANSPORT	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	13.3	11.2	8.7	-22.4	-34.6
WST (millions)					
Value added (constant 2013 prices)	12.5	10.4	8.3	-19.8	-33.5
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.6	0.4	-1.0		
Contribution to aggregate nominal GDP: <i>percent</i>	2.4	2.0	1.6		

Chart 14: Transport quarterly growth rates with total value added at constant 2013 prices, Jun 2017 - Mar 2022

Transport value added at constant 2013 prices for the March 2022 quarter stood at \$8.3 million. It registered a decrease in real value added of 33.5% for the period under review when compared to March 2021. Activities related to storage, warehousing, and cargo handling declined in the reviewed period. Sea and Land transport decreased by 60.1% and 20.9% respectively. Reduced demand as a result of lockdown measures and a reduction in the number of passengers using mass transportation have impacted the sector's performance.

The industry contributed -1.0 percentage points to overall growth. Employment in the industry fell by 0.3 percent in the March 2022 quarter.

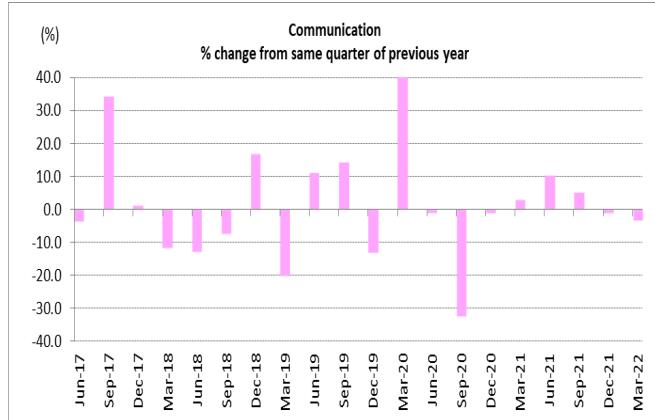


COMMUNICATION	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices)	28.4	27.6	28.9	4.7	1.6
WST (millions)					
Value added (constant 2013 prices)	26.6	25.2	25.8	2.4	-3.2
WST (millions)					
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.2	-0.1	-0.2		
Contribution to aggregate nominal GDP: <i>percent</i>	5.2	4.8	5.4		

Chart 15: Communication percentage change in real GDP from the same quarter of the previous year, Jun 2017 - Mar 2022

Communication generated a real value added of \$25.8 million in the March 2022 quarter, decreasing by 3.2% over the March 2021 quarter. The industry contributed -0.2 percentage points to overall year-on-year growth. Both communication and information decreased by 3.2% each respectively. The decline in the industry's performance was due to the reduction in demand mainly for its products as the country faced strains due to the effect of the Corona virus pandemic on the country's economy.

Its contribution to the overall real growth was 0.2 percentage points for the period under review.



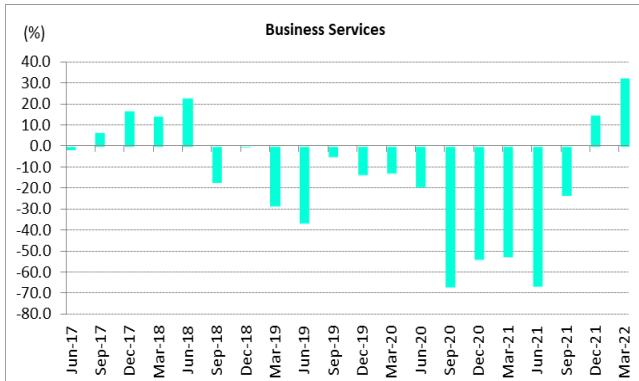
Individual Industry Quarterly Performance

BUSINESS SERVICES	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	7.5	10.1	9.9	-2.7	32.0
Value added (constant 2013 prices) WST (millions)	7.2	9.2	8.9	-3.3	24.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.8	0.2	0.4		
Contribution to aggregate nominal GDP: <i>percent</i>	1.4	1.8	1.8		

Chart 16: Business Services, % change in value-added at constant 2013 prices from Jun 2017 - Mar 2022

Business services economic activities generated a total value added of \$8.9 million at constant 2013 prices for the March 2022 quarter. This makes it the second consecutive quarter recording an increase by 24.1% following eleven consecutive quarters of negative growth experienced by the industry. This performance reflects the improvement experienced in activities pertaining to management, consultancy and leasing of intellectual properties within the reviewed period.

The industry recorded \$9.9 million value added in nominal terms. Its contribution to the economy's total nominal GDP was 1.8 percent, up by 0.4 percentage points on a year-on-year basis.

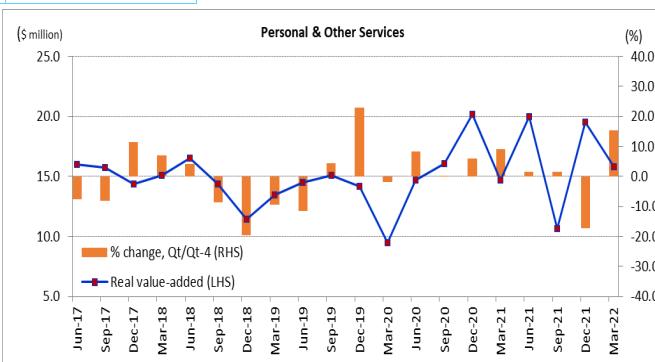


PERSONAL & OTHER SERVICES	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	15.2	13.1	17.6	-34.0	15.4
Value added (constant 2013 prices) WST (millions)	14.7	19.5	15.8	-19.0	7.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	1.1	-0.1	0.3		
Contribution to aggregate nominal GDP: <i>percent</i>	2.8	2.3	3.3		

Chart 17: Personal & Other Services quarterly value added at constant prices & % change over the same period of the previous year; Jun 2017 - Mar 2022

Personal and other services recorded an increase in real terms by 7.8 percent compared to March 2021 with total value added of \$15.8 million. The industry has reverted to positive growth after two consecutive quarters of negative performances. Activities pertaining to religious services, repairs of computers, communication equipment services, funeral related services contributed to the positive growth experienced by the industry within the period under review.

Personal & other services registered an increase of 15.4% in nominal terms, contributing 3.3 percentage points to overall nominal GDP for the March 2022 quarter.



Individual Industry Quarterly Performance

PUBLIC ADMINISTRATION	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	58.0	74.6	77.3	3.5	33.2
Value added (constant 2013 prices) WST (millions)	48.5	48.9	48.5	-0.8	0.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.7	0.3	0.0		
Contribution to aggregate nominal GDP: <i>percent</i>	10.6	13.1	14.5		

Public administration produced a total value added in constant terms of \$48.5 million in the period under review which was the same as the value added recorded in March 2021. The industry recorded a 33.2% increase in nominal terms which amounted to \$77.3 million increasing its share by 3.9 percentage points over the same quarter of the previous year. Public Administration is the second largest industry in the economy with a contribution to total nominal GDP of 14.5%. This reflects the increase in general administration activities such as legislative, public order & safety activities, economic and social policy for the community, regulations efficient for operations of businesses and so forth.

Chart 18: Public Administration, % change in value-added at constant 2013 prices from Jun 2017 - Mar 2022

Quarter	% change from same quarter of previous year
Jun-17	~1.0
Sep-17	~2.0
Dec-17	~0.0
Mar-18	~23.0
Jun-18	~25.5
Sep-18	~24.5
Dec-18	~24.0
Mar-19	~2.0
Jun-19	~2.0
Sep-19	~1.0
Dec-19	~3.0
Mar-20	~1.0
Jun-20	~2.0
Sep-20	~3.0
Dec-20	~6.0
Mar-21	~7.0
Jun-21	~1.0
Sep-21	~0.5
Dec-21	~2.0
Mar-22	~1.0

FINANCIAL SERVICES	GDP Mar 2021 Quarter	GDP Dec 2021 Quarter	GDP Mar 2022 Quarter	% change from Dec 2021 quarter (q-o-q)	% change from Mar 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	58.0	98.9	69.9	-29.3	20.7
Value added (constant 2013 prices) WST (millions)	74.7	78.9	78.3	-0.7	4.8
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.6	0.5	0.8		
Contribution to aggregate nominal GDP: <i>percent</i>	10.6	17.3	13.1		

Financial services' real value added increased by 4.8 percent on a year-on-year basis. This makes it the third consecutive quarter of positive growth after three consecutive quarters the industry experienced negative performance. Its real value added for the quarter under review amounted to \$78.3 million; the third highest value-added ever recorded by the industry since the series have begun. It contributed 0.8 percentage points to overall real GDP. Its performance reflects the increasing demand for financial intermediation such as central banking, financial leasing, insurance, and other activities auxiliary to financial intermediation for the period under review.

Chart 19: Financial Services value added at constant prices & % change over the same period of the previous year; Jun 2017 - Mar 2022

Quarter	real value-added (\$ million)	% change, Qt/Qt-4 (%)
Jun-17	~68.0	~8.0
Sep-17	~70.0	~8.0
Dec-17	~72.0	~-10.0
Mar-18	~68.0	~-10.0
Jun-18	~65.0	~-10.0
Sep-18	~68.0	~1.0
Dec-18	~72.0	~6.0
Mar-19	~75.0	~4.0
Jun-19	~74.0	~-1.0
Sep-19	~76.0	~3.0
Dec-19	~78.0	~2.0
Mar-20	~78.0	~-1.0
Jun-20	~78.0	~-1.0
Sep-20	~78.0	~-1.0
Dec-20	~78.0	~-1.0
Mar-21	~78.0	~-1.0
Jun-21	~78.0	~-1.0
Sep-21	~78.0	~-1.0
Dec-21	~78.0	~-1.0
Mar-22	~78.0	~-1.0

NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

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Overview

This publication is the twelfth release for estimates of GDP at constant (2013) prices. In the process of updating the base year from 2009 to 2013 the overall estimation system has been exhaustively reviewed, leading to improved methodologies and the adoption of a range of new data sources and revised benchmarks wherever available. The revised overall estimates have not resulted in significant changes to the picture of the Samoan economy presented by the earlier 2009-based estimates, but it is believed that the revised system is more robust, and will be better able to quickly reflect future disturbances to economic growth. The section below on “General reasons for rebasing estimates at constant prices” sets out the purpose of rebasing estimates, and the nature of the processes involved.

The key features of the overall system review and associated rebase are as follow:

- base year for constant price estimates was updated from 2009 to 2013
- ISIC classification have been upgraded from the ISIC Revision 3.1 to Revision 4 as recommended in the SNA 2008
- an increased reliance on summary data from the VAGST system
- the incorporation of latest benchmarks, including
 - ⇒ Household Income and Expenditure Survey, 2013
 - ⇒ Business Activity Survey, 2013
 - ⇒ Population Census, 2016
 - ⇒ Financial data on the Financial Sector operations
 - ⇒ information from other sources, particularly for Government Finance Statistics, Merchandise trade, Employment and Wage data; SNPF, Commodity prices from CPI, Agriculture volume data, visitor arrivals by purpose, livestock production, and landings of in-shore and off-shore fishing catch.
- more detailed data on industry level have been incorporated hence provide benefits for the detailed analysis, with results only at the aggregated industry level

General reasons for rebasing estimates

When interpreting movements over time in broadly-based indicators such as GDP, the effects of changing prices make it difficult to see the “real” changes i.e. what would the changes have been if there had been no change in the component prices? If dealing with a single commodity e.g. sales of taro, it is possible to simply look at the quantities sold, and say with some confidence that “real” sales of taro are going up, down, or are flat.

But with an aggregate as complex as GDP, commodities such as taro, long-line tuna catch, road building, haircuts and financial services are all intermingled, and it is not possible to immediately see the changes in the overall “quantity” of production. In order to aggregate such diverse commodities, it is necessary to express the underlying flows in terms of the prices of a single period (the “base year”). By expressing the detailed flows in monetary terms and at the price of a single period, they can then be aggregated, and the resulting aggregate values of diverse items can then be analysed for the direction and extent of their change “at constant prices”.

This process of valuing the production of detailed commodities at constant prices and then aggregating them is – in principle - directly analogous to the way in which the Consumer Price Index (CPI) is compiled. Whereas the CPI measures **prices** of detailed commodities over time and then weights those prices together by their base-period values to derive an aggregate measure of price, the derivation of constant price estimates measures detailed **quantities** over time and then weights those quantities together by their base-period values to derive an aggregate “quantum” measure.

Just as the CPI is rebased regularly, there is a further analogy between the compilation of the CPI and the necessity to rebase measures at constant prices. As noted in international recommendations:

“....over time the pattern of relative prices in the base period tends to become progressively less relevant to the economic situations of later periods to the point where it becomes unacceptable to continue using them to measure volume changes from one period to the next. It is then necessary to update the weights.”

Methodological changes associated with the review of the system for estimating GDP at current and constant prices

As an integral part of the rebasing to 2013 prices, all benchmarks, assumptions and data sources were evaluated to see if they could be improved. In addition to changes due to the adoption of a more recent base year, the estimates of GDP and its components have been affected by improvements throughout the estimation system.

Revised benchmarks

It is not practicable to undertake all major data collections in every period eg, the work required to conduct and process a national HIES, Business Activity Survey means that conducting these surveys every 5 years as Samoa has been doing is a major achievement. As a result it is often necessary to use **partial indicators** for extrapolating benchmarks, and the quality of the resulting estimates depends on the assumption that the relationship between the indicator and the benchmark remains constant over time.

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When benchmarks are then derived for subsequent periods it is often the case that the relationship between indicator and benchmark has changed, and this leads to revisions between the benchmark periods and into the period before the next benchmark revision. As a specific example of how this can impact on the estimates, when the recent rebasing was conducted in 2013 there was insufficient information on the financial services available to the Bureau to actually reflect the financial services contribution to the economy. This leads to this component of GDP remained low until the detailed information was made available from the CBS during the 2013 rebase estimates. The more detailed information at a subsector level in financial service as well as insurance revealed that there had been strong growth in the sector over the years with its level substantially increased compared to the 2009 series.

Fortunately, the major strengthening of the national statistical system during the last decade has led to a breadth of experience in the use of administrative data sources that are available to supplement censuses and surveys, and more effort is put into strengthening cooperation and coordination amongst the data users and data providers. Furthermore, resources are being allocated to permit more regular data collections than was the case a decade or more ago. As a result, 2018 HIES enumeration is completed, Agriculture Census will be conducted in early 2020 with more developments into the integration of businesses administrative data to facilitate timely and less costly collection on the Business Activities. It is anticipated that future rebases and systems reviews will be far less subject to revision due to benchmarks becoming very much out of date.

Improved national statistical system:

Any system for estimating GDP is basically a framework for bringing together a wider range of economic and social statistics. The quality of the resulting estimates will be directly dependent on (a) the quality of the component systems, and (b) the extent to which the components are integrated eg, common definitions and classifications. In reviewing the latest system for estimating GDP it was evident that the national statistical system is far more robust and better integrated than it was a decade ago despite challenges

A key example of better integration is that businesses paying VAGST and NPF contributions are now classified to the same industry in both systems – as a result the average earnings measures by industry from NPF data can now be confidently related to the estimates of output by industry from VAGST data, and so provide a directly relevant measure of labour costs associated with that industry output. Other activities to improve this integration further is continuing; with the development of an Integrated Business Information System developed and housed in

the Bureau, with data sharing amongst Government Ministries and Corporations like Ministry for Revenue, Ministry of Commerce Industry and Labour as well as National Provident Fund.

Ministry of Agriculture and Fisheries have been supportive during this rebase exercise with the electronic transfer of fishing data especially the inshore and off-shore data, a great example of a statistical system with strong cooperation. With the general improvements in the quality of the national statistical system (which includes agencies other than SBS) the need to adjust source data for obvious outliers has been significantly reduced. When the first system was established there were many series which regularly showed unrealistic fluctuations: some were monitored manually, others were so consistently unreliable that automatic checks were built in to keep them within set limits. While the latest system still features some moving averages to allow for known timing problems (eg. 7 paydays in one quarter, 6 in the next) the source data now stand on their own merits. Not only is the revised system now drawing on better quality component data, but it will also be able to more quickly reflect turning points and the effect of shocks such as cyclones.

New classification—ISIC Revision 3.1 to Revision 4

In compliance with international best practice, one of the major developments was the re-classification of business by the nature of business activities using the ISIC Rev.4 from Rev.3.1 previously used. This is a significant activity in assuring that Samoa's data is comparable to other countries economy, as well in its relation to other systems like Balance of Payments and Government Finance Statistics. This has impacted on the value added levels of some industries like Construction and Business Services; with some establishments that were involved in architectural consultancy more on the services being previously classified under construction but are now in the business services—under architectural and engineering consultancy services.

Methodological changes:

The general methods remain largely unchanged between 2009 and 2013 except for the opportunity to refine and improve the system as well as incorporation of the new benchmark data from the major surveys.

Agriculture: The general methods remain largely unchanged between 2009 and 2013 except for the opportunity to refine and improve the factors that were used in the estimation of the marketed commodities. This was related to the change in coverage of the market survey which previously covers the Fugalei market only, and now expanded to cover other markets and stalls around the islands including the main market in Savaii. The single biggest influence on the change in movements

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between the two systems was the introduction of the 2013 HIES benchmarks, and this resulted on 2013-based estimates being lower in 2013 compare to the (2009) previous series.

Fishing: Fishing like Agriculture methods remain largely unchanged except for the introduction of the HIES 2013 data as well as the use of the inshore and off-shore survey data from the Fisheries Division of the Ministry of Agriculture and Fisheries in the system.

Industries which rely on VAGST data:

Benchmarks from the Business Activity Survey 2013 were considered and adjusted accordingly, in light of the coverage in the BAS for some industries and in comparison with VAGST data.

In many ways the VAGST system is a nearly ideal indicator for measuring value added in many industries:

- its scope is “value added”, the same concept as underlies GDP;
- it is a sub-annual system, with timely reporting;
- returns are monitored closely to ensure compliance;
- good working relation with MfR mean that SBS industry coding is being applied;
- its coverage spans the non-agricultural monetary side of the domestic economy.

As such the VAGST system provides regular, reliable aggregate data for the key items: sales, and purchases. If VAGST did not exist it would require a major (to the point of being impracticable) on-going business survey, at huge cost to both SBS and the reporting business community. Inevitably the results from the VAGST system have been adopted as the primary data source for many industries.

The industries which use only VAGST results in estimating the current price values (CPVs) of monetary value added for that industry are:

- OTHM Manufacturing other than food and beverages
- ELEW – but only the water component, and this will change if we can get good data directly from SWA (water is in VAGST, electricity is not)
- TRAD Commerce
- COMM Communication
- BUSS Business Services
- PERS Personal services
- OTHR Other services

Industries which use VAGST as the primary data source for monetary CPVs but supplement these with data from other sources are:

- FOOD Food and beverage manufacturing (+ exports)
- CONS Construction (+ building material imports as additional indicator);
- TSPT Transport (+ estimates for buses and taxis outside VAGST)

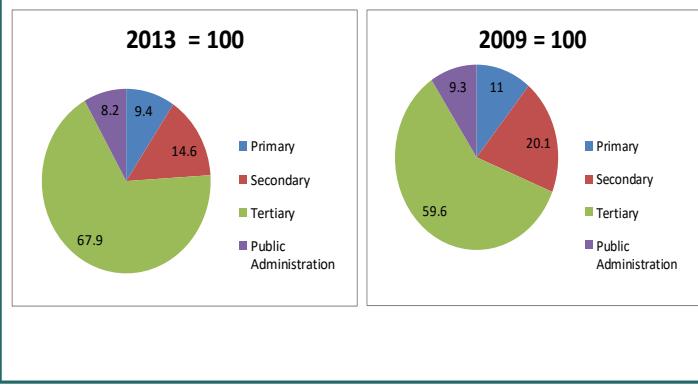
Apart from these VAGST based industries, The Finance Industry main data source is now primarily from the Profit and Loss Statement summary provided by the Central Bank of Samoa. This not only enables the calculation of the FISIM, but also the breakdown of other components of the Finance Sector like Insurance, Central Bank and Other financial institutions.

Impact of the revised estimates on the economic structure and growth

The combined effect of the rebasing to 2013 prices, revising methodologies and data sources remained unchanged at the aggregated level. However the revised benchmarks as expected led to changes in the value added composition of industries, as well as year on year growth rates. The change saw the Tertiary sector share increased by 8.3 percentage point with Secondary, Primary and the Public Admin sector loosing 5.5, 1.6 and 1.1 percentage points respectively.

Underpinning the change was the Finance sector becoming the second largest industry after Commerce, with Construction moving to sixth and Other Manufacturing to be the smallest in 2018 with 1.8 percent share. The trend is indicative of the changes occurred in the period from 2009 to current with the completion of some major infrastructural projects as well as the effect of the closure of Yazaki in August 2017. Public Administration, Agriculture and Communication sectors were in the 2nd, 3rd and fourth in the ranking .

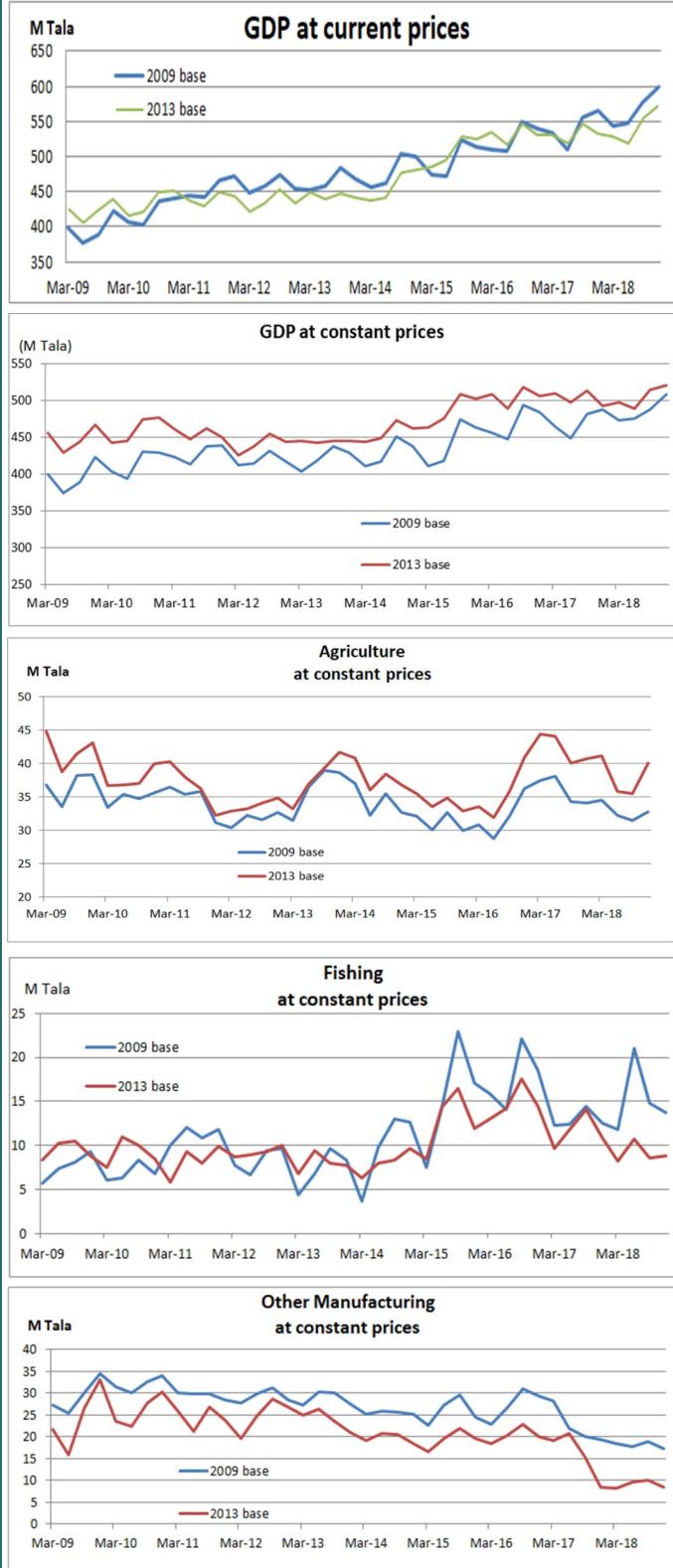
Comparison of GDP shares 2018, by broad sectors in 2013 and 2009 prices,



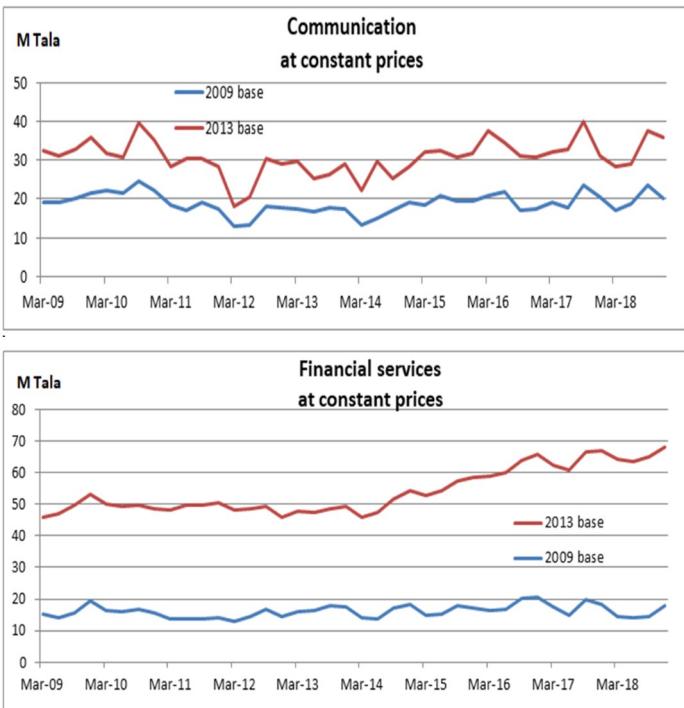
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Some of the key results for GDP at current and constant 2013 prices compared to 2009 prices;



The gap between the two base periods for the Construction and Other Manufacturing reflects the change in the level of activities in the two periods, with 2013 having a lower end compared to 2009. On the other hand Communication indicated that there have been more activities in the 2013 period compared to 2009.



The gap between the two base periods for the Financial services reflects the change in the level of activities in the two periods, with 2013 having a higher value of activities compared to 2009. This also attributed to improved data sources used for this industry compared to the previous data set.

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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 twelfth of the new quarterly series of GDP estimates at constant 2013 prices. 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 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 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.

- primary industries (agriculture and fishing)
- secondary sector or the goods-producing industries (manufacturing, construction, electricity & water)
- Tertiary sector 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).

REVISIONS

The GDP numbers for the recent quarters are subject to revisions in the next publication pending the availability of revised numbers from the sources.



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

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