



Samoa Bureau of Statistics

Gross Domestic Product

September 2022 Quarter

Overview

23rd Dec 2022



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

Special points of interest:

- **GDP Growth:** 4.7%
- **GDP at Constant 2013 Prices (real):** **WST \$501.2 million**
- **GDP at Current Prices (nominal) - WST \$595.0 million**

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Economic activity, as measured by Gross Domestic Product (GDP) increased by 4.7% in the September 2022 quarter, recording total GDP in real terms of \$501.2 million. GDP recorded a positive growth after four consecutive quarters of negative growth in real terms; this follows growth rates of -10.1% and -8.0% in June and March 2022 respectively. With the reopening of international borders in August, the quarter under review was impacted strongly, activating revival of the nation's economy through travel, retailing and service-based activities to name a few. The nation's 60th Independence anniversary celebrated within a period of one year culminated in a variety of activities prepared by the Government which attracted many tourists and family overseas to visit during the period under review. As a result, activity in the Services sector grew by 2.4% on a year-on-year basis in the September 2022 quarter.

GDP Growth:

Gross Domestic Product for the **September 2022 Quarter** at constant 2013 purchaser prices amounted to \$501.2 million, increasing by 4.7% compared to the September 2021 quarter. This is the first quarter of positive economic growth since the discovery of Covid-19 community cases within the country in March 2022.

Chart 1: Total GDP at constant prices & growth rates, Dec 2017 - Sep 2022

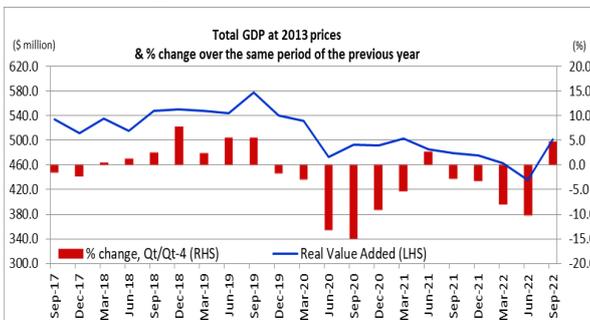


Chart 1 shows GDP at constant prices from September 2017 to September 2022 and the year-on-year (y-o-y) growth rates as measured by the percentage change on the same quarter of the previous year. This is the first

quarter of positive performance following four consecutive quarters of negative growth. As shown in Chart 1, since the commencement of the Covid-19 in December 2019, the nation's economy has recorded positive growths twice in June 2021 and in September 2022 quarter. As a result, the services sector which makes up 60.7% of the economy increased by 2.3% on a year on year basis. Public Administration with a share of 9.5% to aggregated real GDP increased its value added by 3.0% compared to September 2021 quarter. Taxes less subsidies recorded for September 2022 which comprises of 16.9% of total real GDP increased its value added by 18% compared to corresponding quarter of the previous year.

Conversely, the secondary or good-producing sector which accounts for more than 11.2% of total GDP also went down by 7.1% compared to the corresponding quarter of the previous year. The primary sector which consists of the Agriculture and Fishing industries contributes 8.4% to real aggregate GDP also declined by 4.3% on a year-on-year basis.

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

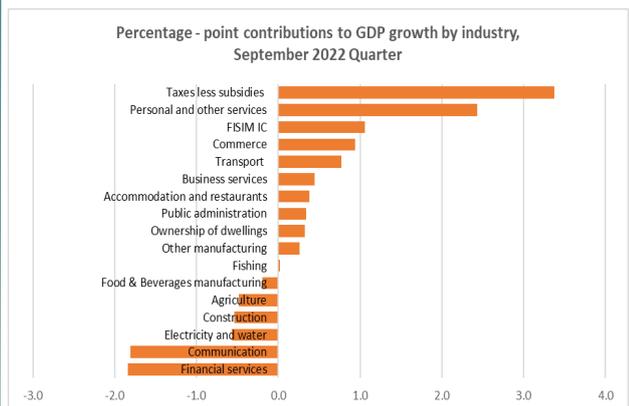


Chart 2 above indicates the percentage-point (pp) contributions of each industry to the overall growth of 4.7% in the September 2022 quarter. The largest contributors to this positive growth were from Taxes less subsidies, Personal and other services, Financial intermediation services indirectly measured (FISIM), Commerce, Transport, Business services, Accommodation and restaurants and Public Administration with respective contributions of 3.4pp,

Overview cont'd

2.4pp, 1.1pp, 0.9pp, 0.8pp, 0.4pp, 0.4pp and 0.3pp to the overall growth of 4.7% within the September 2022 quarter.

Taxes and subsidies recorded for this period was the main contributor to total GDP growth; it went up by 23.5% with an increase of \$16.1 million on a year-on-year basis. Excise tax which comprises of 51.2% of total tax increased by 16.6%. General taxes on goods and services likewise increased by 22.9% with a share to total tax of 46.0%. Taxes on international trade and transactions have also recorded an increase of 61.7% compared to the same period of 2021.

Activities pertaining to religious services, repairs of communication devices, computers and household appliances also grew positively in the period under review. Personal and other services was the second biggest contributor to the overall increase in growth recorded for September 2022 quarter; this industry has increased in three consecutive quarters.

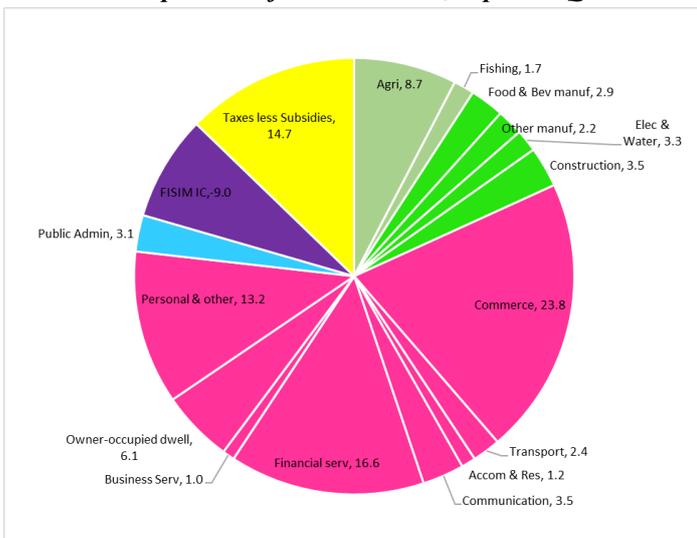
Conversely, some of the industries that performed negatively in the September 2022 quarter included Financial services, Communication and Electricity and water with respective contributions of -1.8pp, -1.8pp and -0.6pp respectively to overall growth.

GDP Levels (Nominal):

Gross Domestic Product at current prices for the **September 2022 quarter** amounted to \$595.0 million. It increased by 9.8% compared to the corresponding quarter of 2021. This is the first quarter of positive growth following two quarters of negative growth in nominal terms. GDP per capita went up by 8.9% compared to September 2021.

Chart 3 shows the industry composition of GDP at current market prices in the September 2022 quarter. Tertiary sector (services industries) comprising 57.8% of total nominal GDP, went up by 5.8% compared to September 2021. The Primary sector which accounts for 10.5% of nominal GDP increased its share by 32.8% on a year on year basis. Public Administrations' share comprising 6.4% of total nominal GDP increased by 6.4% on a y-o-y basis. FISIM and Taxes less subsidies also increased by 2.0% and 28.9% when compared to the corresponding quarter of the previous year.

Chart 3: Composition of Nominal GDP, Sep 2022 Quarter

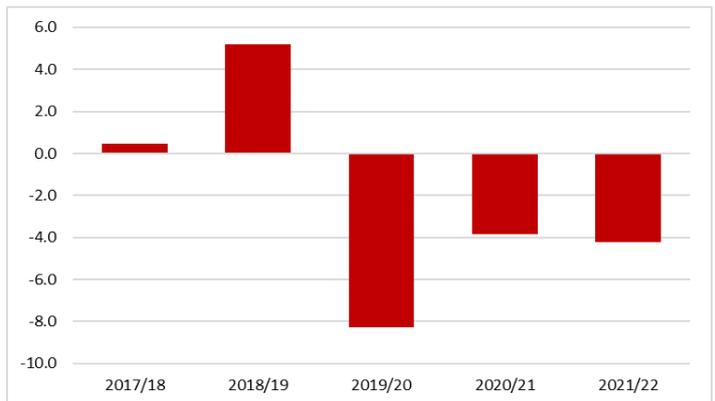


Twelve Months Review for FY ending September 2022:

GDP for the **Financial Year ending June 2022** (October 2021 - September 2022) at current market prices was \$2,222.0 million (or \$2.2 billion), increasing by 2.0% compared to the \$2,178.6 million recorded in the year ended September 2021. At this level, GDP per capita was \$10,821 increasing by 1.2% over the previous year ending September 2021.

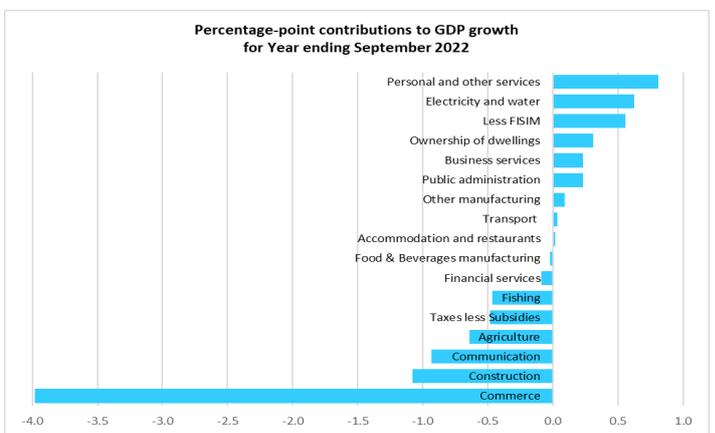
In constant 2013 prices, GDP stood at \$1,875.9 million in the year ending September 2022; which is the lowest annual GDP recorded for year ending September since FY2016/17. On an annual basis, GDP decreased by 4.2% compared to the \$1,958.6 million recorded in the year ending September 2021.

Chart 4: Percentage change in Constant Prices for Year ending September.



Depicted in Chart 4 above are the real growth rates in the last five years ending June. The economy recorded a decline in growth for three consecutive years ending September with the year under review at a decline of 4.2%. This ongoing decline in the economy's performance is reflective of the effect of the Covid-19 pandemic on all sectors and respective industries of the economy. For the year under review, three quarters experienced negative growths with the September 2022 recording a positive growth, which resulted in the total decline recorded for FY2021/22. This was driven by the downturn in economic activities in Commerce, Construction, Communication, Agriculture, Taxes less subsidies and Fishing respective contributions of -4.0 pp, -1.1 pp, -0.9 pp, -0.6 pp, -0.5 pp and -0.5 pp each to the overall growth of -4.2%.

Chart 5: Percentage-point contributions to GDP growth for FY2021/22

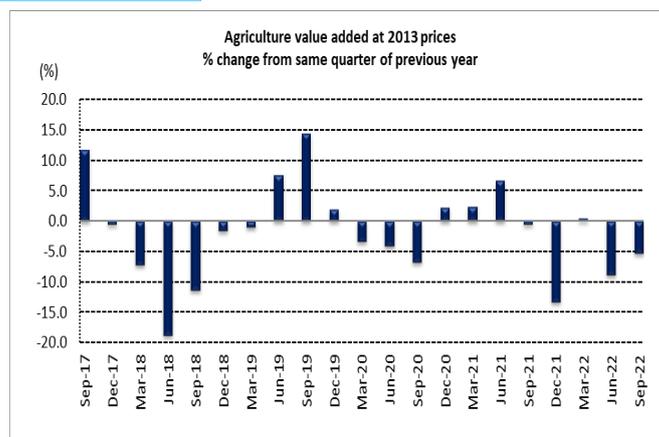


Individual Industry Quarterly Performance

AGRICULTURE	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	39.5	50.0	52.0	4.0	31.6
Value added (constant 2013 prices) WST (millions)	37.6	35.9	35.7	-0.6	-5.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.1	-0.8	-0.5		
Contribution to aggregate nominal GDP: <i>percent</i>	7.3	9.6	8.7		

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

Agriculture recorded a total value added of \$35.7 million at constant 2013 prices for the September 2022 quarter decreasing by 5.2% on a year on year basis. This outcome reflected the decline in the domestic consumption of crops by 4.9%; exported produce also went down by 60.2%. The average volume of crops sold in markets such as taamu, banana, coconut and taro declined by 45.9%, 36.1%, 11.2% and 6.9% respectively. Livestock and horticulture on the other hand recorded positive growths, however it was not strong enough to counter the negative effects caused by consumption and exports. Value added in nominal terms for the industry increased by 31.6% on a year-on-year basis at \$52.0 million increasing its share by 1.4 percentage points to a recorded 8.7 percent contribution to total nominal GDP.

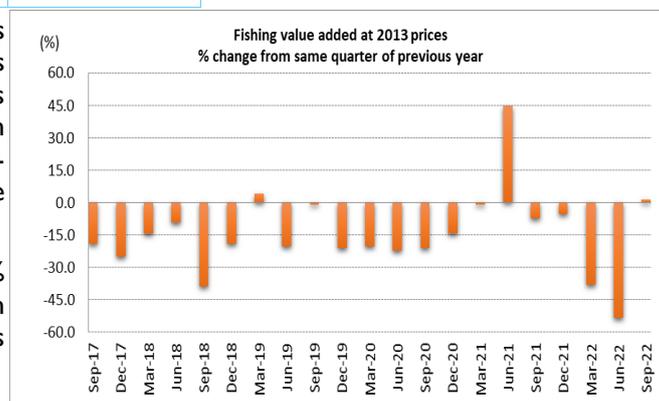


FISHING	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	7.5	7.0	10.4	49.0	39.2
Value added (constant 2013 prices) WST (millions)	6.2	4.5	6.3	41.0	1.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.1	-1.2	0.0		
Contribution to aggregate nominal GDP: <i>percent</i>	1.4	1.3	1.7		

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

Fishing recorded a total value added of \$6.3 million in real terms increasing by 1.4% compared to the September 2021 quarter. This is first quarter of positive growth after four consecutive quarters of negative growth as indicated in Chart 7. Recorded increase in exports of generated a growth of \$2.5 million mainly through exports of frozen fish for canning. On a quarterly basis, real value added went up by 41.0% compared to September 2021.

In nominal terms, the industry's value added increased by 39.2% on a year-on-year basis generating \$10.4 million. Its contribution to aggregated nominal GDP increased by 0.3 percentage points compared to the September 2021 quarter.

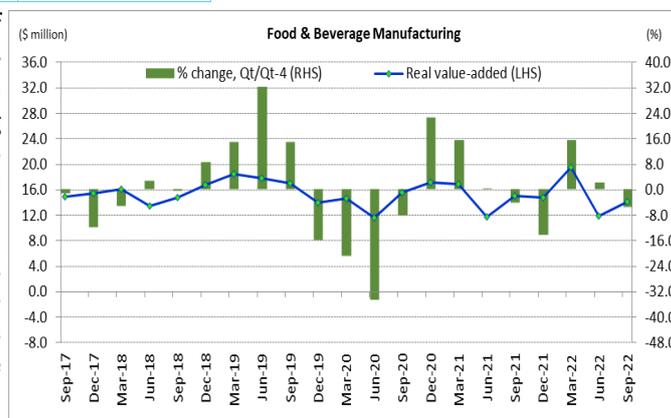


Individual Industry Quarterly Performance

FOOD & BEVERAGE MANUFACTURING	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	17.3	14.7	17.2	17.5	-0.4
Value added (constant 2013 prices) WST (millions)	15.0	11.9	14.2	18.7	-5.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	0.1	-0.2	Chart 8: Food & Beverage Manufacturing quarterly value added at constant prices & % change over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	3.2	2.8	2.9		

The Food and Beverage industry generated a total value added of \$14.2 million in real terms for the quarter under review, decreasing by 5.4% compared to the September 2021 quarter. The negative growth was due to the decrease in beverage manufacturing of 9.9%; this coincided with the Government ban placed on certain alcoholic beverages after excessive amounts of methanol found in locally manufactured liquor.

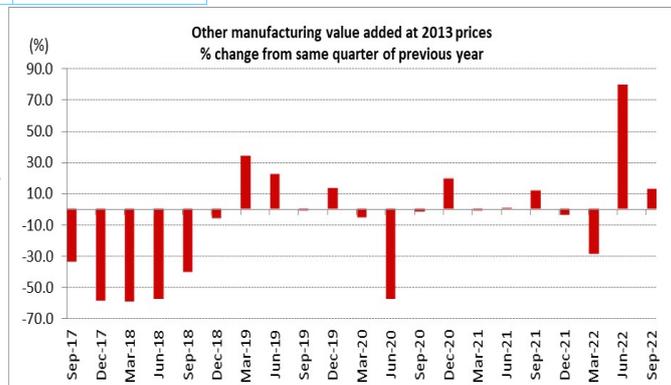
Food and beverage also generated a total value added of \$17.2 million in current prices for the September 2022 quarter, decreasing by 0.4% compared to the September 2021 quarter. Its contribution to total nominal GDP decreased by 0.3 percentage points on a year-on-year basis.



OTHER MANUFACTURING	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	11.9	9.8	13.3	35.0	11.4
Value added (constant 2013 prices) WST (millions)	8.2	7.0	9.3	32.7	13.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.2	0.7	0.3	Chart 9: Percentage change in Other Manufacturing real value added; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	2.2	1.9	2.2		

In real terms, the industry recorded a total value added of \$9.3 million in the period under review increasing by 13.0% in comparison to the September 2021 quarter. It contributed 0.3 percentage points to GDP growth in the period under review. It also recorded a 32.7% growth when compared to the previous quarter. Output within the reviewed quarter recorded an increase of 5.6% compared to September 2021.

In nominal terms, Other Manufacturing industry recorded a total value added of \$13.3 million in the September 2022 quarter. It also increased by 11.4% compared to the corresponding quarter of the previous year.



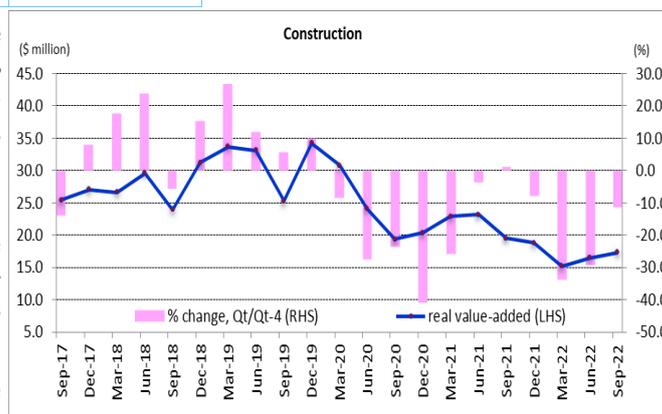
Individual Industry Quarterly Performance

CONSTRUCTION	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	22.3	19.1	20.5	7.3	-7.9
Value added (constant 2013 prices) WST (millions)	19.6	16.5	17.3	5.2	-11.4
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.0	-1.6	-0.5	Chart 10: Construction quarterly value added at constant prices & % change over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	4.1	3.7	3.5		

Construction produced a real value added of \$17.3 million in the September 2022 quarter at constant prices, decreasing by 11.4% compared to September 2021. The industry contributed -0.5 percentage points to the overall growth for the September 2022 quarter.

The industry's decline in its performance was mainly derived from the decrease in imported building materials by 7.0%. With the opening of the country's borders, the industry is slowly recovering with the continuation of major construction works which was either halted or postponed during the Covid19 period.

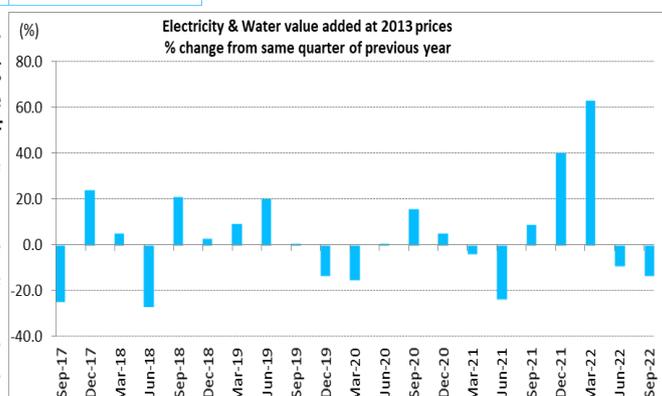
When compared to the June 2022 quarter (quarterly basis) the industry recorded an increase in real value added by 5.2%.



ELECTRICITY AND WATER	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	16.8	7.5	11.4	51.6	-32.4
Value added (constant 2013 prices) WST (millions)	17.8	11.3	15.4	36.2	-13.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-0.3	-0.6	Chart 11: Percentage change in Electricity & Water real value added; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	3.1	1.4	1.9		

Electricity and Water generated a total value added of \$15.4 million at constant prices in the September 2022 quarter, decreasing by 13.1% on a year-on-year basis. The industry's performance reflects the decline in water production by 8.5%. Production of Electricity went up by 3.4%; this was mainly driven by the increase in diesel production by 28.1%.

The industry's total nominal value added recorded a 32.4% decrease compared to the corresponding quarter of 2021. Its share to total nominal GDP went down by 1.2 percentage points from 3.1 percent in September 2021 to 1.9 percent in the current period under review. On a quarterly basis, both Electricity and Water recorded an increase in value added by 36.2%.

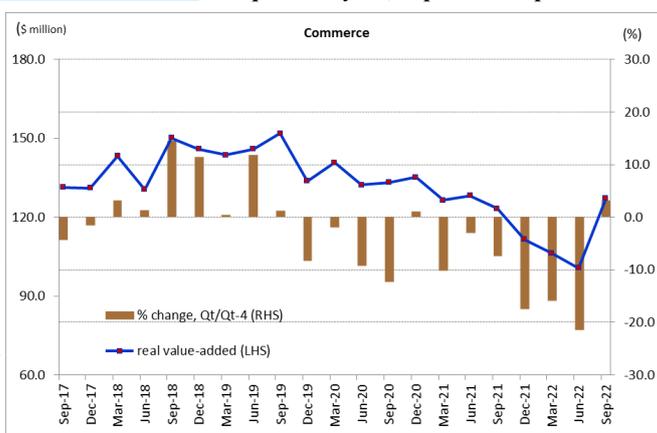


Individual Industry Quarterly Performance

COMMERCE	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	131.7	111.9	141.5	26.4	7.4
Value added (constant 2013 prices) WST (millions)	123.3	100.7	127.1	26.3	3.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-2.4	-6.5	0.9	Chart 12: Commerce quarterly real value added & % change over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	24.3	21.4	23.8		

Commerce remains the largest industry in the economy holding a share of 23.8% of total nominal GDP. Real value added amounted to \$127.1 million in the period under review generating an increase by 3.1% which registers a positive growth after six consecutive quarters of negative performance. This positive growth was mainly driven by the increase in retailing activities by 10.7% in September 2022. This coincides with the notable increase in remittance by \$59.3 million (or 36.1%) during this period increasing consumption as reflected in retailing. Commerce contributed 0.9% to aggregate real growth in the September 2022 quarter.

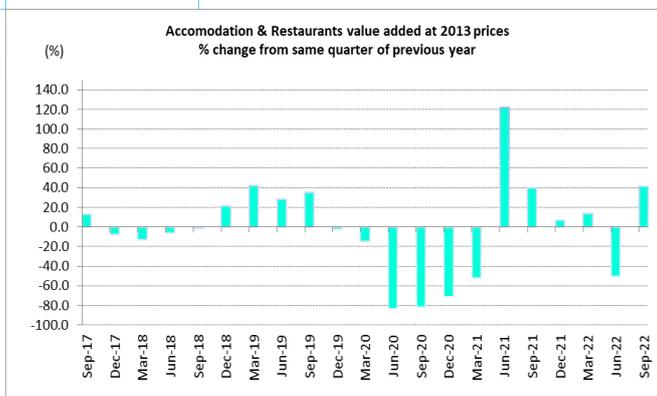
In nominal terms, the industry recorded a total value added of \$141.5 million increasing by 7.4% on a y-o-y basis; its contribution to total nominal GDP stood at 23.8% in the reviewed quarter.



ACCOMMODATION AND RESTAURANTS	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	5.2	2.7	7.2	168.8	40.4
Value added (constant 2013 prices) WST (millions)	3.8	2.0	5.4	168.7	41.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-0.5	0.4	Chart 13: Accommodation & Restaurants, percentage change in real value added over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	1.0	0.5	1.2		

Accommodation and Restaurants recorded a real value added of \$5.4 million, increasing by 41.2% compared to the corresponding quarter of the previous year. The industry's performance reflects the opening of the nations borders to international flights in August 2022. Independence celebrations together with Teuila festivities attracted tourists, visiting families and relatives (VFRs) into the country increasing Accommodations value added by \$1.6 million.

In nominal terms, the industry recorded a 40.4% increase on a year-on-year basis with a share to total nominal GDP of 1.2 percent.

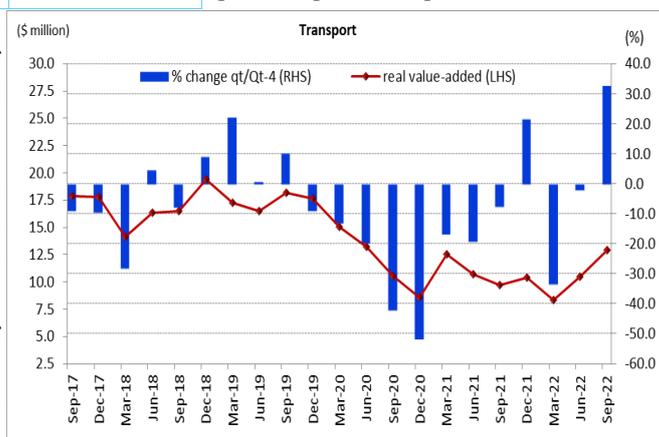


Individual Industry Quarterly Performance

TRANSPORT	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	10.5	11.2	14.2	27.2	35.9
Value added (constant 2013 prices) WST (millions)	9.7	10.5	12.9	23.4	32.5
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.2	-0.1	0.8	Chart 14: Transport quarterly growth rates with total value added at constant 2013 prices, Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	1.9	2.1	2.4		

Transport value added at constant 2013 prices for the September 2022 quarter stood at \$12.9 million registering an increase of 32.5% when compared to the September 2021 quarter. Land and Sea transport industries both went up by 24.3% and 14.9% respectively. With the reopening of borders of our country internationally, this contributed a lot in the increase recorded for the quarter under review. The industry contributed 0.8 percentage to overall real growth with a 1.0 percentage point increase compared to the September 2021 quarter.

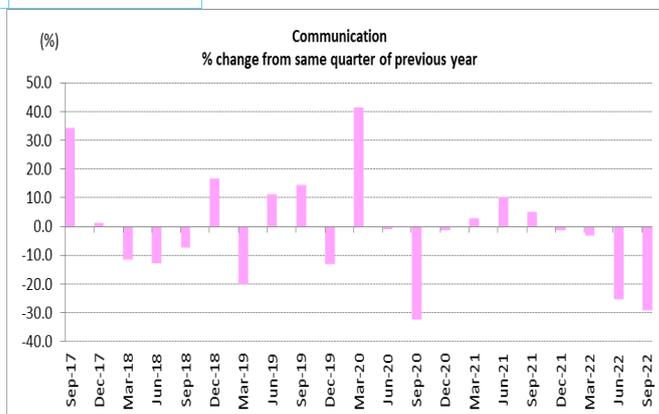
In nominal terms, transport services recorded a value added of \$14.2 million recording a 35.9% growth compared to the corresponding quarter of the previous year. Its contribution to aggregated nominal GDP increased by 0.5 percentage points.



COMMUNICATION	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	27.9	24.2	21.0	-13.2	-24.6
Value added (constant 2013 prices) WST (millions)	25.5	21.4	18.1	-15.8	-29.1
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.3	-1.7	-1.8	Chart 15: Communication percentage change in real GDP from the same quarter of the previous year, Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	5.1	4.6	3.5		

Communication generated a real value added of \$18.1 million in the September 2022 quarter decreasing by 29.1% compared to the September 2021 quarter. The industry contributed negatively (-1.8 pp) to overall growth. This coincides with the -10.9% decline in employment for the industry as indicated in the Employment September 2022 Report.

The industry's valued added in current prices for the reviewed quarter recorded \$21.0 million; it went down by 24.6% compared to the September 2021 quarter decreasing its contribution to total nominal GDP by 1.6 percentage points.

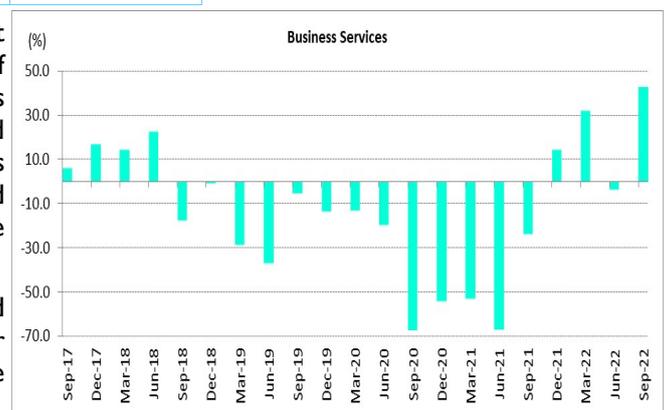


Individual Industry Quarterly Performance

BUSINESS SERVICES	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	4.3	3.6	6.1	71.5	42.7
Value added (constant 2013 prices) WST (millions)	4.1	3.3	5.9	79.7	44.2
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.3	-0.1	0.4	Chart 16: Business Services, % change in value-added at constant 2013 prices from Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	0.8	0.7	1.0		

Business services produced a total value added of \$5.9 million at constant 2013 prices in September 2022; recording an increase of 44.2% on a year-on-year basis. The industry's positive growth was primarily driven by an increase in value added by travel-related businesses such as travel agencies and tour operators, as well as property renting and leasing activities. The industry was the third largest positive contributor with its contribution of 0.4 percentage points to overall real growth of GDP.

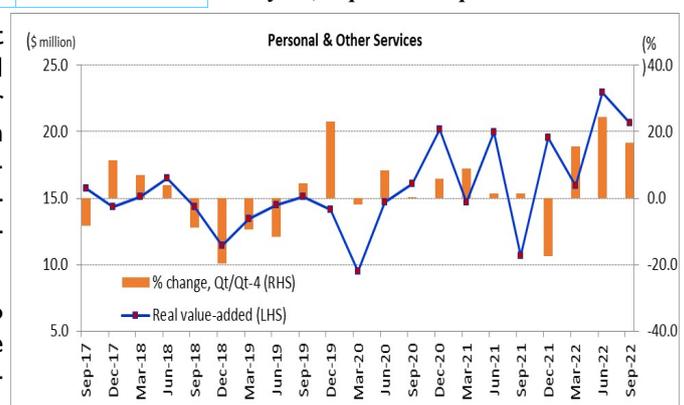
In nominal terms, the industry added \$6.1 million in the reviewed quarter. Its contribution to total nominal GDP in the September 2022 quarter was 1.0 percent which increased by 0.2 percentage points from 0.8 percent in the September 2021 quarter.



PERSONAL & OTHER SERVICES	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	15.9	20.8	18.6	71.5	16.7
Value added (constant 2013 prices) WST (millions)	10.7	23.0	20.7	-10.2	93.7
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-1.3	0.7	2.5	Chart 17: Personal & Other Services quarterly value added at constant prices & % change over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	2.9	4.0	3.1		

Personal and other services recorded an increase in constant 2013 prices by 93.7% compared to September 2021 with a total value added of \$20.7 million. This is the third consecutive quarter of positive growth following two quarters of negative growth from September 2021 quarter. This was consistent with the increase in utilization of activities pertaining to religious organizations, computer maintenance, communication equipment servicing as well as funeral and related activities.

Personal & other services generated total nominal GDP of \$18.6 million registering an increase of 16.7% compared to the same quarter of the previous year. It increased its share by 0.2 percentage points to 3.1% in the period under review.

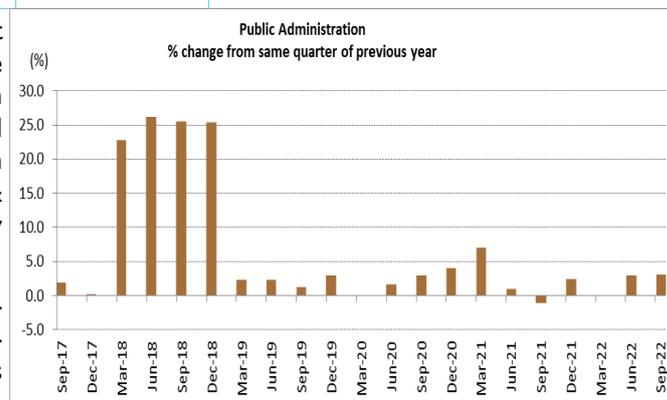


Individual Industry Quarterly Performance

PUBLIC ADMINISTRATION	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	73.6	79.6	78.3	-1.6	6.4
Value added (constant 2013 prices) WST (millions)	46.4	48.2	47.6	-0.8	3.0
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	-0.1	0.3	0.3	Chart 18: Public Administration, % change in value-added at constant 2013 prices from Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	13.6	15.2	13.2		

Public administration produced a total value added in constant terms of \$47.6 million increasing by 3.0% compared to the same quarter of the previous year. It is the second largest industry in the economy contributing 0.3 percentage points to aggregate real growth for the period under review. This reflects the increase in general administration activities such as legislative, public order & safety activities, economic and social policy for the community and regulations efficient for operations of businesses.

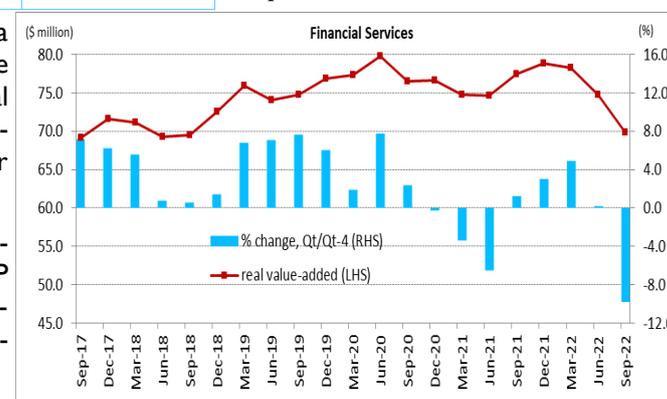
Its contribution to total nominal GDP decreased by 0.4 percentage points from 13.6 percent for September 2021 to 13.2 percent in September 2022. Value added recorded in nominal terms was \$78.3 million increasing by 6.4% on y-o-y basis.



FINANCIAL SERVICES	GDP Sep 2021 Quarter	GDP Jun 2022 Quarter	GDP Sep 2022 Quarter	% change from Jun 2022 quarter (q-o-q)	% change from Sep 2021 quarter (y-o-y)
Value Added (current prices) WST (millions)	95.5	73.9	98.7	33.5	3.4
Value added (constant 2013 prices) WST (millions)	77.4	74.7	69.8	-6.5	-9.7
Contribution to aggregate (y-o-y) real growth rate: <i>percentage points</i>	0.2	0.0	-1.8	Chart 19: Financial Services value added at constant prices & % change over the same period of the previous year; Sep 2017 - Sep 2022	
Contribution to aggregate nominal GDP: <i>percent</i>	17.6	14.1	16.6		

Financial services' real value added decreased by 9.7 percent on a year-on-year basis amounting to \$69.8 million. This performance was driven by the decline in growth experienced in non-financial institutions, Other finances and insurance institutions. It contributed negatively by 1.8 percentage points to total real growth for the September 2022 quarter.

In nominal terms, the industry recorded a 3.4% increase compared to the September 2021 quarter. Its share to nominal GDP went down by 1.0 percentage points from 17.6 percent in September 2021 to 16.6 percent recorded for the quarter under review.



NATIONAL ACCOUNTS FRAMEWORK REVIEW & GDP 2013 REBASING

Background Information

Overview

This publication is the sixteenth 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)

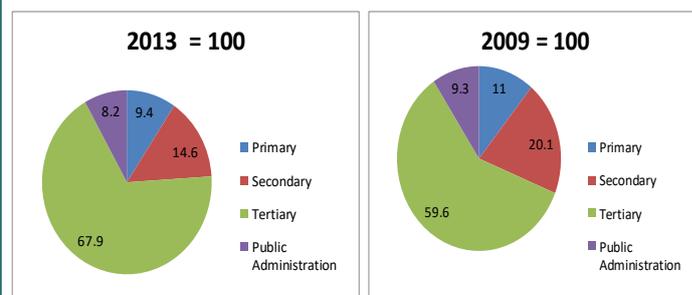
Apart from these VAGST based industries, The Finance Industry main data source is now primarily from the Profit and Loss Statement summary provided by the Central Bank of Samoa. This not only enables the calculation of the FISIM, but also the breakdown of other components of the Finance Sector like Insurance,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

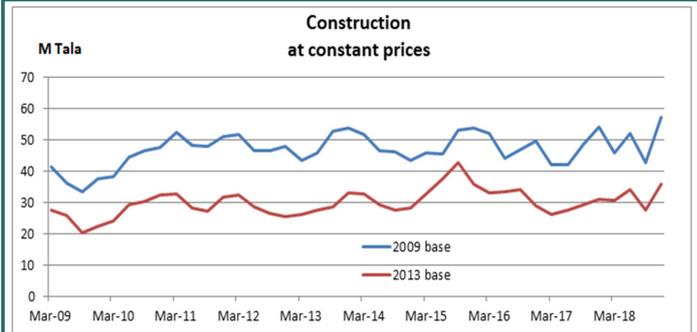
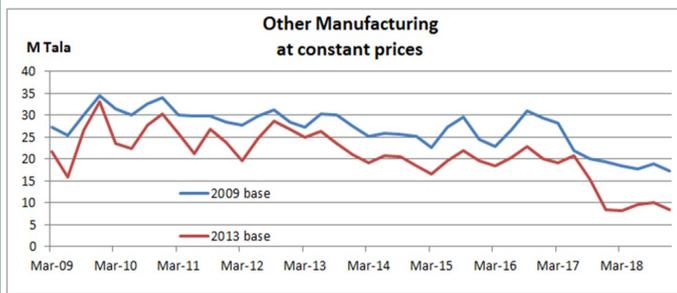
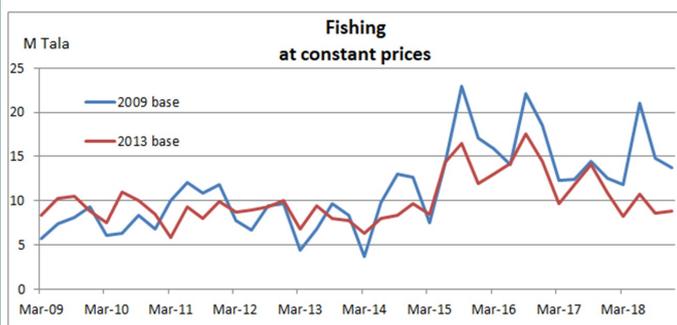
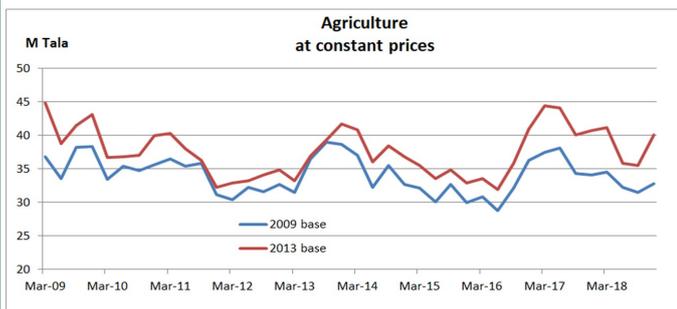
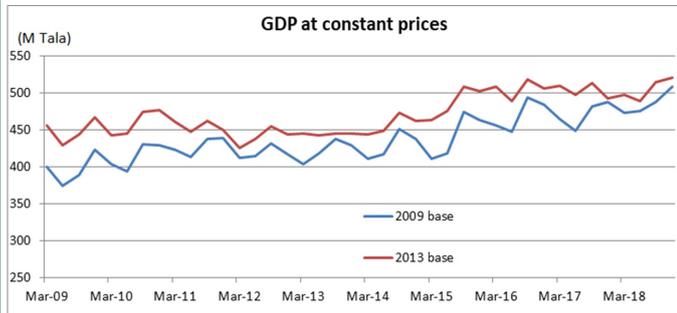
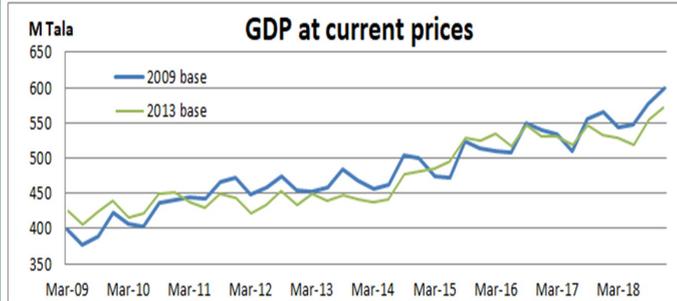
Comparison of GDP shares 2018, by broad sectors in 2013 and 2009 prices,



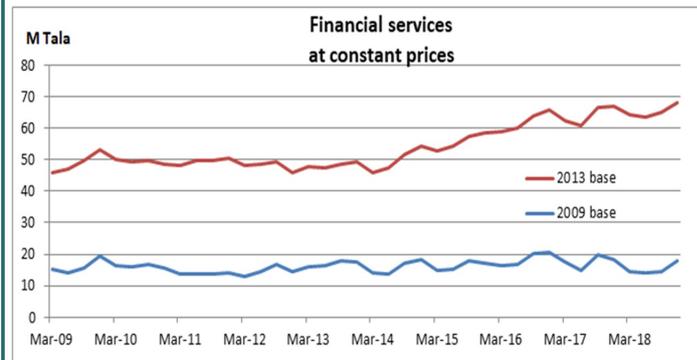
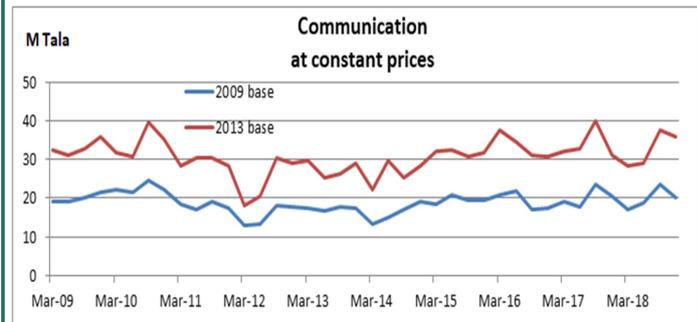
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Some of the key results for GDP at current and constant 2013 prices compared to 2009 prices;



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 de-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).



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**“To strengthen Statistical services
for the development of
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