



Samoa Bureau of Statistics

Government Finance Statistics

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December 2022

Overview

Highlights:

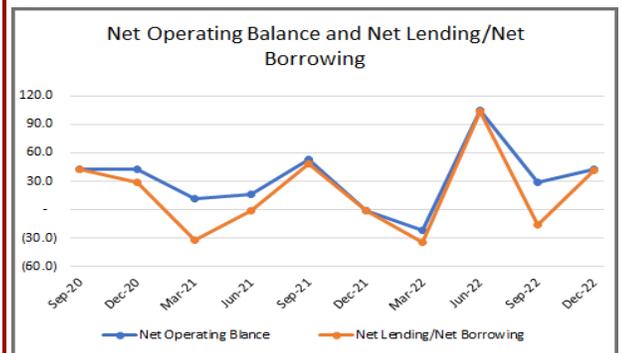
- Central Government operations recorded a Net Lending/ Borrowing Balance of \$41.2 million (surplus).
- Net Operating Balance for December 2022 stood at \$42.8 million (surplus).
- Total Government Revenue stood at \$205.3 million in December 2022.
- Total Government operating Expenses stood at \$162.5 million
- NFA recorded in December 2022 amounted to \$1.6 million.

The Central Budgetary Government operations registered a \$42.8 million Net Operating Balance surplus at the end of the second fiscal quarter of the fiscal year 2022–2023. Comparing this to the December 2021 and September 2022 quarters respectively shows a gradual increase of \$44.3 million and \$14.0 million. The decrease in operating cost of \$31.4 million, coupled with an increase in revenues that were primarily driven by a \$21.2 million rise in tax collection, underpin the promising quarterly results.

On the other hand, government spending towards acquisition of fixed assets increased slightly by \$1.5 million from the December 2022 quarter but dropped significantly from the previous quarter to save \$43.6 million. With operational expenses being contained together with the drop in expenditure for the acquisition of fixed assets, it resulted with a surplus of \$41.2 million in the Net Lending/ Borrowing for the quarter under review. If compared to December 2021, the NLB balance significantly increased by \$42.9 million and \$57.5 million above the previous quarter of September 2022.

As a result, the banking system or the Net Acquisition of Financial Assets with the Central Bank of Samoa recorded stood at \$38.3 for the quarter ending December 2022. This was \$42.5 million over its corresponding 2022 quarter but \$82.7 million over the September 2022 quarter. The trend growths from the last ten quarters for the two balances is shown in chart 1.

Chart 1: Net Lending/ Net Borrowing and Net Operating Balance Dec 19 - Dec 22

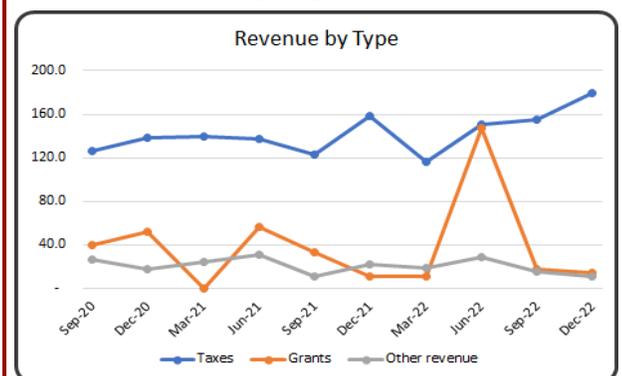


REVENUE BY TYPE

Total revenue collected and recorded during the December quarter was \$205.3 million. Revenue is comprised of three major sources of income. The Tax component being the largest contributed \$179.8 million, the Grant component contributed \$14.3 million to overall revenue, while the Other Revenue component of Revenue collected \$11.2 million during the quarter ending December 2022.

When compared to December 2021 and September 2022 quarters, total revenue went up significantly by \$12.9 million and \$17.0 million respectively. Chart 2 below shows the growth trends of the three major components over the last ten quarters.

Chart 2: Revenue by type Sep 2021 - Dec 2022



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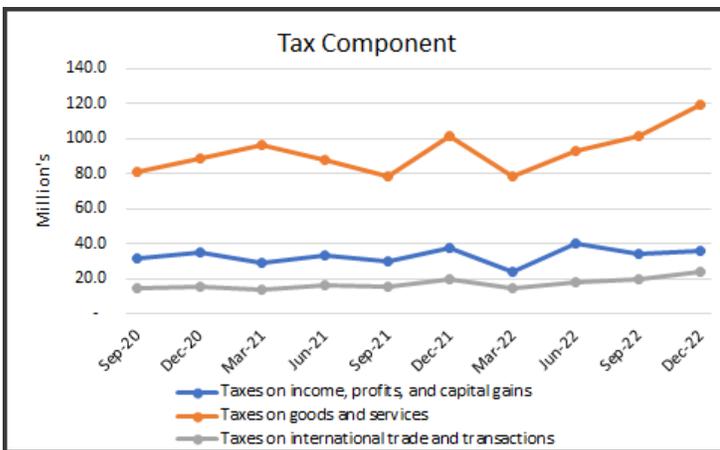
TAXES

Tax collection has been consistently growing positively over the last four quarters. In December 2022, total taxes recorded was at \$179.8 million.

Within the aggregated Tax amount, Taxes on Goods and Services was the largest contributor at \$119.8 million, or 66.6 percent of total taxes. Total VAGST collected during the quarterly review amounted to \$77.5 million, translated into a \$14.8 million increase from December 2022. Furthermore, Excise Tax (\$41.3 million) and Taxes on International trades and Transactions (\$24.1 million) were both increased positively at \$4.5 million and \$4.4 million respectively compared to their corresponding 2021 quarter.

All in all, 87.6 percent of government revenue is from taxes alone. The consistent performances by all tax components is illustrated in chart 3 below.

Chart 3: Tax Components, Sep 2021 – Dec 2022



GRANTS

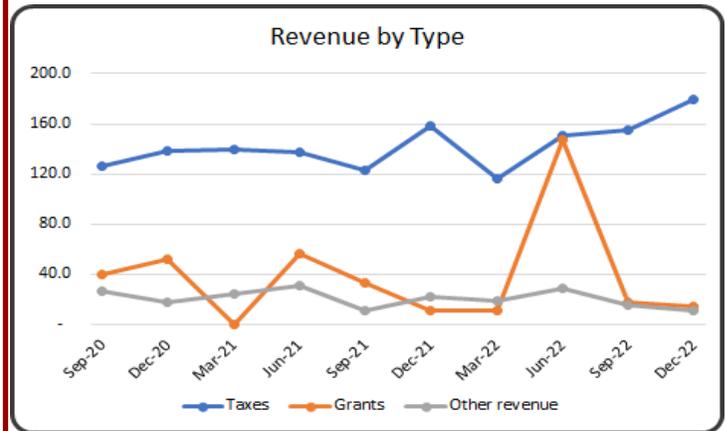
Total grants received by the Budgetary Central Government during the October - December 2022 quarter amounted to \$14.3 million. Despite being challenged by the ongoing pandemic, rise in inflation globally, as well as wars, conflicts and natural disasters, grants donated by Samoa's bilateral and multi-lateral partners increased slightly by \$3.1 million over the last twelve months but fall short of the September 2022 amount by \$4.0 million tala.

OTHER REVENUES

Total revenues recorded for the category *Other Revenue* amounted to \$11.2 million for the reviewed quarter. Comprised of four sub-categories, *Property Income* recorded a total collection of \$2.4 million in December 2022, revenue

from the *Sales of Goods and Services* amounted to \$8.6 million and lastly, *Fines, penalties, and forfeits* still maintained at \$0.1 million since March 2022. Overall, all components were fell short of their corresponding 2021 levels, with the *Sales of Goods and Services* being the biggest at \$7.9 million. As shown in chart 4, is the graphic illustration of performance by the categories of revenue namely Tax, Grants, and Other Revenue for the last ten quarters.

Chart 4: Revenue by Type, December 2022



EXPENDITURE BY TYPE

The Central Budgetary Government total expenditure during the December 2022 quarter totalled at \$164.1 million. Within the amount, \$162.5 million or 99.0 percent was spent on operational purposes and the rest was for the acquisition of non-financial or fixed assets. If compared to December 2021, total central government expenditure significantly went down by \$30.0 million.

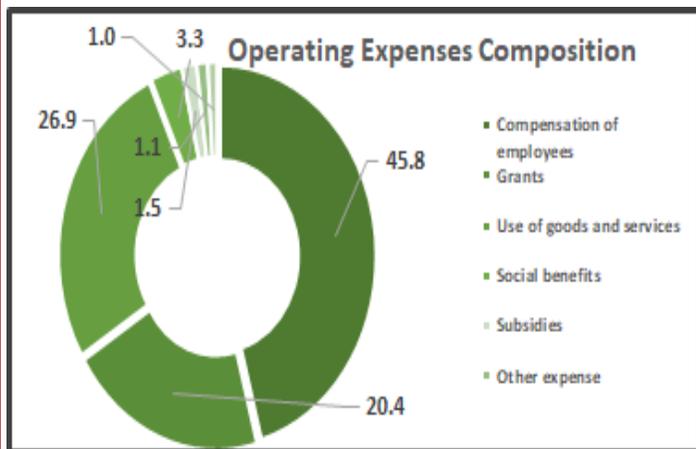
Operating Expenses

Operating Expenses is exclusive of spending for acquiring of fixed assets as per definition given in the GFS manual. For the quarter of December 2022, total running costs committed by the Budgetary Central Government stood at \$162.5 million, down by \$31.4 million from its corresponding 2021 quarter.

Category wise, all expense types fell short of their respective December 2021 levels. *Grants to other Government units* was at large, decreasing by \$15.5 million from last year to register its current amount of \$33.2 million. Further to that, *Use of Goods and services* fell by \$9.0 million from December 2021. *Compensation of employees, Interests, Subsidies, Social Benefits, and Other expenses* were also down by a combined \$7.0 million for the quarter under re-

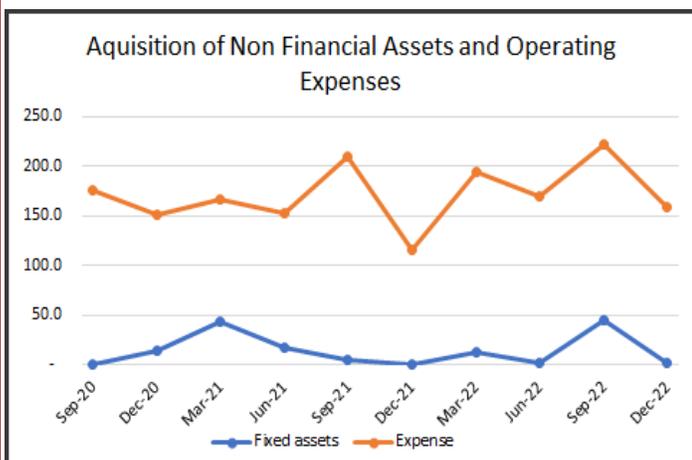
view. The composition by type of expenses is shown in the chart below.

Chart 5: Operating Expenses Composition for December 2022



In terms of spending towards the Acquisition of fixed assets, the total expenditure during the three months ending December 2022 amounted to \$1.6 million, small increase of \$1.5 million. However, it was \$43.6 million less when compared to September 2022 as shown in chart 6. The huge decrease in Government spending on acquisition of fixed assets during the quarter reflects the slow down in the implementation of development projects except for a few still ongoing.

Chart 6: Non Financial Assets & Operating Expenses, Sep 2021 – Dec 2022



EXPENDITURE BY FUNCTIONS OF GOVERNMENT

The disbursement of funds according to functions of Government saw the *General Public Services* being the biggest recipient at \$34.6 million, translated into a shortfall of \$10.0 million over the last twelve months total. Secondly, *Economic Affairs* which comprised of general economic affairs, agriculture and forestry, energy, transport, commu-

nication and other economic affairs received \$29.8 million during the December 2022 quarter. The amount received by the sector was \$5.2 million less than the December 2021 amount. Thirdly, the *Education Sector* share was shortened by \$6.1 million compared to what was given in December 2021. Total money spent by government on the education sector was \$26.3 million.

Overall, all sectors experienced a cut on their shares during the December quarter, except for a few with minor or small increases ranging from \$0.5 million to \$1.5 million. This is clearly shown in the summary table below with more details provided in table 5 attached to this report.

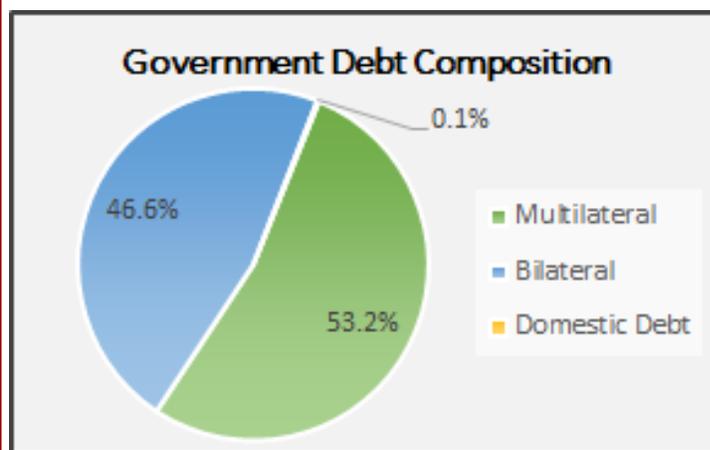
Summary Table: Expenditure by Function of Government

Summary Table: Expenditure by Function of Government	Dec-21	Sep-22	Dec-22	Diff. in millions (12 months)	% Change (12 months)
General Public Services	44.5	53.6	34.6	-9.8	-22.1
Public Order and Safety	18.5	15.4	17.4	-1.1	-6.1
Economic Affairs	35.0	49.8	29.8	-5.2	-14.7
Environment	7.2	4.2	5.8	-1.4	-19.4
Housing and Community	10.5	7.9	4.4	-6.2	-58.4
Health	33.5	34.6	33.4	-0.1	-0.4
Recreation, Culture and Religion	1.8	1.3	1.4	-0.3	-18.2
Education	32.3	24.9	26.3	-6.1	-18.7
Social Protection	10.7	13.0	11.0	0.2	2.3
Total	194.0	204.6	164.1	-29.9	-15.4

GOVERNMENT DEBT

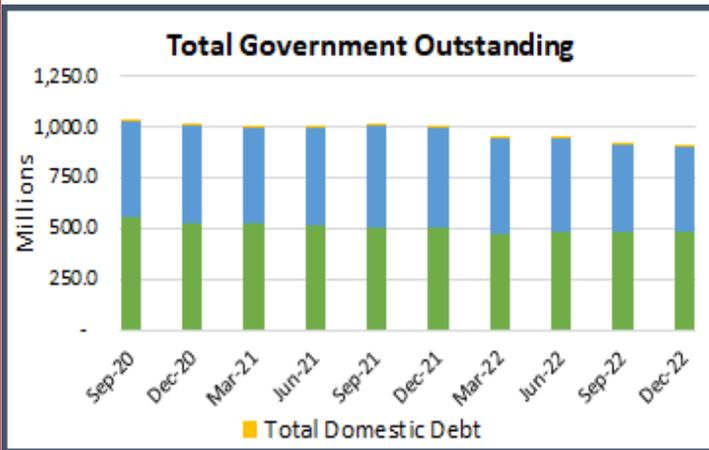
As of December 2022, the total Government outstanding debt amounted to \$903.5 million, \$99.0 million less than the December 2021 balance. Total *External Debt* was \$901.5 million and \$1.1 million were outstanding with local financial institutions as shown in the chart below.

Chart 8: Debt Composition



Within the external debt instrument, monies owed to global financial institutions amounted to \$479.9 million. The Government of Samoa owed the World Bank \$274.9 million and the ADB \$185.1 million. The balances with the two biggest money lenders went down by a combined \$18.2 million from December 2021 level. In addition, total debt owed to the Chinese Government amounted to \$355.3 million, again, reduced by \$64.0 million from the last twelve months. Total debt to the Government of Japan on the other hand amounted to \$66.3 million, \$12.9 million lower than that was in December 2021.

Chart 9: Government Outstanding Debt





SBS Vision:

“Samoa Bureau of Statistics to be the leader in providing relevant and quality statistics for the benefit of Samoa”

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Table 5: Classification of Function of Government (Expenditure by Function): September 2021 - December 2022

Table 6: External and Domestic Debt Stock: September 2021 - December 2022

What are Government Finance Statistics?

Government Finance Statistics provide statistics that enable policymakers and analysts to study developments in the financial operations, financial position and liquidity situation of the government sector in a consistent and systematic manner. Balancing items have been created to provide summary information such as Net Operating Balance (NOB) and Net Lending (+) or Borrowing (-). The detailed data can also be used to examine specific areas of government operations, example: particular forms of taxation, level of expense and the amount of government borrowing etc. The harmonization of this system with other macroeconomic statistical systems like the System of National Accounts means that data from the GFS can be combined with data from NA to assess government performance in relation to the rest of the economy. Similarly, it can also be used for inter-country analysis of government operations, such as comparisons of ratios of taxes or expense to gross domestic product.

This report provides the latest available information on the government fiscal operations and activities on a quarterly basis and also reflects the COVID-19 pandemic and its impacts on revenues as well as expenditures.

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