



GOVERNMENT OF SAMOA
MINISTRY OF FINANCE
QUARTERLY ECONOMIC REVIEW

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Third Quarter FY2025/26 (Jan-Mar 2026) 12 months' review (Apr 2025 – Mar 2026)

Gross Domestic Product

The third quarter of Financial Year 2025/26 registered a **contraction in real GDP of 5.0%**, bringing total output to **\$619.8 million**. This reflects a moderation in economic activity, driven by a combination of domestic and external factors. The decline was largely influenced by weaker performance in wholesale and retail trade, indicating reduced consumer and business activity following earlier periods of strong demand. Economic activity was also affected by the completion of major construction projects, leading to a temporary decline in construction output. In addition, rising fuel prices and increased shipping costs, partly linked to ongoing global uncertainties including the Middle East conflict, placed upward pressure on import costs and business operations, contributing to softer economic conditions.

The contraction in economic activity was broad-based, with declines recorded across most industries. **Commerce** recorded the largest decrease of **17.9%**, reflecting weaker wholesale and retail trade activity during the quarter despite temporary boosts from events such as the UB40 Concert in January and the NPF back-to-school dividend payout, which provided short-term support to consumption. This was followed by declines in **Transport (-9.0%)** and **Construction (-7.7%)**, with the latter reflecting reduced activity following the completion of major projects,

including developments such as the Savalalo Flea Market Project. Further contractions were observed in **Other Manufacturing (-7.4%)**, **Agriculture (-4.3%)**, and **Fishing (-4.1%)**, indicating subdued production and export-related activities. Service-related industries also recorded declines, including **Accommodation and Restaurants, Business Services, and Personal and Other Services**, each decreasing by **1.5%**, while **Food and Beverages Manufacturing** declined by **0.8%**.

In contrast, several industries recorded positive growth, with **Communication expanding by 8.1%**, supported by increased digital activity and initiatives such as the launch of the CSL Samoa Digital Training Centre. Growth was also recorded in **Public Administration (3.6%)**, reflecting government-funded initiatives during the quarter, including the Back to School Support Grant (\$32.25 million), Japan's grant assistance programme (USD \$2.9 million), and support for elderly care services at Mapuifagalele. Additional gains were observed in **Ownership of Dwellings (3.1%)**, **Electricity and Water (2.6%)**, and **Financial Services (2.5%)**, indicating continued resilience in service industries. Moreover, events such as the Oceania Wrestling Championship, Samoa IBFC Universal Weightlifting Cup 2026, and the official opening of the Police Maritime Wing in Tuasivi contributed to economic activity

across selected industries. However, despite these positive developments, the gains were insufficient to offset the widespread declines observed across the economy.

Formal Employment

Formal paid employment at the end of the quarter reached **28,258** individuals, comprising 51.9 percent males and 48.1 percent females, representing an **overall increase of 9.3 percent** compared to the corresponding quarter of the previous year.

Employment growth was broad-based across several industries, with notable gains recorded in the Construction, Public Administration, and Restaurant sectors. Construction employment registered the strongest increase at 34.9 percent, reflecting continued infrastructure and development activities, while employment in Public Administration and Restaurants rose by 31.2 percent and 22.1 percent, respectively. Additional employment gains were also observed in the communication and accommodation and food service-related industries, supported by improving domestic economic activity and tourism.

By industry, **Public Administration** recorded the strongest employment growth, increasing by **31.2 percent** over the year. Employment in the **Secondary Industry** also expanded significantly by **13.9 percent**, reflecting continued strength in construction and manufacturing-related activities, while the **Tertiary Industry** registered a modest increase of **0.7 percent**, supported by growth in accommodation, food services, communication, and other service industries. In contrast, employment in the **Primary Industry**

declined by **2.8 percent**, indicating weaker labour demand in agriculture, forestry, and fisheries.

Consumer Price Index

In March 2026, **CPI stood at 135.5, reflecting a decline of 1.1 percent** from **137.0 recorded in March of the previous year**. This outcome was largely driven by a 2.5% decrease in the imported goods component, reflecting lower prices for selected food items and other consumer products. In contrast, the local goods component increased by 0.4%, supported by higher prices for fresh fish, coconuts, and CCK coffee as reported by SBS.

Price movements across CPI industries were mixed during the quarter. Increases were recorded in Restaurants and Hotels (4.5%), Alcoholic Beverages and Tobacco (4.1%), Miscellaneous goods and services (1.7%), Food and Non Alcoholic Beverages (1.3%), Education (0.7%), Communication (0.5%), Clothing and Footwear (0.2%), and Health (0.2%). In contrast, declines were recorded in Housing, Water, Electricity, Gas and other Fuels (-0.1%), Transport (-0.1%), Furnishings, Household Equipment and Routine Household Maintenance (-1.5%), and Recreation and Culture (-4.9%).

On an annual basis, **the average inflation rate was 1.2%**, decreasing from 1.9% in the corresponding quarter of FY2024/25. This moderation reflects easing price pressures across key industries, particularly Housing, Water, Electricity, Gas and Other Fuels, Transport, and Recreation and Culture.

Tourism and Remittances

Total visitor arrivals reached **49,584** during the quarter, an increase of **12,449 visitors** compared to the corresponding quarter of FY2024/25. The majority of arrivals continued to originate from **New Zealand and Australia**, with **visiting friends and relatives (VFR) and holiday travel** remaining the primary purposes of visit. The increase in arrivals was also supported by a higher number of cruise ship visits during the quarter.

The continued recovery in visitor arrivals translated into stronger tourism earnings, which amounted to **\$138.0 million**, representing a **13.9 percent** increase over the corresponding quarter of the previous financial year. The higher earnings reflected increased visitor spending, reinforcing tourism's role as a key driver of economic activity and supporting growth across accommodation, food services, transport, and other tourism-related industries.

Total remittances for the March quarter amounted to **\$216.76 million**, representing an increase of **9.9%** compared to the previous quarter. This growth was primarily driven by increased inflows recorded under Others (315%), followed by contributions to Churches and Schools (65%), as well as Samoan individuals (8.4%). These gains were partially offset by a slight decline of 5% in Banknotes during the quarter. Overall, remittance inflows remained strong, reflecting continued support from abroad despite minor contractions in selected components.

Trade & Balance of Payments

Total commodity exports amounted to **\$19.25 million**, representing an **increase of \$5.7 million (41.8 percent)** compared to the March 2025 quarter.

Export performance remained mixed across commodities. Significant declines were recorded for Coconut Cream (-61.6 percent), Fresh Fish (-56.1 percent), Nonu Juice (-40.1 percent), Beer (-20.0 percent), and Taro (-11.8 percent). These declines were more than offset by substantial increases in exports of Copra (127.4 percent), Other Exports (121.2 percent), Coconut Oil (86.9 percent), Scrap Metal (64.2 percent), Kava (11.1 percent), and Coconut (8.2 percent).

Total commodity imports increased by 8.0 percent to \$290.0 million, driven primarily by a 29.0 percent increase in Government imports and a 21.2 percent rise in Petroleum imports, while Other imports declined by 8.3 percent.

As a result, the **Balance of Trade in Goods** recorded a deficit of **\$270.8 million**, reflecting the continued higher levels of merchandise imports over exports. However, the **Balance of Trade in Services** recorded a surplus of **\$107.5 million**, supported largely by tourism receipts, although this represented a 2.0 percent decline from the previous quarter.

Overall, the **Current Account Balance** recorded a surplus of **\$30.8 million**, reflecting the persistent merchandise trade deficit despite continued strength in services exports. In contrast, the **Capital Account** registered a surplus of **\$26.5 million**, although this was 69.0 percent lower than the corresponding quarter of FY2024/25.

Consequently, the **Overall Balance of Payments** recorded a deficit of **\$35.3 million** for the quarter

Gross Official Foreign Reserves

Gross Official Foreign Reserves increased in March 2026 by 9.5% (\$140.88 million) to reach **\$1620.83 million**. This compares with \$1479.95 million recorded in March of 2025, reflecting continued resilience in the external position. In line with this improvement, reserves were sufficient to cover **15.9 months of imports**, up from 14.2 months in the previous financial year, indicating a stronger buffer to support external stability.

Money Supply

Money supply reached **\$5,348.6 million** at the end of the March quarter, representing an 8.7% increase compared to the same period in the previous fiscal year. This growth was primarily driven by an 8.8% increase in Quasi Money (savings and time deposits) and an 8.7% rise in Narrow Money (currency and deposits). The increase reflects continued growth in deposits and liquidity within the banking system, supported by sustained economic activity and higher household and business savings.

Fiscal Performance

The **Net Operating Balance** (Revenue less Operating Expenses) recorded a **deficit of \$33.4 million** during the review quarter, as **total revenue of \$218.1 million** was insufficient to fully finance **total operating expenses of \$251.5 million**. Including **net acquisitions of non-financial assets of \$1.5 million**, total expenditure amounted to **\$253.0 million**, resulting in a **Net Lending/Borrowing deficit of \$34.9 million**.

The decline in revenue largely reflected lower tax collections and reduced grant inflows compared to the corresponding quarter of the previous year, while expenditure growth was driven by higher employee compensation, grants to other government units, and social protection spending. Despite the quarterly deficit, the Government maintained its commitment to financing essential public services and priority development programmes.

Over the twelve months ending **March 2026**, the fiscal position remained positive, with cumulative surpluses recorded in both the **Net Operating Balance** and **Net Lending/Borrowing**, amounting to **\$221.1 million** and **\$122.6 million** respectively.

Official Government Debt

Official Government Debt stood at **\$699.5 million** at the end of the third quarter of FY2025/26, equivalent to **19.7 percent of nominal GDP**, continuing the downward trend observed in recent years and reflecting ongoing debt management efforts.

Multilateral loans accounted for **62.5 percent (\$406.1 million)** of total **Disbursed Outstanding Debt (DOD)**, while bilateral loans comprised the remaining **37.5 percent (\$243.2 million)**.

Total debt servicing amounted to **\$30.6 million** during the quarter, representing a **1.9 percent** decrease compared to the corresponding quarter of the previous financial year. Over the twelve-month period ending March 2026, total debt servicing reached **\$78.6 million**, reflecting the Government's continued commitment to meeting its debt obligations while maintaining debt sustainability.

Exchange Rates

During the quarter, the Samoan tala appreciated against the **USD, NZD, and YEN** dollars, strengthening its value and reducing import costs. Conversely, the Samoan tala depreciated against the **AUD, EURO, and FJD** currencies, weakening its value and increasing import expenses.

On an annual basis, the Samoan tala appreciated against the **NZD and YEN** dollars while depreciating against the **AUD, EURO, and FJD** currencies, thereby influencing the cost of goods and services traded in these currencies while the USD remained broadly stable throughout the quarter.

Petroleum Prices

In the March quarter of FY2025/26, reductions in the average price of **petrol (2.2%)** and **diesel (0.8%)** outweighed a slight increase in **kerosene prices (0.4%)**, resulting in a net decline in quarterly fuel costs.

International fuel prices (USD per barrel) recorded mixed movements for the month of March 2026. **Petrol prices declined by 3.2%**, while **diesel and kerosene prices increased by 5.3% and 6.4%** respectively.

Overall Economic Performance

Economic activity weakened in the March quarter, resulting in a contraction in real GDP as key industries, particularly commerce, transport, and construction, declined from earlier levels. Despite this, labour market conditions remained relatively strong, supported by broad-based employment growth across several sectors, while inflationary pressures eased as lower global

commodity prices helped offset increases in selected domestic goods and services.

The external sector remained resilient, supported by strong tourism growth and continued inflows of remittances, which helped sustain domestic demand. The current account recorded a surplus owing to the despite the persistent trade imbalance, while foreign reserves improved and remained sufficient to provide a strong import cover. Fiscal conditions softened during the quarter with a recorded deficit; however, public debt levels continued to decline, reflecting prudent debt management. Overall, the economy remained stable, underpinned by resilient service industries, steady external inflows, and strengthened macroeconomic buffers despite the contraction in output.

TABLE 1: KEY ECONOMIC INDICATORS

	Quarter			Twelve-month period		
	3QFY24/25	3QFY25/26	% Change Quarter	Apr 2024 – Mar 2025	Apr 2025 – Mar 2026	% Change Annual
Nominal GDP (<i>SAT\$/million</i>)	866.04	827.01	-4.5	3,520.45	3,543.40	0.7
Real GDP at 2013 prices (<i>SAT\$/million</i>)	652.61	619.77	-5.0	2,561.28	2,550.84	-0.4
GDP per capita (<i>SAT\$ 2013 prices</i>)	4052	3,831	-5.4	16,593	16,541	-0.3
Consumer Price Index (Inflation Rate)	2.4	-1.1	-145.8	1.9	1.2	-36.8
Number of formal employment (end of period)	25,856	28,258	9.3	104,800	111,019	5.9
Number of Tourism Arrivals	37,135	49,584	33.5	203,934	215,269	5.6
Tourism Earnings	121.11	137.95	13.9	640.00	687.13	7.4
Remittances (<i>SAT\$/million</i>)	197.22	216.76	9.9	896.07	927.06	3.5
Export of Goods (<i>SAT\$/million</i>)	13.57	19.25	41.8	108.14	73.27	-32.2
Import of Goods (<i>SAT\$/million</i>)	291.39	290.00	-0.5	1,254.84	1,226.92	-2.2
Merchandise Trade Balance (Surplus/Deficit [-])	-277.82	-270.75	-2.5	-1146.70	-1153.66	0.6
Gross Official Foreign Reserves (<i>end of period</i>)	1,479.95	1,620.83	9.5	1,479.95	1,620.83	9.5
Money Supply (<i>end of period</i>)	5219.44	1818.21	-65.2	5219.44	1818.21	-65.2
Balance of Payment						
Current Account Balance (Surplus/Deficit[-])	1.48	30.76	-1977.8	178.06	276.99	55.6
Capital Account Balance (Surplus/Deficit[-])	84.55	26.52	68.6	403.23	233.33	-42.1
Overall Balance (Surplus/Deficit[-])	31.67	-35.32	-211.5	206.80	136.15	-34.2
Government Finance Statistics						
Total Revenue	269.98	218.08	-19.2	1181.41	1041.64	-11.8
Total Expenditure	218.31	251.49	15.2	828.60	820.75	-0.9
Net Operating Balance (Surplus/Deficit[-])	51.66	-33.41	-164.7	352.81	221.11	-37.3
Net Lending / borrowing Balance (Surplus/Deficit[-])	50.66	-34.92	-168.9	244.58	122.59	-49.9
Official Government External Debt	776.22	699.54	-9.9	776.22	699.54	-9.9
Debt Servicing	31.22	26.48	-4.7	31.22	26.48	-4.7
Exchange Rates	<i>(Quarter average rates)</i>			<i>(Annual average rates)</i>		
USD	0.35	0.36	2.2	0.36	0.36	0.0
NZD	0.62	0.63	2.2	0.61	0.62	2.4
AUD	0.56	0.53	-6.3	0.55	0.54	-2.1
EURO	0.33	0.32	-3.5	0.33	0.31	-7.4
FJD	0.82	0.81	-1.8	0.82	0.81	-0.6
YEN	52.95	57.69	8.9	54.88	55.38	0.9
Petroleum	<i>Retail Prices (sene/ltr)</i>			<i>Retail Prices (sene/ltr)</i>		
Petrol	2.97	2.90	-2.2	2.97	2.90	-2.2
Kerosene	2.70	2.71	-0.4	2.70	2.71	-0.4
Diesel	3.09	3.07	-0.8	3.09	3.07	-0.8
	<i>FOB Prices (USD/bbl)</i>			<i>FOB Prices (USD/bbl)</i>		
Petrol	81.35	78.74	-3.2	81.35	78.74	-3.2
Kerosene	87.81	93.60	6.4	87.81	93.60	6.4
Diesel	88.91	93.41	5.3	88.91	93.41	5.3

Sources: Ministry of Finance, Central Bank of Samoa, Samoa Bureau of Statistics and National Provident Fund