



GOVERNMENT OF SAMOA
MINISTRY OF FINANCE
QUARTERLY ECONOMIC REVIEW

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Fourth Quarter FY2025/26 (Apr - Jun 2026) 12 months' review (Jul 2025 – Jun 2026)

Gross Domestic Product

In June 2026, **real GDP reached \$633.8 million**, reflecting a **0.1% increase** compared to the corresponding quarter of FY2024/25. This indicates a stabilisation in economic activity during the quarter, supported by positive contributions across several industries. Economic activity benefited from a range of tourism, sporting, and government-related events, including the Samoa Tourism Exchange (STE) 2026, which brought together international tourism operators and industry stakeholders, and the IWF World Cup and Oceania Weightlifting Championships hosted in Apia, which attracted athletes, officials, and supporters from across the region. Additional support was provided by the SPREP Regional Climate Negotiators Training, preparations for and celebrations of Samoa's 64th Independence Anniversary, as well as the official launch of the Pathway for the Development of Samoa (PDS) FY2026/27-2030/31. Other events, including Mother's Day celebrations and the Samoa Open Pickle Ball Tournament, also contributed to economic activity across tourism, hospitality, and service-related industries during the quarter.

The expansion in economic activity was primarily driven by strong growth in **Accommodation and Restaurants (9.7%)**, reflecting increased visitor arrivals and spending associated with the various tourism, sporting, and national events held

during the quarter. This was followed by growth in **Electricity and Water (5.4%)**, supported by increased demand from households and businesses, and **Agriculture (3.7%)**, indicating improved primary sector production. Further gains were recorded in **Ownership of Dwellings (3.1%)**, **Public Administration (2.8%)**, and **Financial Services (2.6%)**, highlighting continued resilience in service-related activities. Additional increases were observed in **Food and Beverages Manufacturing (1.6%)** and **Communication (0.8%)**, reflecting sustained demand across selected production and service industries.

In contrast, several industries recorded declines during the quarter. **Fishing** registered the largest contraction of **15.3%**, reflecting lower fishing activity and output compared to the corresponding quarter of the previous year. This was followed by declines in **Personal and Other Services (-10.7%)** and **Construction (-8.7%)**, with the latter reflecting reduced construction activity following the completion of major projects, including the new Legislative Assembly offices at Mulinu'u, which were officially opened during the Independence period. **Commerce** also declined by **(3.9%)**, indicating weaker wholesale and retail trade activity during the quarter. Given the industry's contribution to overall economic output, the contraction in commerce tempered the

positive gains recorded in other industries. Additional declines were observed in **Other Manufacturing (-2.6%), Transport (-1.1%), and Business Services (-0.5%)**, pointing to softer activity across parts of the economy. Nevertheless, the strong performance of accommodation and restaurant services, together with growth in utilities, agriculture, public administration, and financial services, was sufficient to support the marginal increase in real GDP during the June 2026 quarter.

Formal Employment

Formal paid employment recorded **28,455 individuals**, with males accounting for 51.8% and females 48.2%. Total employment increased by **8.2%** compared to the same quarter of 2025, marking the fifteenth consecutive quarter of positive growth and indicating continued strengthening in formal labour market conditions.

Employment growth was particularly strong in Public Administration (30.3%), Restaurants (26.0%), Construction (21.7%), and Food Manufacturing (20.6%), reflecting increased labour demand across several key industries.

By industry, employment in the Secondary Industry increased by 12.1%, largely driven by growth in the manufacturing sector. In contrast, employment in the Tertiary and Primary Industries declined by 0.5% and 2.9%, respectively. Public Administration recorded the strongest employment growth at **30.3%**, further strengthening its position as a major source of formal employment.

Consumer Price Index

Inflation increased to **5.8% in the June 2026 quarter**, up from **1.5%** recorded in the corresponding quarter of the previous fiscal year. The increase was driven primarily by **imported goods prices**, which rose by **7.7%** during the quarter, reflecting higher fuel and food costs. **Local goods prices** also increased by **3.6%**, supported by higher prices for a range of domestically supplied food items and agricultural produce. As a result, both imported and domestic inflation contributed to the higher headline inflation rate.

Price increases were recorded in several industries, including Transport (20.3%), Housing, Water, Electricity, Gas and Other Fuels (10.3%), Alcoholic Beverages and Tobacco (4.6%), Food and Non Alcoholic Beverages (3.8%), Health (3.5%), and Restaurants and Hotels (3.4%). In contrast, declines were recorded in Communication (-5.0%), Recreation and Culture (-3.5%), Furnishings, Household Equipment and Routine Household Maintenance (-1.2%), Clothing and Footwear (-0.7%), Miscellaneous goods and services (-0.2%), and Education (0.1%).

The **annual average inflation rate** at the end of the June 2026 quarter fell to **1.4%**, down from **1.8%** at the end of FY2024/25. The decline was largely driven by lower prices in the Recreation and Culture, Communication, Furnishings, Household Equipment and Routine Household Maintenance, and Clothing and Footwear industries.

Despite the increase in quarterly inflation, the relatively low annual average inflation rate indicates that overall price pressures remained broadly contained during the year, supporting household purchasing power and maintaining general price stability.

Tourism

Total arrivals in this June Quarter stood at **48,045** thus reflecting a decrease of 8,598 (-15.2%) visitors compared to the June quarter of FY2024/25. The majority of arrivals by market were mainly from New Zealand and Australia, with the main travel purposes being visiting friends and relatives (VFR) and for holidays.

Despite a decline in visitor arrivals, **Total Tourism Earnings** increased by 8.4% (\$14.0 million talā) from the previous quarter to \$185.3 million, reflecting higher tourism-related spending during the quarter.

Remittances

Total remittances for the quarter in review amounted to **\$253.5 million**, marking a significant 11.2% increase from the previous quarter. The quarterly increase was supported by higher inflows from **Australia (23.9%)**, **New Zealand (13.1%)** and **Other source countries (18.9%)**, which more than offset declines in remittances from **American Samoa (-28.8%)** and **the United States (-5.4%)**. On the recipient side, funds received by **Samoan individuals increased by 10.3%**, while banknote remittances rose by **24.6%**. Funds to churches and non-government schools declined by **4.2%**, a significant improvement compared to the **32.8%** decline recorded in the June 2025 quarter, while remittances classified as

“Others” increased substantially by 362.6%. Remittances continue to provide an important source of household income and foreign exchange earnings.

Trade & Balance of Payments

Total commodity exports amounted to \$23.13 million in the June 2026 quarter, increasing by \$6.80 million (41.6%) compare to the corresponding quarter of the previous financial year. This upturn was mainly driven by higher exports of the following products: Fresh Fish (2043.2%), Other Exports (593.0%), Kava (312.3%), Scrap Metal (55.2%), Taro (27.1%), and Coconut (24.1%), Nonu Juices (14.6%). In contrast, total exports declined for products such as Coconut Cream (-96.9%), Copra (-52.0%), Coconut Oil (-33.7%), and Beer (-6.9%).

Total commodity imports declined by 3.6%, reaching **\$300.71 million** during the quarter. The reduction was largely attributed to lower Government Imports (-49.7%) and Petroleum Imports (-3.6%), while Other Imports recorded an upturn of 0.4%.

The **Balance of Trade in Goods** remained in deficit at **\$277.58 million** during the June 2026 quarter, reflecting the continued dominance of imports over export earnings. However, the lower deficit compared to the previous quarter points to easing import demand and improvement in export performance. The deficit highlights the reliance on imported goods, with external inflows from services, remittances and development

assistance continuing to play an important role in supporting Samoa's external balance.

In addition, the **Balance of Trade in Services** registered a surplus of **\$129.55 million**, representing a 4.3% decline from the corresponding quarter of the previous financial year.

The **Current Account Balance** recorded a surplus of \$63.76 million, reflecting improved net trade and continued inflows from services and remittances. Whereas the **Capital Account** depicted a surplus of \$65.06 million, a 37.1% decrease from the same period in FY2024/25. The decline was largely associated with reduced capital transfers, consistent with the completion of several donor-funded infrastructure projects. Overall, the **Balance of Payments** recorded a surplus of \$36.78 million, indicating stronger external stability as inflows continued to exceed outflows.

Gross Official Foreign Reserves

Gross Official Foreign Reserves increased by **\$99.2 million** compared to the same quarter of FY2024/25, reaching **\$1,659.04 million** at the end of the June quarter. This level of reserves was sufficient to cover **16.4 months** of imports, remaining well above the target of 4 months of import cover. The strong level of reserves continues to provide a substantial buffer against external shocks and supports Samoa's capacity to meet its external payment obligations and maintain the supply of essential imports.

Money Supply

Money supply increased by **2.8%** to **\$5,490.9 million**, compared to the same period in the previous fiscal year. The increase was driven by a **1.0% rise in Narrow Money**, comprising currency in circulation and demand deposits, and a **4.8% increase in Quasi Money**, which includes savings and time deposits. The overall expansion in money supply indicates increased liquidity within the economy, supported by higher household and business deposits.

Fiscal Performance

The **Net Operating Balance** (revenue less operating expenses) recorded a surplus of **\$83.5 million**. The surplus was supported by strong domestic revenue performance, particularly tax and other revenue, which more than offset the decline in grant receipts. Total revenue of \$326.4 million was sufficient to cover total expenditures of \$242.9 million, underscoring the Government's continued commitment to meet its operational obligations.

The Central Budgetary Government's **Net Lending/Borrowing Balance** stood at **\$79.6 million**, representing its overall financial position after accounting for both revenue and expenditure. The stronger NLB position was largely attributable to a significant reduction in the **net acquisition of non-financial assets**, which fell to **\$3.9 million**, indicating substantially lower capital expenditure during the quarter. This allowed the Government to maintain a strong overall fiscal position while meeting its operating and investment requirements without additional borrowing.

Over the twelve months ending June 2026, both the Net Operating Balance and Net Lending/Borrowing remained in surpluses of \$222.9 million and \$149.6 million, respectively. The weaker annual position largely reflects lower overall revenue, particularly the substantial decline in grants, alongside continued pressures from recurrent expenditure. Nevertheless, the Government maintained a positive fiscal position, supported by strong domestic revenue mobilisation and a significant reduction in capital expenditure.

Official Government Debt

As of the end of the June quarter, official government debt stood at **\$690.8 million**, equivalent to **19.3% of nominal GDP**. This remains well below the Government's fiscal target of 50% of GDP, indicating that Samoa's public debt remains at a sustainable level. Of the disbursed outstanding debt (DOD), **multilateral loans** accounted for **61.9% (\$396.6 million)**, while **bilateral loans** comprised **38.1% (\$244.4 million)**. Total debt servicing during the quarter amounted to **\$13.7 million**, representing a **3.0% decrease compared to the same period of the previous financial year**. Over the **July 2025 to June 2026** period, total debt servicing amounted to **\$88.80 million**, reflecting continued prudent debt management and supporting Samoa's long-term fiscal sustainability.

Exchange Rates

During the quarter, the Samoan tala strengthened against the New Zealand, Euro, and Japanese Yen, enhancing its domestic purchasing power

and reducing the cost of imports priced in these regional currencies. Conversely, the tala weakened against the US, Australian, and Fijian dollars, leading to higher costs for goods and services traded in these major international currencies.

On an annual basis, the tala depreciated against the US dollar, Australian dollar, Euro and Fijian dollar, while appreciating against the New Zealand dollar and Japanese yen. Overall, exchange rate movements continued to influence import costs, household expenses, business operating costs and Samoa's external trade competitiveness.

Petroleum Prices

Domestic petroleum prices increased sharply in the June quarter of FY2025/26, placing significant cost pressures on households and businesses. The increase occurred amid heightened geopolitical tensions and disruptions associated with the conflict in the Middle East with spill-over effects contributing to increased uncertainty in global energy markets and a sharp rise in international petroleum prices.

Compared to June FY2024/25, the average retail price of **petrol increased by 14.7%**, rising from \$3.01 per litre to \$3.45 per litre, **diesel prices increased by 39.2%**, from \$3.09 per litre to \$4.30 per litre, and **kerosene prices rose by 46.6%**, from \$2.68 per litre to \$3.92 per litre. This increase was largely reflected in the substantial rise in international petroleum prices, with prices per barrel increasing by **69.7% for petrol, 139.1% for diesel, and 148.2% for kerosene** over the same

period. The sharp increase in domestic fuel prices added to transportation and operating costs across the economy, contributing to broader cost pressures for households and businesses.

Overall Economic Performance

Economic activity stabilised in the June 2026 quarter, supported by modest real GDP growth, strong employment outcomes, and continued expansion in accommodation and restaurant services, utilities, agriculture, and other service industries. However, real GDP contracted over the year, reflecting weaker performance earlier in FY2025/26. Inflationary pressures increased due to higher fuel and food prices, while strong remittance inflows, higher tourism earnings, improved export performance, a balance of payments surplus, and elevated foreign reserves provided support. Fiscal performance remained favourable, supported by solid domestic revenue collection and prudent expenditure management, while public debt remained well below the Government's fiscal target. Overall, Samoa's economic fundamentals remained resilient despite mixed industry performance and higher inflationary pressures.

TABLE 1: KEY ECONOMIC INDICATORS						
	Quarter			Twelve-month period		
	4QFY24/25	4QFY25/26	% Change Quarter	Jul 2024 – Jun 2025	Jul 2025 – Jun 2026	% Change Annual
Nominal GDP (SAT\$/million)	873.52	912.10	4.4	3584.94	3581.98	-0.1
Real GDP at 2013 prices (SAT\$/million)	632.98	633.83	0.1	2592.64	2551.69	-1.6
GDP per capita (SAT\$ 2013 prices)	4,087	4,226	3.4	16857.5	16680.5	-1.1
Consumer Price Index (Inflation Rate)	1.5	5.8	280.5	1.8	1.4	-24.4
Number of formal employment (end of period)	26,291	28,455	8.2	104,976	113,183	7.8
Number of Tourism Arrivals	56,643	48,045	-15.2	209,721	206,671	-1.5
Tourism Earnings	171.0	185.3	8.4	652.2	701.4	7.5
Remittances (SAT\$/million)	228.1	253.5	11.2	900.6	952.51	5.8
Export of Goods (SAT\$/million)	16.33	23.13	41.6	105.03	80.07	-23.8
Import of Goods (SAT\$/million)	311.94	300.71	-3.6	1234.58	1215.69	-1.5
Merchandise Trade Balance (Surplus/Deficit [-])	-295.61	-277.58	-6.1	-1129.55	-1135.63	0.5
Gross Official Foreign Reserves (end of period)	1559.9	1659.0	16.4	1559.9	1659.0	16.4
Money Supply (end of period)	5343.4	5490.9	2.8	5343.44	5490.9	2.8
Balance of Payment						
Current Account Balance (Surplus/Deficit[-])	34.14	63.76	86.8	203.87	306.61	50.4
Capital Account Balance (Surplus/Deficit[-])	103.45	65.06	-37.1	331.59	199.64	-39.8
Overall Balance (Surplus/Deficit[-])	75.22	36.78	-51.1	197.20	97.71	-50.5
Government Finance Statistics						
Total Revenue	318.5	326.4	2.5	1,114.0	1,056.4	-5.2
Total Expenditure	232.8	242.9	4.3	833.3	833.5	0.0
Net Operating Balance (Surplus/Deficit [-])	85.7	83.5	-2.6	280.8	222.9	-20.6
Net Lending / borrowing Balance (Surplus/Deficit [-])	55.0	79.6	44.9	169.4	149.6	-11.7
Official Government External Debt						
Debt Servicing	14.1	13.7	-3.1	94.7	88.80	-6.2
Exchange Rates						
	<i>(Quarter average rates)</i>			<i>(Annual average rates)</i>		
USD	0.36	0.36	-0.7	0.36	0.36	-0.1
NZD	0.60	0.64	6.4	0.61	0.63	3.9
AUD	0.56	0.52	-5.8	0.56	0.53	-3.9
EURO	0.31	0.32	1.9	0.33	0.31	-4.8
FJD	0.82	0.81	-1.2	0.82	0.81	-0.9
YEN	52.54	58.44	11.2	53.38	56.86	6.5
Petroleum						
	<i>Retail Prices (sene/ltr)</i>			<i>Retail Prices (sene/ltr)</i>		
Petrol	3.01	3.45	14.7	3.01	3.45	14.7
Diesel	3.09	4.30	39.2	3.09	4.30	39.2
Kerosene	2.68	3.92	46.6	2.68	3.92	46.6
	<i>FOB Prices (USD/bbl)</i>			<i>FOB Prices (USD/bbl)</i>		
Petrol	75.30	127.81	69.7	75.30	127.81	69.7
Diesel	81.77	195.53	139.1	81.77	195.53	139.1
Kerosene	80.76	200.42	148.2	80.76	200.42	148.2

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