

**Monitoring of Graduated and Graduating Countries from
the Least Developed Country Category:**

Samoa

**Committee for Development Policy
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I. Background

General Assembly resolution 67/221 of 21 December 2012 requests the Committee for Development Policy (CDP) to monitor the development progress of countries that graduated from least developed country (LDC) category. The monitoring is to be conducted, in consultation with the Governments of those countries, on a yearly basis for a period of three years after graduation becomes effective, and triennially thereafter, as a complement to two triennial reviews of the LDC category. CDP has also been requested to include its findings in its annual report to the Economic and Social Council (ECOSOC). This note contains a brief overview of the development progress and the smooth transition strategy of a graduated country, Samoa.

which provided an overview of the implementation of the country's smooth transition strategy.³

Table 1. Samoa: Time line for monitoring reports

Date	Event	Relevant resolution
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Government revenue (Millions of Samoa tala)	552	543	556	621	710	689
Government expenditure (Millions of Samoa tala)	646	636	688	691	809	759
Government balance	-95	-93	-132	-70	-99	-71
Government balance as per cent of GDP	-5.8	-5.3	-7.1	-3.8	-5.3	-3.6
Net ODA received (Millions of US dollars)						
	147.5	102.1	120.7	118.2	92.7	...
Balance of Payments (Millions of US dollars)						
Current Account (Millions of US dollars)	-43.7	-83.6	0.7	-37.1	-48.6	...
Goods, Credit (Exports)	23.1	24.7	31.2	23.9	27.5	...
Goods, Debit (Imports)	280.0	347.1	308.4	325.4	341.3	...
Balance on Goods	-256.9	-322.5	-277.3	-301.4	-313.8	...
Services, Credit (Exports)	171.8	181.3	199.9	206.2	196.3	...
Services, Debit (Imports)	82.2	78.8	89.6	89.0	74.8	...
Balance on services	89.6	102.5	110.2	117.2	121.4	...
Balance on Goods and Services	-167.2	-220.0	-167.1	-184.2	-192.4	...

Source: Central Bank of Samoa, Visitor earnings and remittances, October 2015; Samoa Bureau of Statistics, International Arrival Statistics, October 2015

Remittances also increased by 6.7 per cent (y-o-y) in 2015 due to higher inflows from Australia and New Zealand, according to the Asian Development Bank.⁶ In 2015 Australia and New Zealand expanded the number of seasonal workers from countries including Samoa, which is expected to lead to an increase in the remittance flows to Samoa.⁷

Samoa: Developments related to indicators in the LDC criteria

Samoa achieved modest income growth over the past several years. GNI per capita is estimated at \$4,006 in 2016, over three times higher than the graduation threshold, \$1,242, established at the 2015 triennial review (see table 4).⁸ As mentioned above, over the medium-term, real GDP growth is forecast to be slow but positive, suggesting that the income is likely to be sustained at the current level.

Additionally, Samoa continued to maintain hi

developing state means that it will continue to be regarded as a country with special needs assistance; and this is a significant consideration as it prepares to address the implementation of the SDGs and the SIDS Accelerated Modalities of Action (SAMOA) pathway using an integrated approach into the SDS framework (2016-2020).

The Government continues to engage in consultation with the private sector on the compliance obligations following WTO accession in 2012. The Diagnostic Trade Integration Study (DTIS) conducted in 2010 pointed out that there might be significant adjustment costs in agriculture, food-processing, and manufacturing sectors, related to issue of intellectual property rights, sanitary and phytosanitary systems, subsidies and countervailing measures, and technical barriers to trade.¹¹ The DTIS Update project that started in September 2015 seeks to provide an updated perspective of trade priorities in Samoa and identify key areas/shortfalls that require further strengthening, taking into account the changes in the national, regional and international environment since 2010.¹²

The Government has successfully negotiated with China on the continuation of Duty-free Quota-free (DFQF) schemes for a period of 3 years beyond graduation. Within the transition period, Samoa will still be enjoying duty-free treatment for its export products to China which corresponds to 95 per cent of tariff lines. Samoa has also been granted a three-year transition period until 1 January 2017 under the Everything But Arms (EBA) Initiative by the EU, after which normal tariffs will apply. However, Samoa is no longer eligible for Japan's Generalized System of Preference (GSP) scheme due to Samoa's graduation from LDC status.

Samoa continues to receive preferential market access to Australia under the Australian system of Tariff Preferences as well as the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA). For New Zealand, Samoa retains preferential market access under SPARTECA and WTO arrangements. Negotiation and implementation is ongoing on the free trade agreements in the region, the Pacific Island Countries Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations (PACER) Plus.

Despite having graduated in 2014, Samoa continues to benefit from the programs funded under the EIF, particularly those for trade facilitation and implementation of institutional reforms for the Trade Commerce and Manufacturing sector. The EIF adopted smooth transition provisions in July 2010 for countries leaving the LDC category. Accordingly, Samoa has access to EIF benefits automatically for three years and an additional two years subject to justification and approval by the EIF Board.¹³

¹¹ Government of Samoa, Diagnostic Trade Integration Study, 2010.

¹² Enhanced Integrated Framework: Samoa. Available from <http://www.enhancedif.org/en/country-profile/samoa>

¹³

As of January 2016, the graduation of Samoa does not seem to have had a noticeable negative impact on exports (see table 5). The value of exports decreased for fresh fish immediately after the graduation in January 2014, but rebounded quickly in 2015. Most fish exports are destined to New Zealand where Samoa continues to enjoy preferential market access under SPARTECA. The drop in 2014 is likely related to supply-side issues, such as the temporary closure of the main fish exporting company.¹⁴ All other major exports increased between 2013 and 2015, showing no sign that graduation had a negative impact.

Table 5. Samoa's export by product, thousand US dollars, 2013-2015

followed by New Zealand (20 per cent), Japan

EXIM Bank of China has begun. The airport terminal upgrade is complemented by a World Bank funded initiative to improve safety and security of runway, taxiway and apron of the airport.²⁴

Of the external debt of Samoa, 45.9 per cent is with bilateral partners, mainly the governments of China and Japan.²⁵

Samoa: Summary

During the monitoring period, no signs of a significant deterioration in Samoa's development progress have been observed.