



United Nations  
**CDP**  
Committee for  
Development Policy

CDP2018/PLEN/3

# **Committee for Development Policy 20<sup>th</sup> Plenary Session**

United Nations  
New York, 12-16 March 2018  
Conference Room 6

Monitoring of Graduated and Graduating  
Countries from the Least Developed

Country Category:

Samoa



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## Summary and the monitoring timeline

**Angola:** Scheduled to graduate on 12 February 2021. Income has been sustained at a high level but lower oil production and tighter foreign exchange liquidity brings challenges on maintaining macroeconomic stability. Human assets are underdeveloped comparing to other countries with similar income levels. The preparation of the smooth transition strategy has been delayed by the recent political changes.

**Equatorial Guinea:** Graduated on 4 June 2017. The income level is still high, but the GDP is projected to continue to decline due to the production cap imposed by OPEC, depletion of the existing oil reservoirs, and limited new investment. Financial sustainability is questioned as foreign reserves are seriously low. HAI is very low, and there is no update on the data on some of the HAI indicators. After graduation became effective, the Government expressed interest on possible postponement of the graduation.

**Maldives:** Graduated on 1 January 2011. The continued increase in economic growth in recent years has been driven primarily by high-end tourism and construction. Current account and fiscal imbalances, relatively low

international reserves and a rapid build-up in public debt, are the main challenges. There is no sign of regress in the HAI and EVI indicators. The graduation does not appear to have caused disruptions on Maldives' development trend.

**Samoa:** Graduated on 1 January 2014. The income growth is expected to be slow at 1.5 – 2 per cent in the next few years. There is no sign of progress or regress in the income, HAI and EVI indicators. Samoa reported that it has continued to make progress since graduation, despite the challenges it still faces as a developing country. Samoa presents its gratitude to the United Nations and the international community for the support and assistance while it was categorized as an LDC.

**Vanuatu:** Scheduled to graduate on 4 December 2020. The growth rate is projected to stay around 4 per cent, helped by recovery in the agricultural production, and a few infrastructure projects. The HAI and EVI indicators show no change in 2017-2018. Vanuatu had indicated that it was in the process of establishing the National LDC Coordinating Committee to prepare the smooth transition strategy, but a progress has not been reported.

*Table 1 Timeline for graduation and monitoring reports*

Date	Angola	Equatorial Guinea	Maldives	Samoa	Vanuatu
Jan 2011			<b>Graduation</b>		
Jan 2014				<b>Graduation</b>	
Jun 2017		<b>Graduation</b>			
Mar 2018	Graduating	Graduated #1	Review #2	Review #1	Graduating
Mar 2019	Graduating	Graduated #2			Graduating
Mar 2020	Graduating	Graduated #3			Graduating
Dec 2020					<b>Graduation</b>
Feb 2021	<b>Graduation</b>				
Mar 2021	Graduating	Review #1		Review #2	Graduating
Mar 2022	Graduated #1				Graduated #1
Mar 2023	Graduated #2				Graduated #2
Mar 2024	Graduated #3	Review #2			Graduated #3
Mar 2027	Review #1				Review #1
Mar 2030	Review #2				Review #2

Note: "Graduating" indicates monitoring as a graduating country; "Graduated #1" indicates monitoring for the first as a graduated country; "Review #1" indicates monitoring for the first time as a complement to the triennial review.

# 1. Samoa

## 1.1. Development trend and forecast

After a brief expansion in 2016 helped by construction and hospitality industries as well as fisheries output, the real GDP growth rate was reduced to 2.9 per cent in 2017 (see Table 2). The growth is projected to be further slow down to 1.5 – 2 per cent in 2018 and 2019.<sup>1</sup> As the recovery efforts of the 2012 cyclone has been completed, the fiscal deficit has been substantially reduced in the past couple of years, from 4-7 per cent to less than 1 per cent of GDP.<sup>2</sup>

Table 2 Samoa: macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	3.6	-2.3	0.5	1.9	2.9	5.8	2.9
Inflation rate (%)	5.2	2.0	0.6	-0.4	0.7	1.3	1.6
Government revenue (billions of national currency)	543	556	621	709	683	687	720
Government expenditure (billions of national currency)	636	688	691	809	759	695	760
Government balance (billions of national currency)	-93	-133	-70	-100	-75	-8	-40
Government balance (per cent of GDP)	-5.1	-7.2	-3.8	-5.2	-3.8	-0.4	-0.7
Net ODA received (millions of US dollars)	98	117	113	91	94		
Balance of Payments (millions of US dollars)							
Current Account	-32.2	-50.1	-3.2	-65.1	-24.3	-47.7	-48.4
Goods, Credit (Exports)	23.1	29.3	27.5	24.9	27.9	36.9	38.0
Goods, Debit (Imports)	280	336	309	335	323	307	322
Balance on Goods	-257	-307	-282	-310	-295	-270	-284
Services, Credit (Exports)	180	187	206	199	193	194	196
Services, Debit (Imports)	88	79	88	87	69	85	81
Balance on services	92	108	117	112	124	109	115
Balance on Goods and Services	-165	-199	-164	-198	-171	-161	-170
Balance on income	-27.9	-26.8	-27.5	-29.8	-16.0	-18.5	-17.2
Balance on current transfers	161.2	175.4	188.8	162.7	162.3	132.1	138.4
Capital Account	7.5	38.3	27.3	67.2	39.2	27.2	28.2
Financial Account	-38.4	-35.3	-17.3	-38.5	-2.7	-18.3	-20.2
Direct investment (net)	-7.8	-16.3	-11.7	-16.0	-27.2	-6.1	-6.4
Portfolio investment (net)	1.9	0.5	10.8	0.4	8.5	0.2	0.2
Other investment (net)	-11.3	-26.8	-1.6	-6.5	-9.5	4.3	-18.4
Change in reserves	-21.2	7.3	-14.9	-16.4	25.4	-16.7	4.3
Total Reserves (Millions of US dollars)	158.4	157.1	137.3	154.3	131.9	111.0	115.4
Reserves (months of imports)	4.5	4.4	3.8	4.2	3.7	3.1	3.1

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

The balance of payments continues to show a deficit in the balance of goods and a surplus in the balance of services, as well as a substantial transfer inflow. Tourism earnings, accounting for about 17 per cent of the GDP, has been steady in recent years.<sup>3</sup> Samoa will host 2019 Pacific Games, which is expected to

<sup>1</sup> UN/DESA (2018). WESP.

<sup>2</sup> UN/DESA (2018). WESP.

<sup>3</sup> Central Bank of Samoa (August 2017). Visitor Arrivals Earnings Average Expenditure.  
<https://www.cbs.gov.ws/index.php/statistics/tourism-earnings-and-remittance/>

increase the infrastructure investment and tourism earning. Remittances also increased by 5 per cent (y-o-y) from 2016 to 2017, but fell by two per cent in the three year average.<sup>4</sup>

## 1.2. Development related to indicators in the LDC criteria

Income is likely to be sustained at the current level. GNI per capita is estimated at \$4,124 in 2017, over three times higher than the graduation threshold, \$1,230 (see Table 3).

*Table 3 Samoa: LDC criteria indicators, 2011 - 2018*

Index/Criteria	2011	2012	2013	2014	2015	2016	2017	2018
<b>GNI per capita (USD, Atlas method)</b>	3,022	3,250	3,434	3,627	3,831	3,992	4,084	4,124
<b>Human assets index (HAI)</b>	93.5	94.5	94.2	94.1	94.3	94.5	94.1	94.1
<b>Maternal mortality rate (per 100,000 live births)</b>	66.3	63.6	61.3	58.6	56.2	53.4	51.3	51.3
<b>Under-five mortality rate (per 1,000 live births)</b>	24.4	18.9	18.9	18.7	18.4	18.1	17.7	17.3
<b>Percentage of population undernourished</b>	3.5	3.4	3.3	3.1	3.0	3.0	3.2	3.2
<b>Adult literacy rate (%)</b>	98.9	98.9	99.0	99.0	99.0	99.0	99.0	99.0
<b>Gross secondary enrolment ratio (%)</b>	86.1	87.7	86.4	85.7	86.3	86.9	85.0	85.0
<b>Economic vulnerability index (EVI)</b>	51.0	48.4	42.2	43.8	42.8	39.7	39.6	39.7
<b>Population (thousands)</b>	184.8	186.2	187.7	189.2	190.8	192.3	193.8	195.1
<b>Remoteness</b>	84.1	83.4	82.5	81.8	81.5	81.4	81.3	81.2
<b>Merchandise export concentration</b>	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.3
<b>Share of agricultural, forestry and fisheries in GDP (%)</b>	10.3	10.0	10.0	9.4	9.6	9.4	9.4	9.6
<b>Share of population living in low elevated coastal areas (%)</b>	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
<b>Instability of exports of goods and services</b>	8.0	8.3	8.0	8.0	7.7	4.1	4.1	4.1
<b>Instability of agricultural production</b>	3.9	3.7	3.0	2.9	2.4	1.6	1.6	1.6
<b>Victims of natural disasters (%)</b>	8.8	2.8	0.2	0.5	0.5	0.5	0.5	0.5

Source: Committee for Development Policy Secretariat

Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

Samoa continued to maintain high levels of human capital as measured by the HAI: 94.4 in 2018. Samoa belongs to the group of countries with the highest HAI scores.

However, Samoa remains vulnerable. Despite the slight improvement, the EVI score remains at 39.7, well above the graduation threshold of 32 or lower established at the 2018 triennial review.

## 1.3. Smooth transition

Samoa graduated on 1 January 2014 (A/RES/64/295). In its report on the implementation of the smooth transition strategy submitted to the CDP, the Government of Samoa states that the smooth transition strategy has been implemented as an integral part of the *Strategy for the Development of Samoa*

<sup>4</sup> Central Bank of Samoa (October 2017). Gross Private Remittances.  
<https://www.cbs.gov.ws/index.php/statistics/tourism-earnings-and-remittance/>

*2016/17 - 2019/2020: Accelerating Sustainable Development and Broadening Opportunities for All.* Furthermore, the smooth transition strategy has integrated into its efforts to achieve the Sustainable Development Goals, the SAMOA Pathway, the Paris Agreement, and Disaster Risk Reduction Framework.

Samoa reported noteworthy developments in the area of international supports after graduation:

- The transition period for EU's Everything But Arms arrangement will continue until 1 January 2019.<sup>5</sup> After that, the tariff on crude coconut oil, Samoa's main export product to EU, will remain at zero, as it is covered by EU's regular GSP. Samoa also has applied to be part of the Interim Economic Partnership Arrangement with the EU.
- In Australia and New Zealand, Samoa will continue to receive preferential market access based on regular GSPs, regional trade agreements and/or WTO arrangements. Samoa is also working on ratifying the PACER Plus Agreement with eleven Pacific countries, and exploring possible free trade agreements with some Asian countries.
- To reduce dependency on the foreign aid, Samoa has been implementing investment plans to promote private sector development and to attract foreign direct investment. The negative impact of the closure of the biggest manufacturer in September 2017 was not as big as anticipated, due to the inflow of medium scale enterprise from New Zealand, and the available temporary workers schemes in Australia and New Zealand.
- There has been an up-scaling of assistance to ensure enhanced resilience to climate change. In 2016, Samoa had its first major project in flood management control approved under the Green Climate Fund (\$58 million grant).

In conclusion, Samoa reported that it has continued to make progress since graduation, despite the challenges it still faces as a developing country. Samoa presents its gratitude to the United Nations and the international community for the support and assistance while it was categorized as an LDC.

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<sup>5</sup> Regulation (EU) 2015/1799 to remove a beneficiary country from the list of EBA beneficiary countries should apply following a transitional period of 3 years as from the date on which that Regulation enters into force (1 January 2016), and therefore Samoa will be removed from the list of beneficiaries on 1 January 2019. [http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc\\_154350.pdf](http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc_154350.pdf)