



SAMOA

2026 ARTICLE IV CONSULTATION—STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SAMOA

September 2026

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2026 Article IV consultation with Kiribati, the following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its September 16, 2026, consideration of the staff report that concluded the Article IV consultation with Samoa.
- **The Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on September 16, 2026, following discussions that ended on July 28, 2026, with the officials of Samoa on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on August 27, 2026.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staff of the IMF and the World Bank.
- A **Statement by the Executive Director** for Samoa.

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IMF Executive Board Concludes 2026 Article IV Consultation with Samoa

FOR IMMEDIATE RELEASE

Washington, DC – September 16, 2026: The Executive Board of the International Monetary Fund (IMF) concluded the 2026 Article IV Consultation with Samoa.¹ The authorities have consented to the publication of the Staff Report prepared for this consultation.²

Strong policy buffers and prudent macroeconomic management have helped preserve stability despite a challenging external environment. Low public debt, ample international reserves, and sound policies have supported resilience to higher global energy prices, climate-related shocks, infrastructure gaps, a narrow production base, and outward migration. Following a strong post-pandemic recovery, growth has slowed sharply, reflecting weaker domestic demand, subdued agricultural and commercial activity, and higher fuel and shipping costs. Inflation remained contained for much of the year, although rising global fuel prices have recently increased price pressures. Strong tourism and remittance inflows have continued to support the external position, while fiscal policy remained expansionary despite fiscal surpluses. Nevertheless, Samoa remains vulnerable to external shocks, high exposure to natural disasters, limited economic diversification, and persistent structural constraints.

Looking ahead, growth is expected to recover gradually, supported by an expansionary fiscal stance, although the near-term outlook remains challenging. Elevated oil prices and global uncertainty are expected to weigh on private consumption and investment. Inflation is projected to rise as higher fuel and food costs pass through to domestic prices, while the external position is expected to weaken as import costs increase, although reserves should remain ample. Over the medium term, growth is projected to remain moderate, constrained by weak productivity, infrastructure gaps, a narrow production base, and labor shortages from continued outward migration. Risks remain tilted to the downside, including escalating geopolitical tensions, commodity price volatility, rising trade protectionism, weaker tourism demand, more frequent climate-related shocks, persistent inflation, and continued migration.

Executive Board Assessment³

Executive Directors agreed with the thrust of the staff appraisal. They commended the authorities' prudent macroeconomic policies, which have supported Samoa's resilience in the

¹ Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

² Under the IMF's Articles of Agreement, publication of documents that pertain to member countries is voluntary and requires the member consent. The staff report will be shortly published on the www.imf.org/Samoa page.

³ At the conclusion of the discussion, the Managing Director, as Chair of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: <http://www.IMF.org/external/np/sec/misc/qualifiers.htm>.

face of a difficult external environment. Noting, however, a challenging near-term outlook and downside risks—including from commodity price volatility, climate shocks, capacity constraints, and outward migration—Directors stressed the importance of preserving macroeconomic stability and advancing structural reforms to foster more diversified and resilient growth.

Directors supported using available fiscal space to cushion the effects of the energy price shock, while safeguarding medium-term fiscal sustainability. They concurred that assistance should be transparent, temporary and targeted to vulnerable households and productive investment, with spending carefully paced in line with implementation capacity. Directors stressed the importance of strengthening project appraisal, execution, and oversight to ensure that higher spending translates into durable economic benefits. They encouraged continued improvements in the fiscal framework, public financial management, and investment planning and execution to strengthen public spending efficiency and budget credibility.

Directors encouraged the Central Bank of Samoa to maintain an appropriately tight monetary stance and to stand ready to respond to inflationary pressures. They emphasized the need to step up the absorption of excess liquidity and strengthen policy transmission. Directors welcomed ongoing efforts to strengthen liquidity management and to modernize the monetary policy operational framework. They underscored that safeguarding the independence of the Central Bank of Samoa is critical, and encouraged continued efforts to ensure that amendments to the Central Bank of Samoa Act reinforce independence, governance, and accountability.

Directors recommended continued strengthening of financial sector oversight, including close monitoring of rapid lending by public financial institutions and emerging asset-quality risks. They also highlighted the importance of enhancing financial integrity and safeguarding correspondent banking relationships. In this regard, Directors welcomed Samoa's removal from the EU's list of non-cooperative jurisdictions for tax purposes and encouraged further strengthening AML/CFT frameworks.

Directors emphasized that sustained progress in addressing Samoa's structural constraints remains essential to lift medium-term growth. They encouraged reforms to improve the business environment and access to finance, strengthen human capital, ease labor and infrastructure bottlenecks, and support economic diversification. Directors also welcomed the authorities' efforts to enhance climate resilience. Strengthening data quality would also be important.

It is expected that the next Article IV consultation with Samoa will be held on the standard 12-month cycle.

Table 1. Samoa: Selected Economic and Financial Indicators, FY2023/24–FY2030/31 ^{1/}

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			Est.			Proj.		
Output and Inflation								
Real GDP	4.8	4.2	0.4	2.0	2.5	2.5	2.5	2.5
Nominal GDP	13.6	10.6	3.5	7.0	5.6	5.5	5.5	5.5
Consumer price index (end of period)	0.8	1.5	5.8	3.5	3.0	3.0	3.0	3.0
Consumer price index (period average)	3.6	1.8	1.4	4.5	3.1	3.0	3.0	3.0
Central Government Finances								
Revenue and grants	35.6	31.1	27.0	31.2	30.7	29.6	29.6	29.6
Of which: Tax revenue	24.2	23.8	21.8	21.5	22.9	22.9	22.9	22.9
Of which: Grants	8.3	5.2	2.5	6.9	5.0	4.0	4.0	4.0
Expenditure	26.3	26.4	26.3	32.3	32.1	31.6	31.0	30.5
Of which: Expense	24.6	23.2	22.8	27.8	27.6	27.1	26.5	26.0
Of which: Net acquisition of non-financial assets	1.7	3.2	3.5	4.5	4.5	4.5	4.5	4.5
Overall balance	9.3	4.7	0.7	-1.1	-1.4	-1.9	-1.4	-0.9
Primary balance	9.7	5.0	1.1	-0.8	-1.1	-1.6	-1.1	-0.6
Primary balance excluding grants	1.4	-0.2	-1.4	-7.8	-6.1	-5.6	-5.1	-4.6
Public debt	25.3	21.2	18.1	18.2	18.8	19.7	20.2	20.2
Money and Credit Aggregates								
Broad money (M2)	7.7	5.4	6.2	6.5	6.5	6.5	6.5	6.5
Private sector credit, financial sector	5.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Share of commercial banks in private sector credit (in percent)	55.4	54.5	54.1	53.8	53.4	53.1	52.7	52.4
Balance of Payments								
Current account balance	4.4	5.7	4.0	-2.9	-2.2	-2.4	-2.4	-2.3
Merchandise exports, f.o.b.	3.2	2.9	2.0	3.2	3.3	3.3	3.4	3.4
Merchandise imports, f.o.b.	37.5	34.4	34.0	37.5	37.5	37.6	37.7	37.8
Services (net)	16.1	16.1	15.8	14.1	14.9	15.0	15.1	15.4
Of which: Tourism receipts	19.1	18.0	17.7	18.2	18.5	18.9	19.3	19.7
Income (net)	-1.3	0.0	0.0	-3.0	-3.1	-3.3	-3.3	-3.3
Current transfers (net)	23.9	21.1	20.2	20.3	20.2	20.1	20.1	20.0
External Reserves and Debt								
Gross official reserves (million U.S. dollars)	494.3	565.2	653.2	647.4	654.3	657.4	661.9	666.3
(in months of next year's imports)	10.7	11.6	11.3	10.8	10.2	9.7	9.3	8.8
External debt (in percent of GDP)	23.5	19.8	16.7	17.0	17.7	18.7	19.3	19.4
Exchange Rates								
Market rate (tala/U.S. dollar, period average)	2.76	2.78	2.75	...	...	...	...	...
Real effective exchange rate	-1.4	-1.4	1.2	...	...	...	...	...
(12-month percent change) ^{2/}								
Memorandum items:								
Nominal GDP (million tala)	3,240	3,585	3,711	3,970	4,194	4,426	4,670	4,929
GDP per capita (U.S. dollars)	5,581	6,075	6,330	6,614	6,892	7,236	7,545	7,866

Sources: Data provided by the Samoan authorities; and IMF staff estimates and projections.

^{1/} Fiscal year begins in July and ends in June.^{2/} Increase indicates appreciation.



SAMOA

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION

August 27, 2026

KEY ISSUES

Context: Samoa—a net oil importer—has been adversely affected by the global energy price shock, but strong fundamentals have continued to underpin resilience. Public debt remains low and international reserves are ample. Nevertheless, growth has weakened and inflation has begun to rise amid higher import costs. Fiscal policy has responded with enhanced support for vulnerable groups, while structural weaknesses—limited implementation capacity, infrastructure gaps, and a narrow economic base—continue to constrain policy implementation.

Outlook and risks: Given the uncertain global oil price outlook, the baseline assumes that fuel prices will remain elevated. Growth is projected to remain subdued at 2 percent in FY2026/27 amid the adverse terms-of-trade shock, as an expansionary fiscal stance partially offsets the external drag. Inflation is expected to rise to around 4½ percent in FY2026/27, reflecting higher imported fuel prices, though the pass-through is moderated by subdued domestic demand. The fiscal stance is projected to remain expansionary, driven by increased spending in response to the global energy price shock, while public debt remains low. Meanwhile, the current account is projected to shift into deficit, reflecting higher energy imports and increased public investment. Over the medium term, growth is expected to stabilize at around 2½ percent. Risks remain tilted to the downside, driven by geopolitical tensions, commodity price volatility, climate shocks, persistent capacity constraints, and outward migration.

Main policy recommendations:

- **Fiscal policy** should balance support for growth with fiscal sustainability. In the near term, support should focus on mitigating the impact of higher oil prices and on prioritizing growth-enhancing investments that boost productive capacity while remaining aligned with implementation capacity. Over the medium term, strengthening the fiscal framework will be critical to preserving sustainability.
- **Monetary policy** should be appropriately tight, remain vigilant against inflationary pressures, and step up efforts to absorb excess liquidity to strengthen policy transmission. Preserving central bank independence is essential to keeping inflation expectations well anchored.
- **Financial sector policies** should focus on strengthening supervision and regulation, while remaining vigilant that rapid credit growth by public financial

institutions does not undermine financial stability. Any move toward promoting digital assets should proceed with extreme caution.

- **Advancing structural reforms** is critical to raise Samoa's growth potential and build resilience. Key priorities include addressing business environment constraints, supporting diversification, and enhancing human capital development.

Approved By
Corinne Deléchat
(APD) and **S. Jay**
Peiris (SPR)

Discussions took place in Apia during July 15-28, 2026. The IMF team comprised of SeokHyun Yoon (head), Akihiro Matsuura, Diaa Noureldin, and Salote Cirikisuva (all APD). Mark Blackmore and Megan Garner (OED) joined discussions. The mission met with Finance Minister Mulipola Anarosa Ale Molio'o; Chief Executive Officer of the Ministry of Finance Saoleititi Maeva Betham-Vaai; Governor of the Central Bank of Samoa Maiava Atalina Emma Ainuu-Enari; and other senior officials. Support was provided by Irene Velasquez Fonseca, Tommy Lee, and Yan Xu (all APD).

CONTENTS

CONTEXT	5
RECENT DEVELOPMENTS	5
OUTLOOK AND RISKS	8
POLICY DISCUSSIONS	10
A. Balancing Growth Support with Fiscal Sustainability	10
B. Enhancing Monetary Policy Effectiveness in a High-Liquidity Environment	13
C. Enhancing Financial Sector Resilience and Safeguarding Central Bank Independence	15
D. Enhancing Financial Integrity and Safeguarding External Financial Links	17
E. Structural Policies to Boost Medium-Term Growth	18
STAFF APPRAISAL	20
FIGURES	
1. Growth and Inflation Developments	22
2. Fiscal Sector Developments	23
3. External Sector Developments	24
4. Monetary and Financial Sector Developments	25
5. Governance Indicators	26
TABLES	
1. Selected Economic and Financial Indicators, FY2023-2031	27
2a. Budgetary Central Government Operations, FY2023-2031 (in Millions of Tala)	28
2b. Budgetary Central Government Operations, FY2023-2031 (in Percent of GDP)	29
3. Balance of Payments, FY2023-2031	30
4. Central Bank and Commercial Bank Balance Sheets	31
5. Financial System Balance Sheet	32
6. Commercial Bank Financial Soundness Indicators	33

ANNEXES

I. Progress in Implementing the 2024 Article IV Policy Recommendations	34
II. External Sector Assessment	36
III. Medium-Term Potential Growth in Samoa	40
IV. Risk Assessment Matrix	44
V. Samoa's Fiscal Framework	47
VI. Data Issues	55
VII. Capacity Development Priorities	58

CONTEXT

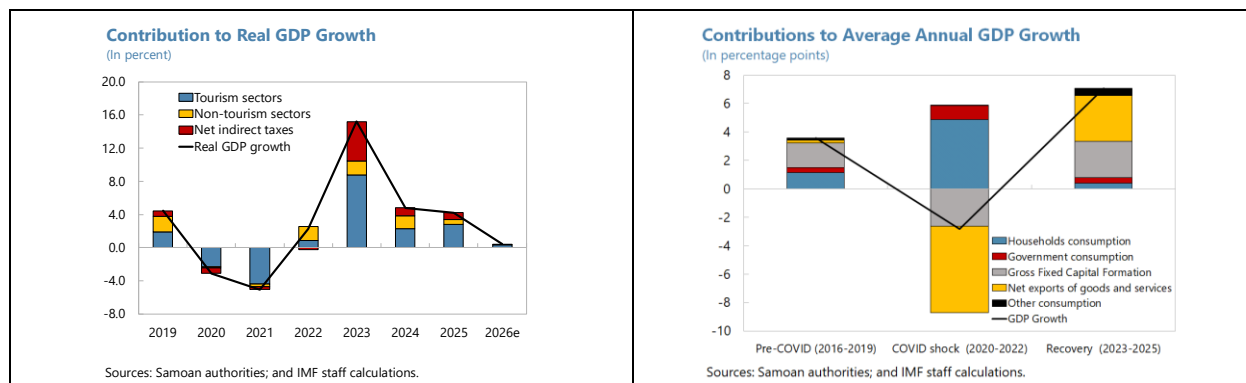
1. Following a strong post-pandemic recovery, Samoa's economy faces a challenging external environment, while structural constraints continue to complicate macroeconomic management. As a net oil importer, Samoa has been adversely affected by the global energy price shock, with higher import costs weighing on growth and contributing to rising inflation. Nevertheless, the economy remains resilient, supported by low public debt and ample international reserves. Despite these buffers, structural constraints and high exposure to natural disasters continue to complicate policy trade-offs and macroeconomic management.

2. Policies have been broadly aligned with past IMF advice, though implementation has been uneven (Annex I: Progress in Implementing the 2024 Article IV Policy Recommendations). Fiscal buffers have been preserved through strong outturns and low debt, despite an expansionary fiscal stance and continued weaknesses in public investment execution. Some progress has been made in revenue administration, monetary operations, and AML/CFT frameworks. At the same time, progress in public financial management (PFM), state-owned enterprise (SOE) oversight, financial sector deepening, and structural areas have been more limited, reflecting capacity constraints and implementation challenges.

3. Structural vulnerabilities continue to pose challenges. Limited institutional capacity, infrastructure gaps, and a narrow economic base constrain the effectiveness of policy transmission and the pace of reform implementation. Addressing these vulnerabilities will be critical to enhancing resilience, supporting sustainable growth, and reducing exposure to external shocks.

RECENT DEVELOPMENTS

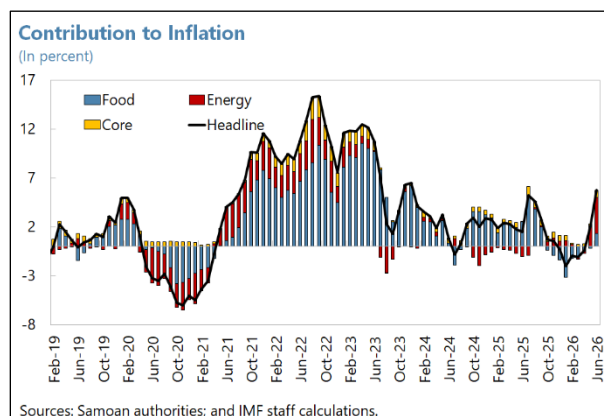
4. Growth momentum has weakened (Figure 1 and Table 1).¹ Real GDP growth is estimated to have slowed to just 0.4 percent (y-o-y) in FY2025/26, from 4.2 percent in FY2024/25.² This reflects weak household consumption and private investment, the unwinding of the one-off boost from the 2024 Commonwealth Heads of Government Meeting (CHOGM), subdued agricultural and commerce activity, and, more recently, higher fuel and shipping costs amid heightened global uncertainty.



¹ Samoa's fiscal year ends in June.

² The GDP series were revised for the periods 2021Q1-2024Q3.

5. Inflation has stayed low and stable, though external shocks are beginning to exert upward pressure (Figure 1). Headline CPI inflation averaged 1.4 percent (y-o-y) in FY2025/26, from 1.8 percent in FY2024/25, while core inflation averaged 1.9 percent, broadly unchanged from the previous year. However, rising import prices in March–April 2026 and fuel price hikes in May–June 2026 pushed headline inflation to 5.8 percent in June 2026. Since April 2026, fuel prices have increased cumulatively by about 40 percent for petrol, 74 percent for diesel, and 86 percent for kerosene, pointing to stronger inflationary pressures ahead.



6. The fiscal stance has loosened, while debt dynamics have continued to improve (Figure 2 and Table 2a–2b). Following a decline in the overall fiscal surplus to 4.7 percent of GDP in FY2024/25, fiscal policy remained expansionary in FY2025/26. Revenue is estimated to decline by about 4 percentage points of GDP relative to FY2024/25, mainly reflecting lower grant inflows and modestly weaker tax collections amid a moderation in private consumption. Expenditure is estimated to remain broadly unchanged as a share of GDP, as higher capital spending is fully offset by lower current spending. However, the increase in District Development Program (DDP) allocations from SAT 1 million to SAT 1.8 million per district in FY2025/26 may have already stretched implementation capacity, raising concerns about the quality and execution of spending. Within current spending, higher subsidies for pensions and social benefits are more than offset by lower spending on goods and services due to strong administrative controls following the delayed budget approval. As a result, the overall fiscal surplus is estimated to reach 0.7 percent of GDP. The fiscal impulse based on the structural balance—defined as the primary balance excluding grants—points to an expansionary fiscal stance in FY2025/26. Nonetheless, continued fiscal surpluses helped reduce public debt to 18.1 percent of GDP estimated at end-FY2025/26.

Text Table 1. Samoa: Fiscal Operations
(in Percent of GDP)

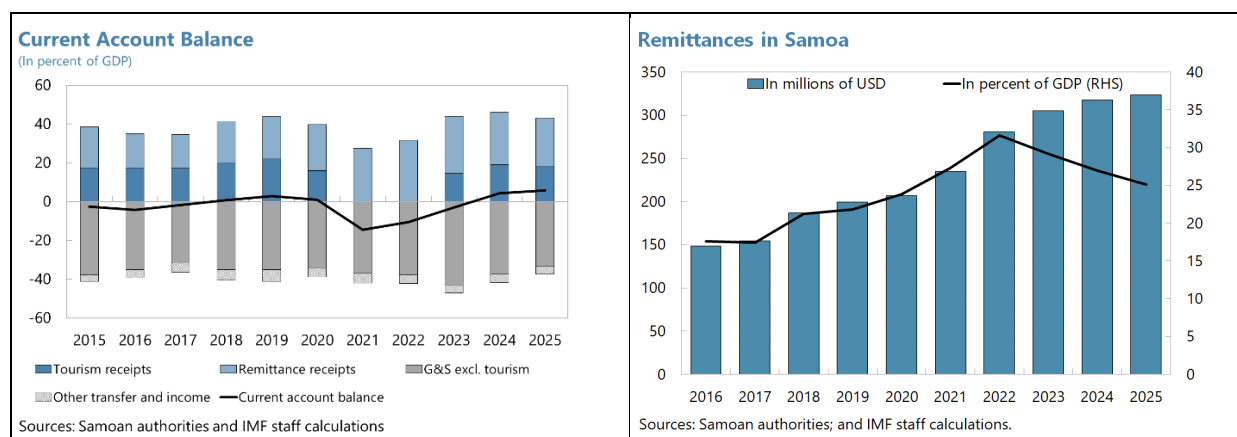
	FY23/24	FY24/25	FY25/26
Revenue	35.6	31.1	27.0
Tax revenue	24.2	23.3	21.8
Nontax revenue	3.1	2.5	2.7
Grants	8.3	5.2	2.5
Expenditure	26.3	26.4	26.3
Current	24.6	23.2	22.8
Interest payments	0.4	0.4	0.4
Capital spending	1.7	3.2	3.5
Overall Balance	9.3	4.7	0.7
Primary Balance	9.7	5.0	1.1
Structural Balance 1/	1.4	-0.2	-1.4

1/ defined by primary balance less grants.

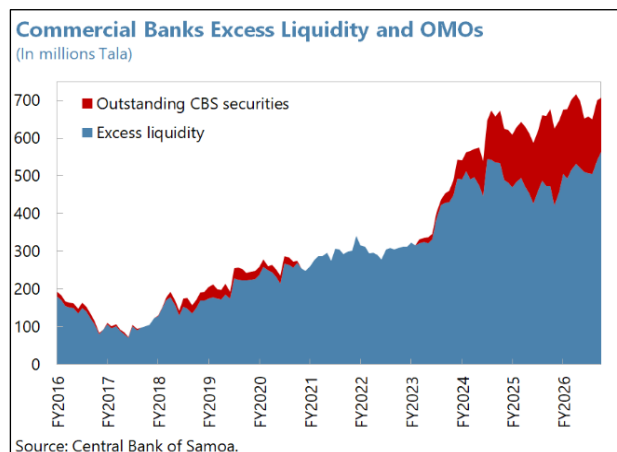
Source: IMF staff calculations and projections.

7. The current account is estimated to remain in surplus in FY2025/26, despite the impact of the Middle East conflict (Figure 3 and Table 3). Following a surplus of 5.7 percent of GDP in FY2024/25, the current account remained strong in FY2025/26, with the surplus estimated at 4 percent GDP, supported by resilient remittance and tourism inflows. Imports are estimated to increase moderately, due to higher import costs resulting from elevated oil prices in Q4, but the increase is partly offset by weak business activity and subdued import demand. The EBA-lite

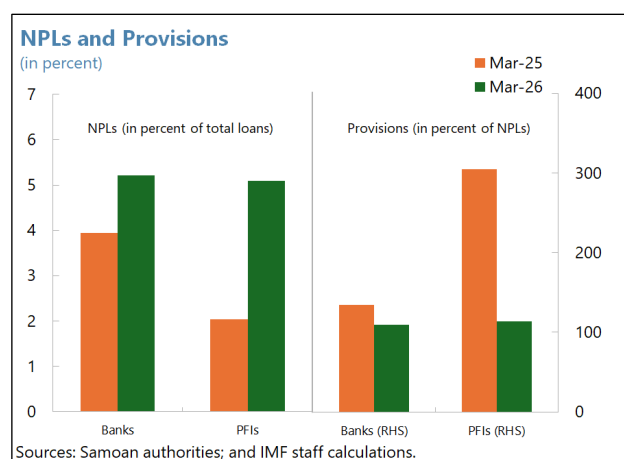
assessment suggests that Samoa's external position in FY2025/26 remains substantially stronger than warranted by fundamentals and desirable policies, with the policy gap largely driven by fiscal policy and reserve accumulation (Annex II: External Sector Assessment). Net external financing inflows have remained strong since the COVID-19 pandemic, supported by both official grants and non-official capital transfers, although official capital transfers moderated in FY2025/26. As a result, FX reserves are estimated to remain well above adequate levels, reaching 10.7 months of prospective imports at end-FY2025/26. The real effective exchange rate (REER) had depreciated since late 2025 amid lower domestic inflation, before partially reversing in May as higher oil prices increased inflationary pressure.



8. The Central Bank of Samoa (CBS) continued to normalize monetary policy (Figure 4 and Table 4). To help absorb excess liquidity, the CBS increased its issuance of securities, including larger volumes of longer-term issuances at 182- and 364-day maturities, raising the weighted average yield on CBS securities from 0.2 percent in June 2024 to 2.8 percent in May 2026, within the 2-3 percent target range for the policy rate. Nevertheless, excess liquidity remains elevated at SAT 570 million as of May 2026 (24.5 percent of total bank deposits), similar to end-FY2023/24 levels. Banks' deposit and lending rates increased only modestly, underscoring the weak transmission from policy to market rates.



9. Lending by public financial institutions (PFIs) has expanded (Figure 4 and Table 5-6). PFI balance sheets continued to grow, with loans to households recording mostly double-digit growth rates since January 2025, while their lending to private businesses softened. Commercial banks' lending to households also expanded rapidly, whereas lending to private businesses remained more subdued, despite a recent uptick since early 2026. The share of commercial banks in total credit to the private sector continued its secular decline, reaching 54.1 percent in June 2026. The share of non-performing loans (NPLs) in total loans for PFIs more than doubled over the course of 2025, and it has also increased slightly for commercial banks, although NPLs remain well provisioned.



OUTLOOK AND RISKS

10. The Middle East war is expected to weigh on near-term growth. Assuming average crude oil prices of \$89 per barrel in 2026 and \$79 in 2027, growth is expected at 2 percent in FY2026/27. The growth momentum is expected to soften at the beginning of FY2026/27 as higher global energy prices are expected to reduce households' real disposable incomes and dampen private consumption, while weaker economic conditions in Samoa's main tourist-sending markets—particularly Australia and New Zealand—are likely to soften tourism activity. Key investments could also face implementation delays due to higher input costs and supply chain disruptions. As energy prices ease, growth is expected to recover in the second half, with fiscal spending continuing to support investment and domestic demand throughout the year. Over the medium term, growth is expected to stabilize at about 2½ percent, as structural constraints, including demographic trends, continue to weigh on the economy's supply-side potential (Annex III: Medium-term Potential Growth in Samoa). Rising outward migration is further constraining labor supply, weighing on medium-term growth prospects.

11. Inflation is expected to pick up, driven by higher global fuel and food prices. Headline inflation is projected to rise to 4½ percent in FY2026/27, with the bulk of the impact expected to materialize in the first half of FY2026/27. The pass-through of the substantial fuel price increases in May-June 2026 is expected to become more pronounced in FY2026/27. As global commodity prices gradually stabilize, inflation is expected to ease over the medium term and return to about 3 percent, in line with the CBS target.

12. The impact of elevated energy prices on the external position is expected to become more pronounced in FY2026/27, shifting the current account into deficit. The current account deficit is projected at around 3 percent of GDP, mainly reflecting higher import costs, partially offset by weaker private consumption, which is expected to dampen import demand and moderate the

increase in import values. Weaker economic conditions in key tourism-source countries are expected to weigh on services exports. Nonetheless, sustained net external financing is expected to keep FX reserves at ample levels, around 11 months of prospective imports.³ Over the medium term, the current account deficit is projected to stabilize at around 2¼ percent of GDP.

13. Both global and domestic developments continue to pose downside risks to the outlook (Annex IV: Risk Assessment Matrix). Global risks arising from heightened geopolitical tensions, an intensification of armed conflicts, or rising trade protectionism could raise Samoa's import bill, weaken household consumption and investment, and adversely affect growth and external balances. Renewed energy price pressures and higher commodity prices would further erode households' purchasing power and raise input prices, potentially slowing the pace of implementation of planned projects. More frequent climate-related shocks—potentially occurring in the near term given the likelihood of an El Nino phenomenon—could disrupt tourism-dependent activity, reduce agricultural production, pose risks to food security, and damage infrastructure, adversely affecting growth and placing additional pressure on fiscal and external balances. On the domestic side, downside risks include rising inflationary pressures if domestic demand accelerates further due to fiscal expansion or excessive credit growth amid ample liquidity. A weakening of CBS independence could erode monetary policy credibility, raise inflation expectations and potentially undermine confidence in the exchange rate peg.

14. Under an adverse scenario, the impact on growth and inflation would be substantially larger than under the baseline.⁴ Consistent with the adverse scenario described in the April 2026 WEO, a more pronounced shock to energy prices would weigh more heavily on the Samoan economy, given that fuel imports account for about 20 percent of total imports. Growth is projected to slow

Text Table 2. Samoa: Macro Projections for FY2026/27

	Baseline	Adverse
Key assumptions		
Oil prices (US\$/barrel) ^{1/}	89 (2026)	100 (2026)
	79 (2027)	82 (2027)
Global GDP growth (percent, y-o-y)	3.1	2.5
Global financial tightening conditions	Some	Moderate
GDP growth (percent, y-o-y)	2.0	1.6
CPI inflation (percent, y-o-y, average)	4.5	5.7
Fiscal primary balance (percent of GDP)	-0.8	-1.5
Current account balance (percent of GDP)	-2.9	-6.0
1/ Calendar year		
Source: IMF staff estimates and projections.		

to around 1½ percent in FY2026/27, as disruptions to global energy markets and tighter global financial conditions adversely affect Samoa's tourism source markets and domestic economic activity. CPI Inflation is expected to increase to 5¾ percent in FY2026/27, reflecting stronger and passthrough from higher global food and energy prices than assumed under the baseline.

³ Net external financing is projected to be driven mainly by official grants and non-official capital transfers, with both moderating over the medium term as bilateral grant inflows normalize and non-official capital transfers ease from their post-pandemic highs.

⁴ In addition to the assumptions outlined in the text table, the adverse scenario incorporates higher one-year-ahead inflation expectations in both advanced economies and emerging markets excluding China, as well as rising sovereign and corporate credit risk premiums, leading to a moderate tightening of global financial conditions in 2026 (see April 2026 *World Economic Outlook*).

Authorities' Views

15. The authorities broadly agreed with staff on the outlook, though they expected a stronger growth recovery in FY2026/27 than staff projected, reflecting the planned fiscal expansion and a base effect from weaker growth in FY2025/26. While their medium-term growth projections were slightly above staff's, they concurred with the overall assessment of the structural impediments to productivity growth and private investments. Delays in the execution of major infrastructure projects, labor shortages, and further increases in global fuel prices were seen as key downside risks to growth. The authorities also agreed with the staff's inflation outlook, while highlighting further increases in global food prices, domestic transport prices, and higher minimum wages and social benefits as upside risks to inflation.

POLICY DISCUSSIONS

Policies should focus on preserving macroeconomic stability while strengthening resilience and medium-term growth. Priority should be given to well-paced, high-quality fiscal support that safeguards fiscal space and is anchored by a stronger medium-term fiscal framework. Monetary policy should continue to normalize conditions by tightening liquidity management to contain rising inflation risks, while financial sector oversight should be strengthened to manage emerging vulnerabilities. Advancing structural reforms—including addressing business environment constraints, supporting economic diversification, and enhancing human capital development—remains essential to raising potential growth and strengthening Samoa's resilience to external shocks.

A. Balancing Growth Support with Fiscal Sustainability

Fiscal Policy

16. The FY2026/27 budget envisages a continued expansionary fiscal stance. The approved budget projects a deficit of 3.1 percent of GDP—about ¼ percentage point lower than in FY2025/26—reflecting further increases in spending on goods and service in response to the global energy price shock, social assistance, and capital investment. Staff, however, project a smaller deficit of 1.1 percent of GDP, based on (i) the expectation that capital spending will fall short of budgeted levels owing to persistent implementation and absorptive capacity constraints, and (ii) less conservative revenue assumptions. Despite these differences, both the authorities' budget and staff projections imply a continued expansionary fiscal impulse.

Text Table 3. Samoa: Fiscal Operations
(in Percent of GDP)

	FY2025/26		FY2026/27	
	Budget	Staff proj.	Budget	Staff proj.
Revenue	25.0	27.0	29.6	31.2
Tax revenue	17.6	21.8	20.2	21.5
Nontax revenue	3.0	2.7	2.5	2.7
Grants	4.3	2.5	6.9	6.9
Expenditure	28.4	26.3	32.7	32.3
Current	24.8	22.8	27.6	27.8
of which:				
Goods & services	4.2	5.2	7.1	7.1
Social benefits/grants	10.1	8.3	10.8	10.8
Interest payments	0.3	0.4	0.2	0.3
Capital spending	3.6	3.5	5.1	4.5
Overall Balance	-3.4	0.7	-3.1	-1.1
Primary Balance	-3.2	1.1	-2.9	-0.8
Structural Balance	-7.5	-1.4	-9.8	-7.8

1/ defined by primary balance less grants.

Source: IMF staff calculations and projections.

17. Near-term fiscal support should focus on mitigating the impact of the oil price shocks.

Given the adverse impact of higher energy prices on the economy, available fiscal spaces, and Samoa's stronger external position, a temporary fiscal expansion is appropriate. At the same time, maintaining a high degree of fuel price pass-through would help preserve price signals, facilitate demand adjustment, and avoid the accumulation of losses or contingent liabilities in public entities exposed to higher fuel costs. In this context, the authorities' commitment to a high degree of fuel price pass-through and the increase in social assistance envisaged in the FY2026/27 budget are welcome. However, such support should remain well targeted, transparent, and temporary. Generalized subsidies should be used only as a last resort, given their regressive nature, high fiscal costs, and difficulty of unwinding. Should the adverse scenario materialize, fiscal policy should allow automatic stabilizers to operate and, if necessary, draw on available fiscal buffers to provide additional temporary support to vulnerable households. Any contingency measures should remain anchored in a credible medium-term fiscal framework, with a clear commitment to return to the baseline fiscal path once conditions normalize.

18. Electricity tariffs should be gradually aligned with cost-recovery levels through a transparent pricing mechanism, while protecting vulnerable households. Electricity tariffs have remained unchanged since November 2023 and are estimated to be around 50 and 30 percent below cost-recovery levels for residential and commercial users, respectively. While EPC recorded a small profit in FY2024/25 through cost-saving measures, rising fuel costs have weakened its financial position, with the utility estimated to have moved into deficit in FY2025/26 and losses likely to widen further in FY2026/27. This prompted the government to provide a one-off subsidy to support EPC's fuel purchases and maintain the electricity tariff freeze during FY2026/27. This underscores the need to restore cost-recovery tariffs and strengthen regular tariff reviews to support financial sustainability and investment capacity. In parallel, EPC should strengthen operational efficiency, billing, and collections to contain cost pressures.

19. Fiscal support should also focus on boosting productive capacity, while preserving fiscal space and ensuring well-paced implementation. Given ongoing absorptive constraints, expenditure scale-up should remain aligned with implementation capacity to minimize delays and cost overruns. In this context, the planned increase DDP allocations to SAT 2 million per district in FY2026/27 could heighten execution and oversight risks, particularly in light of existing undisbursed balances (¶23). Strengthening project appraisal, procurement support, and reporting at the district level is therefore a priority. In addition, initiatives with potentially significant fiscal implications, including Samoa Airways' exploration of options to reintroduce international routes, should proceed only with a robust credit risk assessment, transparent financing arrangements, and clear limits on contingent liabilities.

20. Strengthening the fiscal framework would help anchor medium-term sustainability (Annex V: Samoa's Fiscal Framework). While Samoa has a legal fiscal framework in place, there remains scope to enhance budget realism, operational guidance, and institutional underpinnings. Persistent gaps between budget plans and outturns—driven by conservative revenue forecasts and under-execution of capital spending—point to weaknesses in macro-fiscal forecasting and public

investment management (PIM), undermining the credibility and effectiveness of policy-based fiscal anchors. Fiscal reforms should therefore focus on improving revenue forecasting capacity, better aligning budget with outturns, and strengthening project readiness and execution.

21. Compared with the 2024 Article IV assessment, Samoa's debt dynamics remain broadly unchanged. The updated debt sustainability analysis (DSA) assesses Samoa as being at moderate risk of external and overall debt distress, with all debt indicators remaining below their respective thresholds under the baseline, supported by a stronger medium-term growth outlook and a high share of concessional external financing.

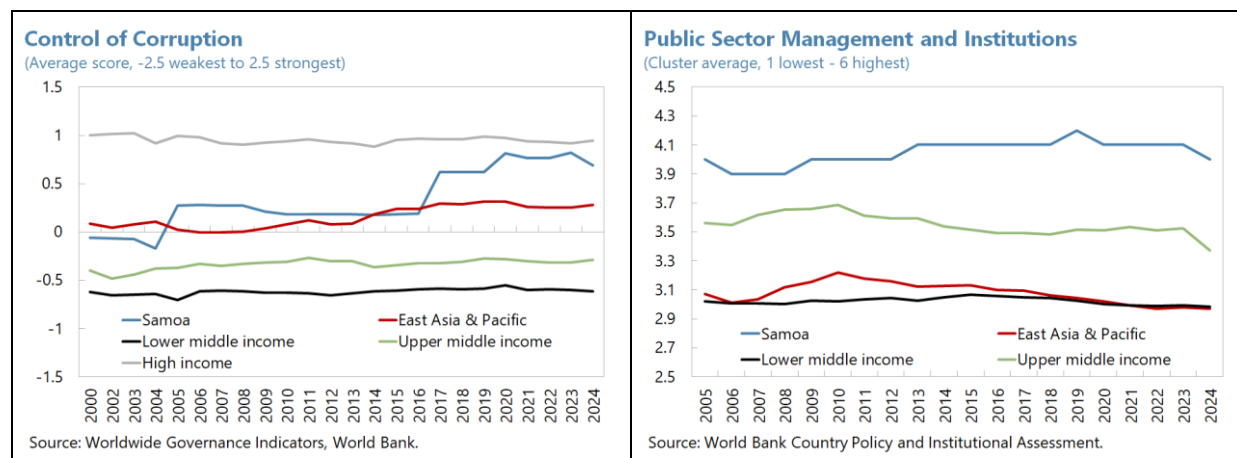
Structural Fiscal Reforms

22. Revenue administration reforms are focused on strengthening compliance and advancing digitalization. In FY2025/26, the authorities separated the Ministry of Revenue and Ministry of Customs to improve revenue compliance and administration. To maximize synergies, priorities include strengthening coordination on data sharing and joint risk management. The reform agenda should continue to emphasize risk-based compliance and audit, supported by the tax invoice monitoring system and stronger data analytics. Clear sequencing toward the integrated revenue administration system should be maintained, while near-term measures, including tax expenditure analysis to identify rationalization options, could further support revenue mobilization.

23. The DDP continues to face challenges from persistently weak execution and sizable undisbursed balances. Recent outturns point to persistent district-level implementation bottlenecks, compounded by the program's expansion and carryover of unspent balances, straining fiscal management and oversight and delaying service delivery. Against this backdrop, the recent adoption of the District Development Act is a welcome step to address these challenges. The newly established District Development Authority (DDA) is intended to strengthen implementation by: (i) improving project selection and appraisal; (ii) standardizing procedures for procurement and financial management; and (iii) enhancing monitoring, reporting, and audit follow-up. To be effective, the DDA will require clear mandates, adequate staffing and technical support, and enforceable controls that balance speed with safeguards. Further increases in DDP allocations should be contingent on demonstrable improvements in execution, transparency, and accountability.

24. Progress in strengthening PFM and PIM is ongoing, with priorities centered on improving budget execution, strengthening oversight, and managing fiscal risks. Samoa's governance and public sector management compare favorably with those of countries at similar income levels. However, there remains scope for further improvement, particularly in PFM and PIM. Key reform areas include strengthening cash forecasting and commitment controls to prevent arrears, tightening procurement and contract management, and improving project appraisal and selection. Expanding the coverage and use of financial management information systems and institutionalizing timely in-year budget execution reporting would support earlier policy responses to deviations from plans. At the same time, efforts to strengthen SOE oversight should focus on more timely financial reporting, systematic follow-up on remedial actions, and clearer accountability for performance. Credit risk assessments for government-guaranteed lending should be applied

consistently, and new guarantees tightly controlled to clarify exposures and manage contingent liabilities. Regular publication of audited SOE financial statements would further enhance transparency and support timely policy action.



Authorities' Views

25. The authorities broadly concurred with staff's recommendations, highlighting that the FY2026/27 budget introduced temporary measures, including financial support to the EPC. Although electricity tariffs have been frozen this year, the authorities remain committed to gradually normalizing them over time to strengthen the EPC's financial position. They expected that the separation of the Ministry of Customs from the Ministry of Revenue would enhance tax compliance, including through stronger enforcement. On the PFM side, they acknowledged implementation bottlenecks and noted scope to improve project execution through stronger project preparation and more streamlined procurement processes. In this regard, they were confident that the DDA, supported by a stronger institutional framework and dedicated staffing, would improve the implementation and outcomes of the DDP. The authorities agreed on the need to further strengthen the operational effectiveness of medium-term fiscal anchors and improve the quality of fiscal statistics to support evidence-based policymaking.

B. Enhancing Monetary Policy Effectiveness in a High-Liquidity Environment

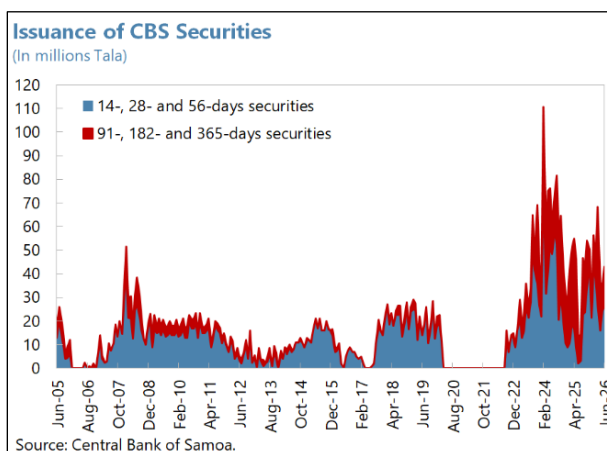
26. The exchange rate basket peg should remain the nominal anchor. Supported by ample international reserves and a strong external position, the peg remains a key pillar of macroeconomic stability by anchoring inflation expectations and reinforcing policy credibility. Continued prudent macroeconomic policies will be essential to preserve external stability and maintain confidence in the peg.

27. In particular, monetary policy should remain appropriately tight and responsive to inflationary pressures. In this context, the CBS should maintain its current monetary policy stance, while standing ready to raise rates if there is evidence of second-round inflationary effects from the

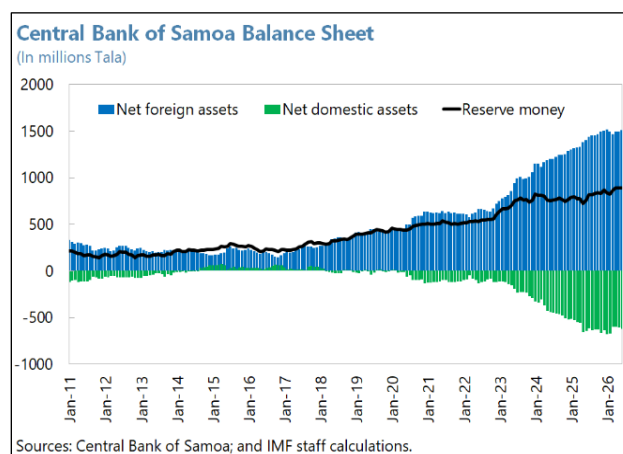
global oil price shock. With the policy rate currently within the CBS's estimated neutral range of 2-3 percent, the current stance provides some buffer against the inflationary impact of higher global energy prices. However, the CBS should remain vigilant to signs of second-round effects—particularly from fuel price increases—and stand ready to raise the policy rate if inflation expectations become de-anchored, especially under the adverse scenario. Safeguarding CBS independence is also critical to containing inflationary pressures by keeping inflation expectations well anchored.

28. Excess liquidity in the banking system remains elevated, warranting consideration of additional policy tools to mop it up.

While the CBS has increased securities' issuance through open market operations (OMOs) to normalize the policy rate, excess liquidity remains at historically high levels. Looking ahead, with continued strong inflows from grants and remittances and subdued credit growth by commercial banks, excess liquidity is unlikely to decline meaningfully without more targeted monetary policy measures. The CBS should therefore strengthen its liquidity management toolkit by further scaling up OMO issuance and consider an increase in the statutory reserve deposit ratio in the short term. Over the medium term, the CBS's liquidity forecasting framework should be further strengthened, while overseas investment caps for the Unit Trust of Samoa (UTOS) and the Samoa National Provident Fund (SNPF) should be gradually relaxed to help reduce their deposits in the banking system.⁵



29. The current monetary policy framework—centered on monetary targeting—faces important operational challenges (SIP: Monetary Policy Operational Framework for Samoa). Under the current framework, broad money serves as the CBS's intermediate target. Operationally, this framework requires a stable money demand function. However, evidence for Samoa suggests a disconnect between liquidity growth and domestic conditions, as total liquidity has been driven largely by external factors that significantly increased net foreign assets. In addition, there have often been sizable deviations



⁵ UTOS is a state-owned investment fund, while the SNPF administers Samoa's mandatory retirement savings scheme. Both are institutional investors in Samoa's financial system.

between actual outcomes and liquidity growth targets, further complicating communication of the desired monetary policy stance.

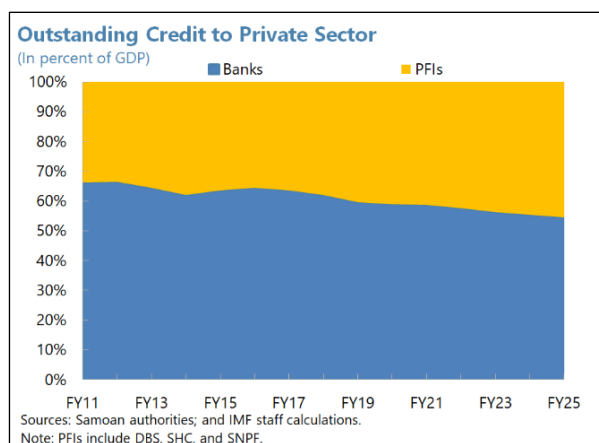
30. Transitioning toward an interest-rate-based operational target would strengthen the CBS's monetary policy operations. As the CBS continues to modernize its monetary policy operational framework, a gradual transition toward an interest-rate-based operational target would offer several advantages. In particular, it would allow the CBS to maintain tighter control over short-term interest rates, communicate its policy stance more clearly, and gradually strengthen monetary policy transmission from the policy rate to market rates.⁶ During the transition, the CBS should continue to refine its operational framework—including by establishing an interest rate corridor around the policy rate and strengthening its standing lending facilities—while continuing to develop and strengthen its emergency liquidity assistance framework.

Authorities' Views

31. The CBS expressed its intention to maintain its current monetary policy stance, while remaining vigilant to inflationary pressures. They also concurred on the need to continue absorbing excess liquidity through OMOs, while modernizing the monetary policy operational framework and strengthening liquidity management and forecasting with the support of IMF TA. The authorities also agreed that the exchange rate peg remains appropriate and continues to provide an effective nominal anchor.

C. Enhancing Financial Sector Resilience and Safeguarding Central Bank Independence

32. The continued expansion of PFIs, alongside emerging vulnerabilities in commercial banks, warrants close monitoring of financial sector vulnerabilities. PFI lending to households continues to outpace that of commercial banks, potentially reflecting less stringent lending requirements amid oversight gaps, although the expansion also reflects the nature and funding of PFI lending.⁷ PFI funding linkages with the government and CBS could also give rise to fiscal and central bank risks if PFI asset quality were to deteriorate. While NPLs at the PFIs



⁶ While the currency peg naturally links the policy rate in Samoa to those of its trading partners in the currency basket, the relatively closed capital account allows some scope for independent monetary policy to accommodate domestic output and inflation developments.

⁷ The SNPF, which accounts for about two-thirds of total PFI lending, provides loans primarily to individuals against member contributions, while the Development Bank of Samoa extends below-market-rate loans to households, supported by funding from the government and the CBS.

remain adequately provisioned, the recent rise in defaults—largely reflecting the CBS’s alignment of PFI loan classification standards with those of commercial banks—calls for vigilance. At the same time, commercial banks’ NPL ratios have increased from low levels, despite subdued credit growth, pointing to a deterioration in asset quality. Given downside risks to the outlook and pressures on household real incomes, the CBS should closely monitor PFI lending—especially to households—and commercial bank’s asset quality, while ensuring adequate provisioning.

33. Strengthening financial supervision and advancing financial inclusion remain priorities.

The CBS has implemented, or is in the process of implementing, most of the 2015 FSAP recommendations. Building on this progress, the CBS should continue enhancing its banking supervision framework, including by developing macroprudential tools and ensuring rigorous enforcement. The supervisory framework should also be applied consistently to PFIs to ensure a level playing field. In addition, the CBS should strengthen governance through enhanced onsite inspections and offsite monitoring, stricter enforcement of lending concentration limits, and stronger credit risk management. PFI lending activities should remain aligned with their policy mandates. Building on the *National Financial Inclusion Strategy 2.0*, further efforts are needed to expand access for unbanked adults in rural areas and promote digital financial services. In this context, the authorities’ plan to enact legislation establishing a credit information register by this year, aimed at reducing information asymmetries, is welcome. In addition, the authorities should expedite the rolling out the national digital ID system, which had been initially planned for implementation in FY2025/26 but is now scheduled for FY2027/28.

34. Preserving central bank independence is critical for maintaining macroeconomic and financial stability and for the effective implementation of monetary policy. The government has initiated a process to amend the CBS Act to modernize the governance framework and strengthen transparency and institutional oversight. Compared with the initial draft, staff welcome the substantial improvements reflected in the amendments submitted to Parliament in August, including stronger safeguards for the CBS’s mandate, the retention of the Governor’s term, narrower grounds for the Governor’s dismissal, and enhanced protections for the CBS’s autonomy. However, important concerns remain, particularly regarding the proposed removal of the Governor from the Board, given the lack of a clear delineation of responsibilities between the Board and management, as well as the continuing role of the Finance Minister in reporting arrangements. Further refinements to ensure that the Board structure and reporting arrangements are fully consistent with the CBS’s institutional, personal, and financial independence would strengthen the governance framework while preserving appropriate accountability and oversight.

Authorities’ Views

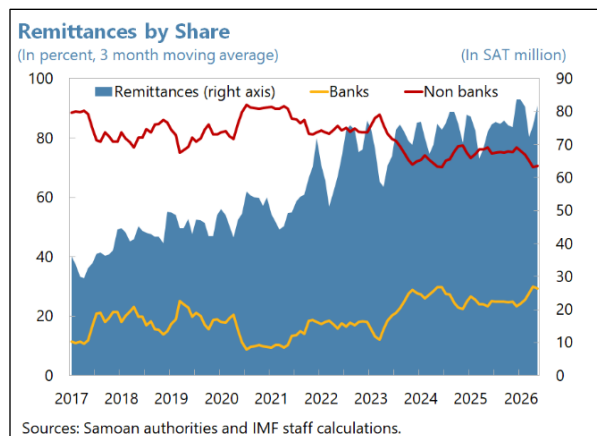
35. The authorities agreed that financial sector risks remain contained, while PFIs warrant closer monitoring and supervision. They reiterated their intention to continue narrowing the supervisory and regulatory gaps between commercial banks and PFIs. Despite the recent increase in NPLs among PFIs, the authorities emphasized that they remain well provisioned. They also reaffirmed their commitment to continue advancing key initiatives such as the national digital ID and credit

information registry, and to proceeding with amendments to the CBS Act in close consultation with all stakeholders.

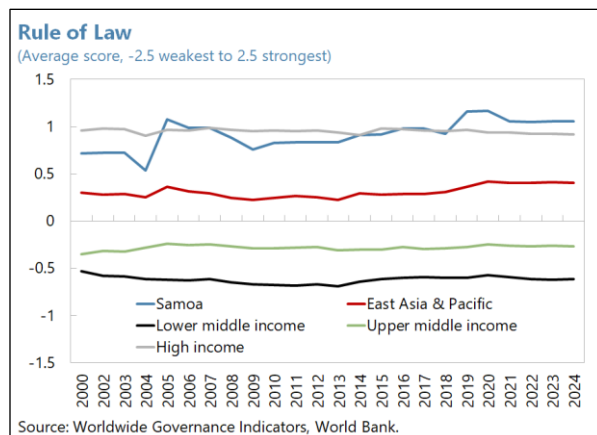
D. Enhancing Financial Integrity and Safeguarding External Financial Links

36. Correspondent banking relationships (CBRs) remain broadly stable but concentrated, while smaller money transfer operators (MTOs) continue to face pressures from CBR withdrawals. Two domestic banks and two subsidiaries of regional foreign banks maintain their Australian and New Zealand dollar CBRs. MTOs remain the main remittance channel, accounting for about 73 percent of inward remittances as of May 2026. However, remittance corridors remain exposed to concentration risks, as a single bank provides CBRs to several MTOs.

Continued CBR withdrawal risks are also putting pressure on smaller MTOs to maintain access to accounts in remittance-sending countries and through regional bank subsidiaries. Strengthening AML/CFT frameworks remains critical to alleviating pressures on CBRs and ensuring that remittance corridors remain safe and efficient.



37. Progress has been made in improving governance. Samoa's rule of law score remains strong, with recent gains bringing the country closer to high-income country levels. The authorities eliminated tax exemptions for foreign companies registered in Samoa in January 2026, contributing to Samoa's removal from EU's list of non-cooperative jurisdictions for tax purposes in February 2026. Overall risks from illicit activity remain contained. However, rising exposure to transnational organized crime and drug trafficking in the Pacific region underscores the importance of continued strengthening of AML/CFT frameworks to safeguard financial stability and CBRs.



38. A multi-pronged approach is underway to strengthen AML/CFT legal and supervisory frameworks and enhance the effectiveness of implementation. Amendments to the Money Laundering Prevention Act are expected to be adopted this year to strengthen supervision and enforcement and align the framework with international standards, including through incorporating a definition of beneficial ownership consistent with FATF standards. Ongoing efforts, including strengthening risk-based supervision—supported by supervisory tools developed with IMF technical assistance—and rolling out an e-KYC facility and the national digital ID should continue.

39. Any move toward promoting digital assets should proceed with extreme caution, given gaps in regulatory and supervisory frameworks and capacity constraints. The authorities have explored initiatives such as establishing digital asset exchanges in the special economic zones to attract new forms of investment and introducing a central bank digital currency (CBDC) to support financial inclusion and improve cross-border payments. However, given Samoa's limited financial sector depth and capacity constraints in regulation and supervision, such initiatives could raise significant ML/TF risks, potentially adding further pressure on CBRs, while also posing broader macroeconomic and financial stability concerns. Progress in this area should therefore be gradual and contingent on further strengthening of AML/CFT frameworks, supervisory capacity, and risk management systems. The CBS should conduct a digital national risk assessment before any digital asset rollout to identify vulnerabilities and necessary measures. If the authorities proceed, implementation should be phased and accompanied by continuous risk monitoring and timely action to address supervisory gaps.

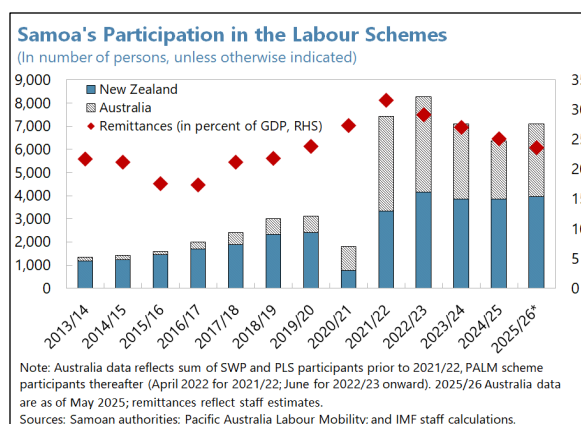
Authorities' Views

40. The authorities reaffirmed their strong commitment to strengthening the AML/CFT framework, noting improved compliance and supervision across banks and MTOs and planned legislative reforms ahead of the upcoming APG mutual evaluation. They also highlighted increased efforts to address risks from transnational organized crime and drug trafficking. While no virtual asset service providers currently operate in Samoa, the authorities are updating the national AML/CFT strategy to address risks related to virtual assets and proliferation financing.

E. Structural Policies to Boost Medium-Term Growth

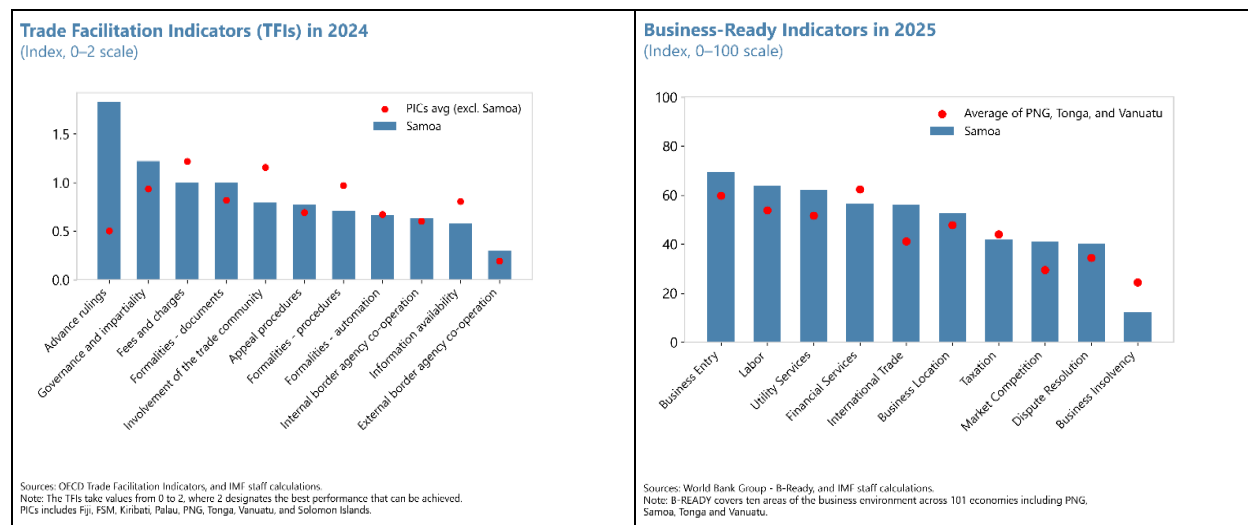
41. Samoa faces significant structural challenges that weigh on medium-term growth.

Its remoteness and small size, combined with heavy reliance on tourism (over 40 percent of gross value added), limit economies of scale and diversification. Vulnerability to natural disasters further constrains inward investment, with net FDI inflows remaining weak at about 0.4 percent of GDP on average during FY2022/23–FY2024/25. Continued outward migration—partly reflecting expanded labor mobility schemes (e.g., Australia's Pacific Australia Labor Mobility and New Zealand's Recognized Seasonal Employer)—reduces domestic labor supply and exacerbates skill shortages. The negative historical contribution of labor to growth underscores these concerns.

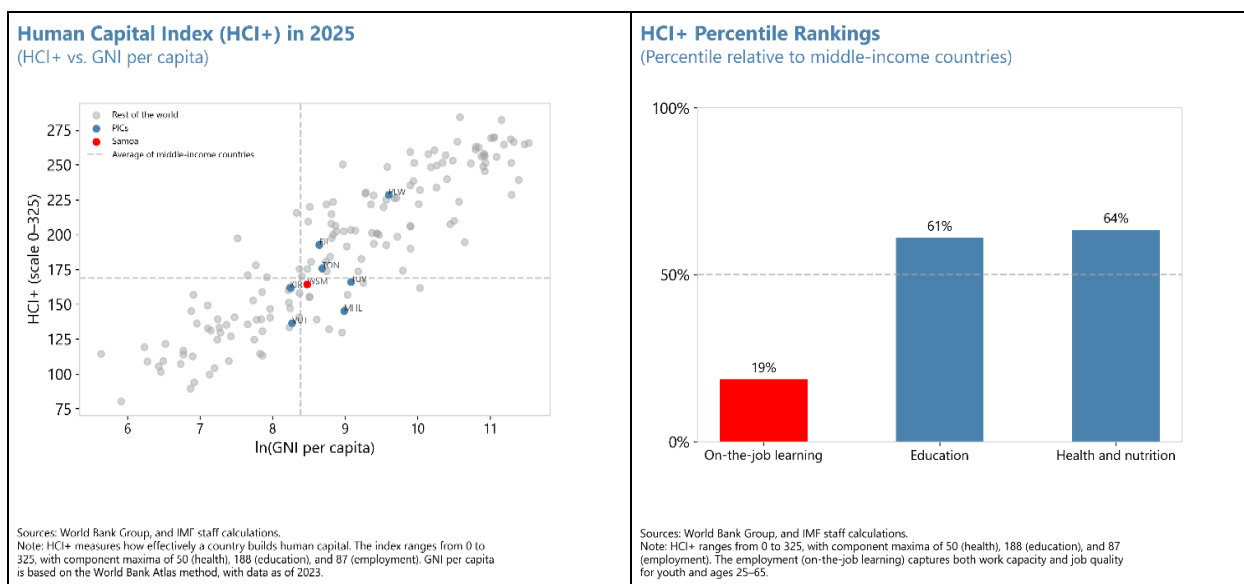


42. Accelerating growth-enhancing reforms and boosting trade facilitation would support private sector development. The newly established Samoa Export Authority has outlined a strategy to support exports and market access by addressing business environment constraints and

supporting diversification. Key policy priorities include strengthening land tenure security, improving land availability for businesses, and expanding access to finance for agriculture. Trade facilitation could be enhanced by engaging traders on regulatory changes, streamlining custom clearance procedures, and improving trade-related information. More broadly, reforms to judicial insolvency frameworks, improved access to finance and credit information, and enhanced customer identification through the rollout of the national digital ID system would further support the business environment.



43. Further policy actions can help improve human capital, including mitigating the potential negative effects of migration. Samoa has considerable scope to enhance human capital development, particularly through on-the-job learning. Combined with efforts to promote private sector development and create quality jobs, strengthening the social safety net and expanding access to childcare would help raise labor force participation and reduce informality, especially among women and youth. Enhancing technical and vocational education and training, alongside expanded upskilling and reskilling, would help reduce labor mismatches, support reintegration of returning seasonal workers, and improve overall labor market outcomes.



44. Addressing data gaps is crucial for policy and risk management (Annex VI: Data Issues).

Core macroeconomic statistics are regularly reported and published, but important weaknesses remain, particularly in fiscal and external sector statistics, including outdated GDP and CPI bases, methodological shortcomings, and large balance-of-payments errors and omissions. Ongoing IMF TA, improved methodologies, and stronger inter-agency coordination and data sharing should help strengthen data quality and surveillance.

Authorities' Views

45. **The authorities emphasized the need for continued structural reforms to address business bottlenecks, labor shortages, and human capital constraints.** They highlighted efforts to strengthen workforce skills and reintegrate returning seasonal workers, while improving access to finance for businesses through a credit information registry. They also stressed the importance of better coordination and improved access to land to overcome scale constraints in agricultural exports.

STAFF APPRAISAL

46. **Samoa's economy has remained resilient despite an increasingly challenging external environment.** Low public debt, ample international reserves, and prudent macroeconomic management have helped preserve stability. However, higher global energy prices, climate-related risks, infrastructure gaps, a narrow production base, and outward migration continue to weigh on growth and complicate policy trade-offs. Against this backdrop, economic activity has slowed markedly over the past year, reflecting both cyclical headwinds and structural constraints.

47. **The economic outlook remains challenging and risks are tilted to the downside.** Growth is expected to recover gradually, supported by fiscal expansion, but remain subdued relative to the strong post-pandemic recovery. Inflation is projected to rise in the near term before moderating,

while the current account is expected to move into deficit as higher energy import costs weigh on external balances. Risks are tilted to the downside, including from geopolitical tensions, commodity price volatility, slower growth in tourism source markets, outward migration, and increasingly frequent climate-related shocks.

48. A temporary and well-targeted fiscal expansion is appropriate to cushion the impact of the global energy price shock while preserving fiscal sustainability. Given Samoa's available fiscal space and strong external position, fiscal policy should protect vulnerable households and support productive investment. Any support measures should remain targeted, transparent, and temporary, while broad-based subsidies should be avoided. Continued efforts to strengthen the medium-term fiscal framework, improve PFM and PIM, and preserve fiscal buffers will be critical to maintaining debt sustainability and resilience to future shocks.

49. Monetary and financial sector policies should remain focused on containing inflation risks and safeguarding stability. Monetary policy should remain appropriately tight and responsive to inflation developments. Financial sector oversight should continue to be strengthened, particularly in light of rapid lending growth by PFIs. Amendments to the CBS Act should reinforce governance, transparency, and central bank independence. Staff will continue to engage with the authorities to help align the amendments with international best practices and safeguard central bank independence.

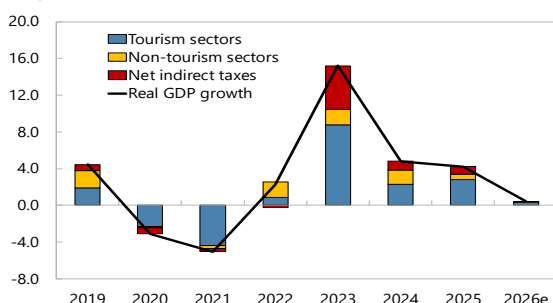
50. Accelerating structural reforms remains essential to raise potential growth and strengthen resilience. Priority reforms include improving the business environment, reducing barriers to investment, expanding access to finance, addressing labor shortages, and strengthening human capital. Continued efforts to enhance governance, strengthen financial integrity, safeguard CBRs, and improve institutional capacity will support more diversified, inclusive, and sustainable growth.

51. It is recommended that the next Article IV consultation with Samoa take place on the standard 12-month cycle.

Figure 1. Samoa: Growth and Inflation Developments

Growth momentum has weakened due to delayed budget approval, subdued agricultural production, and weaker activity in the commerce sector.

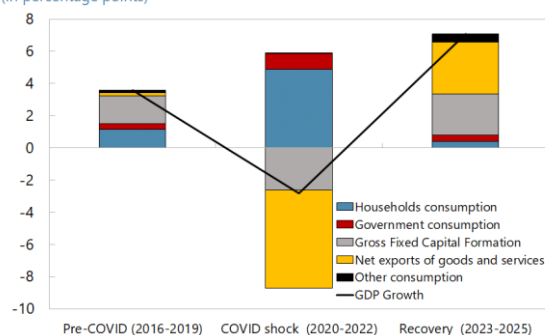
Contribution to Real GDP Growth (In percent)



Sources: Samoan authorities; and IMF staff calculations.

Household consumption helped cushion the economy during the COVID-19 pandemic shock, but has remained relatively weak during the post-pandemic recovery.

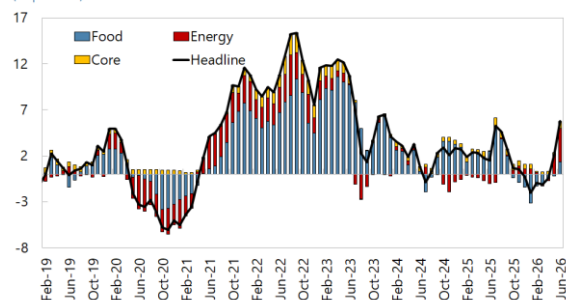
Contributions to Average Annual GDP Growth (In percentage points)



Sources: Samoan authorities; and IMF staff calculations.

Headline inflation has recently picked up, reflecting higher energy price inflation.

Contribution to Inflation (In percent)

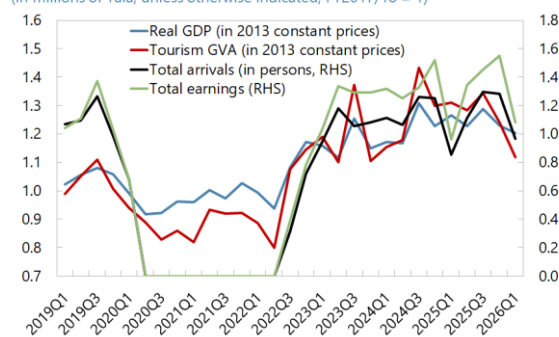


Sources: Samoan authorities; and IMF staff calculations.

Tourism activity has largely recovered to pre-pandemic levels, supported in part by the country's hosting of CHOGM in FY2024/25.

Developments in Tourism Sector

(In millions of Tala, unless otherwise indicated; FY2017/18 = 1)

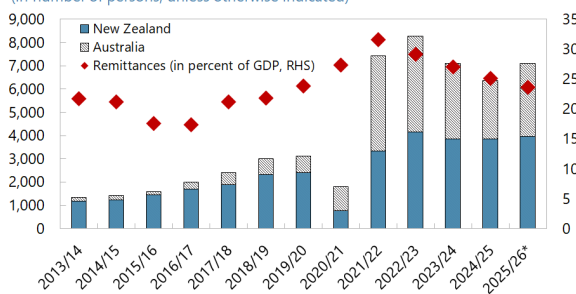


Sources: Samoan authorities; and IMF staff calculations.

Weak private consumption reflects slower outward migration, resulting in fewer new remittances, as well as a decline in remittances as a share of GDP.

Samoa's Participation in the Labour Schemes

(In number of persons, unless otherwise indicated)



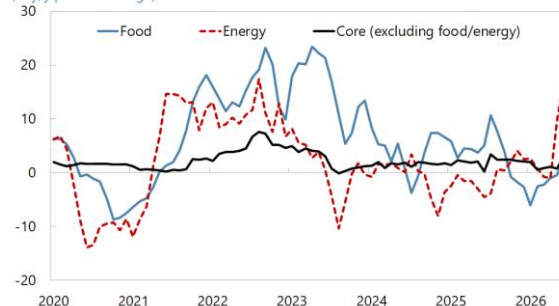
Note: Australia data reflects sum of SWP and PLS participants prior to 2021/22, PALM scheme participants thereafter (April 2022 for 2021/22; June for 2022/23 onward). 2025/26 Australia data are as of May 2025; remittances reflect staff estimates.

Sources: Samoan authorities; Pacific Australia Labour Mobility; and IMF staff calculations.

While core inflation remains stable, food and energy prices have begun rising since April 2026.

Food, Energy and Core Inflation

(In y/y percent change)



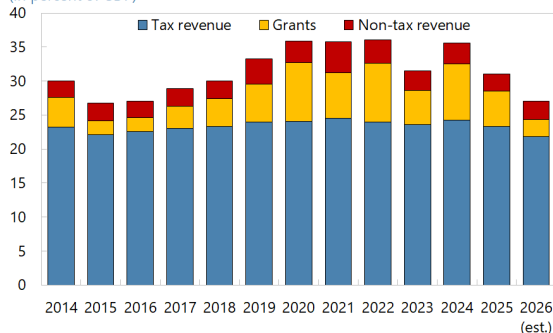
Sources: Samoan authorities; and IMF staff calculations.

Figure 2. Samoa: Fiscal Sector Developments

Total revenue has moderated from its recent peaks, driven by a decline in grants alongside some softening in tax collections.

Central Government Revenue

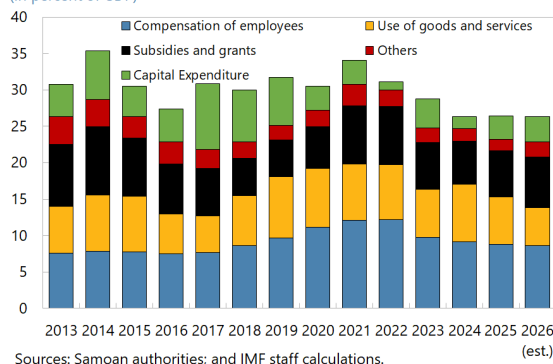
(In percent of GDP)



Pandemic-related spending has been unwound, while capital expenditure recovery has yet to return to earlier highs.

Expense

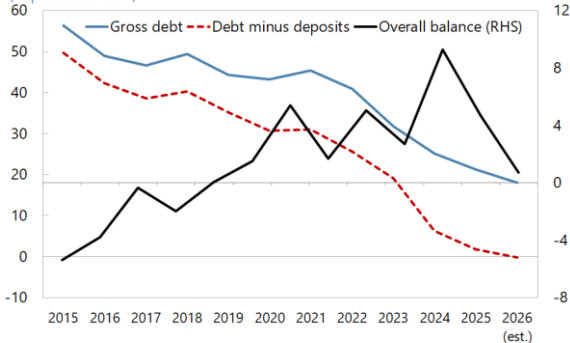
(In percent of GDP)



Nonetheless, continued fiscal surpluses have kept public debt low.

Central Government Finances

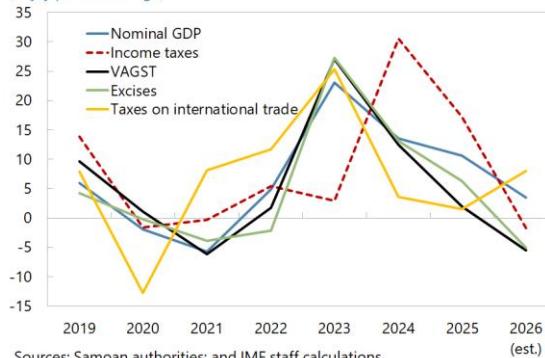
(In percent of GDP)



While tax revenue growth slowed more recently, trends across major tax categories have been uneven.

Tax Revenue

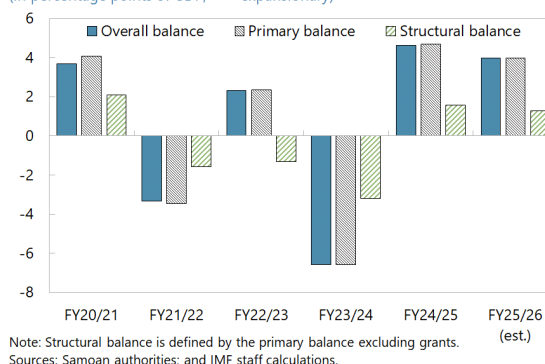
(In y/y percent change)



The fiscal impulse points to a strong expansionary shift from FY2024/25.

Fiscal Impulse

(In percentage points of GDP; + = expansionary)



Samoa's public debt remains low also relative to peers.

Gross Public Debt

(In percent of GDP)

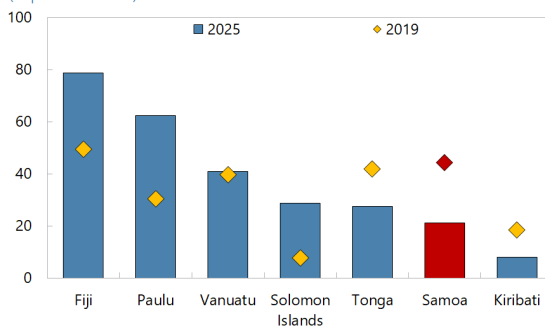
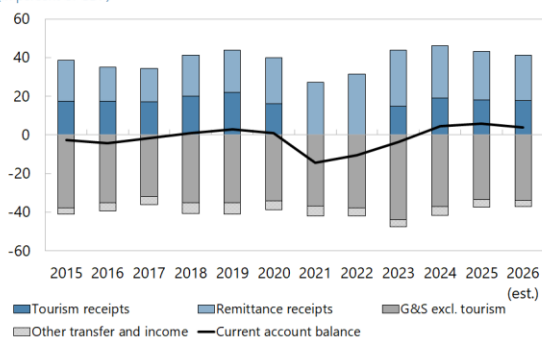


Figure 3. Samoa: External Sector Developments

Buoyed by resilient tourism and remittance receipts, the current account balance remained in surplus in FY2025/26.

Current Account Balance

(in percent of GDP)

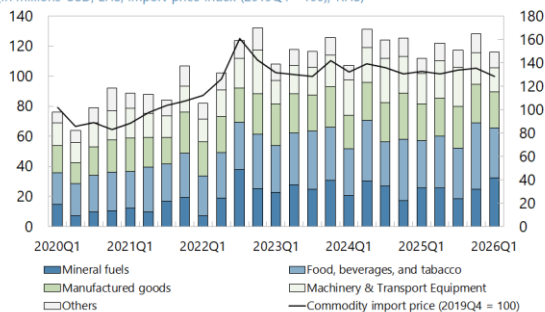


Sources: Samoan authorities and IMF staff calculations

Import growth slowed, but remains elevated, reflecting higher commodity import prices relative to pre-pandemic levels.

Merchandise Import by Goods

(in millions USD, LHS; import price index (2019Q4 = 100), RHS)

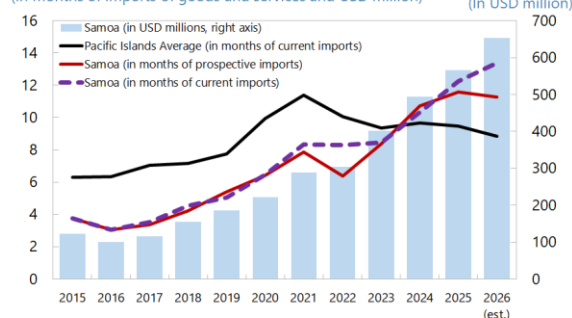


Sources: Samoan authorities; and IMF staff calculation.
Note: The commodity import price index covers import prices for the following HS sections: (1) Live animals and animal products, (2) Vegetable products, (3) Animal or vegetable fats and oils, and (4) Food and beverages.

FX reserve coverage remained adequate at around 11 months of prospective imports of goods and services.

Reserves

(in months of imports of goods and services and USD million)

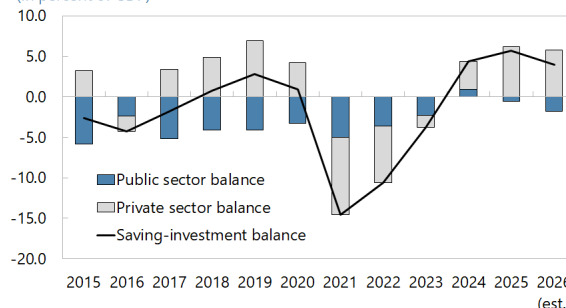


Note: Data presented in the charts
Sources: World Economic Outlook; and IMF staff calculations

...reflecting the steadily improved overall savings-investment balance, alongside a strengthening public sector position.

Saving-Investment Balance by Sector

(in percent of GDP)



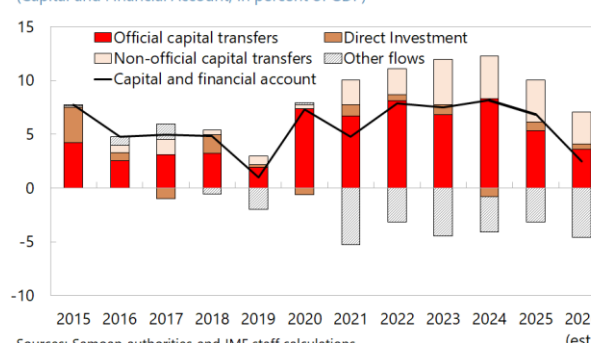
Sources: Samoan authorities and IMF staff calculations

Note: the private sector saving-investment balance is derived as a residual by subtracting the public sector saving-investment balance from the CAB. Public sector saving-investment balance is proxied by the overall fiscal balance excluding grants.

External financing inflows remained resilient, supported by official and non-official capital transfers, while inward FDI remained relatively modest.

External Financing Inflows

(Capital and Financial Account, in percent of GDP)



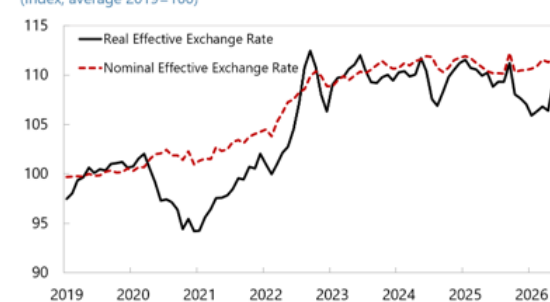
Sources: Samoan authorities and IMF staff calculations

Note: Financial account is shown with reversed sign so that positive values indicate net inflows. Other flows include financial account items, such as official and concessional flows.

The NEER has been broadly stable, while the REER depreciated from late 2025 although this was partly offset in May 2026 on higher import prices and rising inflation.

Effective Exchange Rates

(Index, average 2019=100)



Sources: International Financial Statistics; and IMF staff calculations (as of June 2026).

Note: An increase in the value of the REER (NEER) measures an appreciation of the currency against its trading partners.

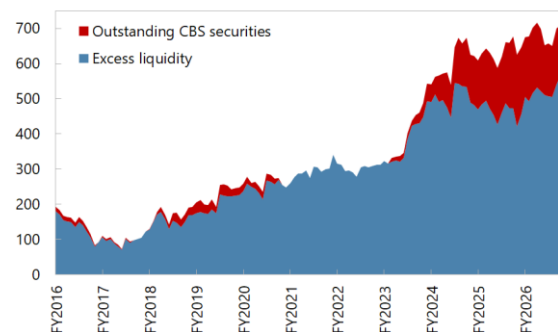
1/ The data presented in the charts are based on fiscal year, except for merchandise imports and effective exchange rates.

Figure 4. Samoa: Monetary and Financial Sector Developments

Excess liquidity remains elevated despite the normalization of the policy rate.

Commercial Banks Excess Liquidity and OMOs

(In millions Tala)

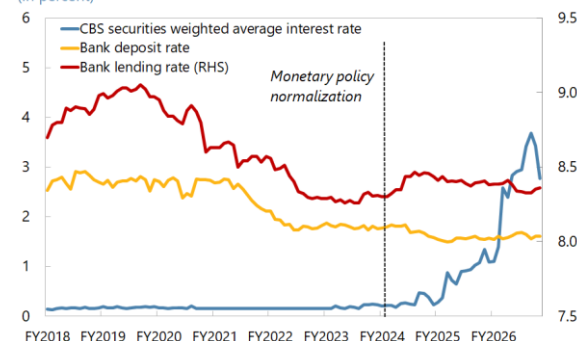


Source: Central Bank of Samoa.

Policy rates have increased recently, but transmission to market rates remains limited.

Interest Rates

(In percent)

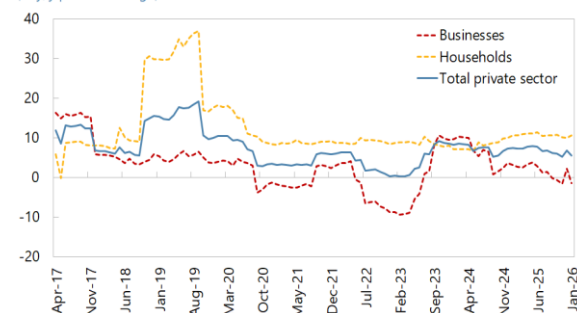


Source: Central Bank of Samoa.

Credit from PFIs, particularly to households, continues to grow at a strong pace.

PFIs Credit to Private Sector

(In y/y percent change)

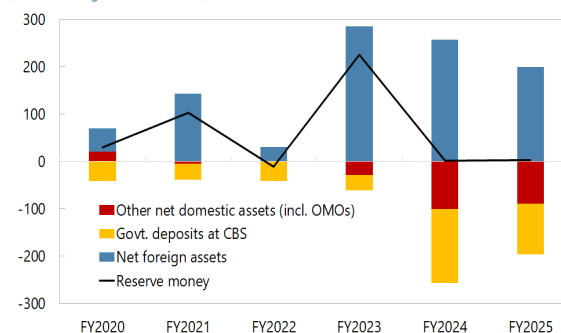


Sources: Central Bank of Samoa; and IMF staff calculations.
Note: PFIs include DBS, SHC and SNPF.

The large net foreign asset holdings at the CBS reflect continued inflows from tourism earnings, remittances, and government grants.

CBS Balance Sheet

(Annual change in millions Tala)

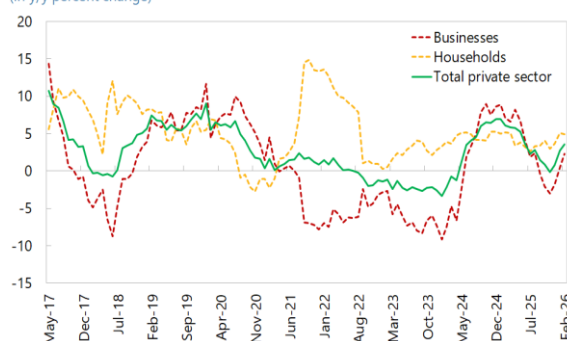


Sources: Central Bank of Samoa; and IMF staff calculations.

Despite excess liquidity in the system, commercial banks' credit growth remains subdued, although it has picked up marginally in recent months.

Commercial Bank Credit to Private Sector

(In y/y percent change)

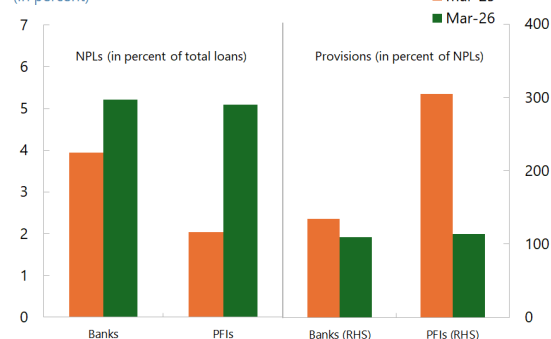


Sources: Central Bank of Samoa; and IMF staff calculations.

Despite a notable increase in NPLs at PFIs, they remain well provisioned.

NPLs and Provisions

(in percent)



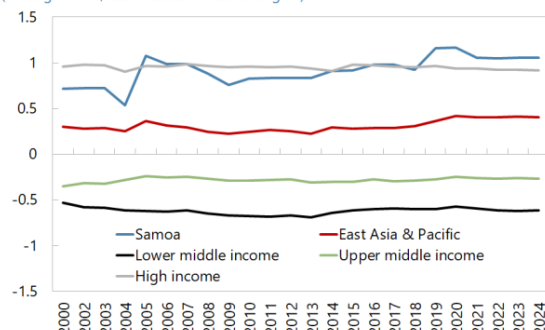
Sources: Samoan authorities; and IMF staff calculations.

Figure 5. Samoa: Governance Indicators

Rule of law score remains strong, with recent gains bringing Samoa closer to high-income country levels.

Rule of Law

(Average score, -2.5 weakest to 2.5 strongest)

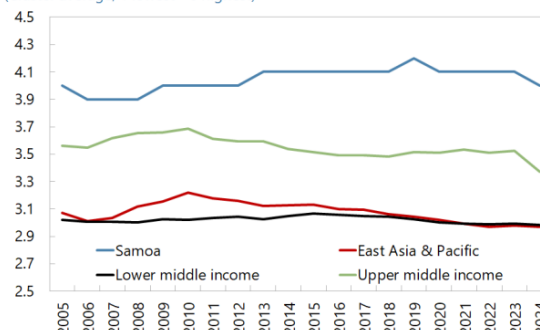


Source: Worldwide Governance Indicators, World Bank.

Public sector management remains strong relative to peers, despite a modest recent softening.

Public Sector Management and Institutions

(Cluster average, 1 lowest - 6 highest)

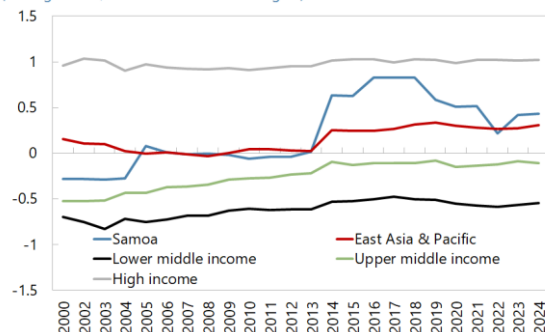


Source: World Bank Country Policy and Institutional Assessment.

Following strong earlier gains, improvements in perceived public service quality have leveled off, though remaining above regional peers.

Government Effectiveness

(Average score, -2.5 weakest to 2.5 strongest)

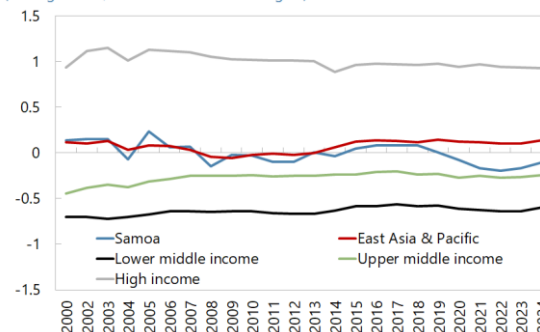


Source: Worldwide Governance Indicators, World Bank.

Regulatory quality score has softened, shifting into negative territory and remaining below regional peers.

Regulatory Quality

(Average score, -2.5 weakest to 2.5 strongest)

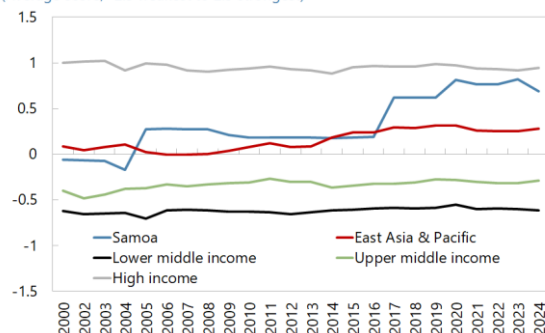


Source: Worldwide Governance Indicators, World Bank.

Control of corruption has steadily improved, despite some recent softening, with narrowing of the gap to high-income countries.

Control of Corruption

(Average score, -2.5 weakest to 2.5 strongest)

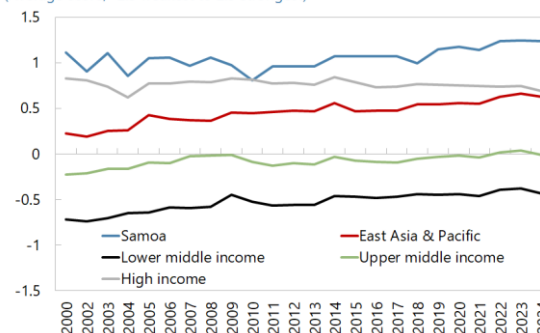


Source: Worldwide Governance Indicators, World Bank.

Samoa's political stability remains strong, outperforming regional and income peers, with a broadly stable trend in recent years.

Political Stability

(Average score, -2.5 weakest to 2.5 strongest)



Source: Worldwide Governance Indicators, World Bank.

Table 1. Samoa: Selected Economic and Financial Indicators, FY2023-2031 ^{1/}

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
				Est.	Proj.				
Output and Inflation	(12-month percent change)								
Real GDP	15.2	4.8	4.2	0.4	2.0	2.5	2.5	2.5	2.5
Nominal GDP	23.1	13.6	10.6	3.5	7.0	5.6	5.5	5.5	5.5
Consumer price index (end of period)	10.7	0.8	1.5	5.8	3.5	3.0	3.0	3.0	3.0
Consumer price index (period average)	12.0	3.6	1.8	1.4	4.5	3.1	3.0	3.0	3.0
Central Government Finances	(In percent of GDP)								
Revenue and grants	31.5	35.6	31.1	27.0	31.2	30.7	29.6	29.6	29.6
Of which: Tax revenue	23.6	24.2	23.8	21.8	21.5	22.9	22.9	22.9	22.9
Of which: Grants	5.0	8.3	5.2	2.5	6.9	5.0	4.0	4.0	4.0
Expenditure	28.8	26.3	26.4	26.3	32.3	32.1	31.6	31.0	30.5
Of which: Expense	24.8	24.6	23.2	22.8	27.8	27.6	27.1	26.5	26.0
Of which: Net acquisition of non-financial assets	4.0	1.7	3.2	3.5	4.5	4.5	4.5	4.5	4.5
Overall balance	2.7	9.3	4.7	0.7	-1.1	-1.4	-1.9	-1.4	-0.9
Primary balance	3.1	9.7	5.0	1.1	-0.8	-1.1	-1.6	-1.1	-0.6
Primary balance excluding grants	-1.8	1.4	-0.2	-1.4	-7.8	-6.1	-5.6	-5.1	-4.6
Public debt	31.8	25.3	21.2	18.1	18.2	18.8	19.7	20.2	20.2
Money and Credit Aggregates	(12-month percent change, unless otherwise indicated)								
Broad money (M2)	16.3	7.7	5.4	6.2	6.5	6.5	6.5	6.5	6.5
Private sector credit, financial sector	-0.5	5.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Share of commercial banks in private sector credit (in percent)	56.3	55.4	54.5	54.1	53.8	53.4	53.1	52.7	52.4
Balance of Payments	(In percent of GDP)								
Current account balance	-3.8	4.4	5.7	4.0	-2.9	-2.2	-2.4	-2.4	-2.3
Merchandise exports, f.o.b.	4.2	3.2	2.9	2.0	3.2	3.3	3.3	3.4	3.4
Merchandise imports, f.o.b.	42.3	37.5	34.4	34.0	37.5	37.5	37.6	37.7	37.8
Services (net)	8.9	16.1	16.1	15.8	14.1	14.9	15.0	15.1	15.4
Of which: Tourism receipts	14.8	19.1	18.0	17.7	18.2	18.5	18.9	19.3	19.7
Income (net)	-1.1	-1.3	0.0	0.0	-3.0	-3.1	-3.3	-3.3	-3.3
Current transfers (net)	26.6	23.9	21.1	20.2	20.3	20.2	20.1	20.1	20.0
External Reserves and Debt									
Gross official reserves (million U.S. dollars)	401.7	494.3	565.2	653.2	647.4	654.3	657.4	661.9	666.3
(in months of next year's imports)	8.4	10.7	11.6	11.3	10.8	10.2	9.7	9.3	8.8
External debt (in percent of GDP)	29.9	23.5	19.8	16.7	17.0	17.7	18.8	19.4	19.5
Exchange Rates									
Market rate (tala/U.S. dollar, period average)	2.73	2.76	2.78	2.75	...	...	...	...	...
Real effective exchange rate	7.2	-1.4	-1.4	1.2	...	...	...	...	...
(12-month percent change) 2/									
<i>Memorandum items:</i>									
Nominal GDP (million tala)	2,853	3,240	3,585	3,711	3,970	4,194	4,426	4,670	4,929
GDP per capita (U.S. dollars)	5,008	5,581	6,075	6,330	6,614	6,892	7,236	7,545	7,866

Sources: Data provided by the Samoan authorities; and IMF staff estimates and projections.

^{1/} Fiscal year begins in July and ends in June.^{2/} Increase indicates appreciation.

Table 2a. Samoa: Budgetary Central Government Operations, FY2023-2031
(in Millions of Tala)

	2022/23	2023/24	2024/25	Est.	Projections				
				2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
(In millions of tala)									
Total Revenue	899	1,155	1,114	1,003	1,237	1,287	1,312	1,382	1,459
Revenue (excluding grants)	758	885	928	911	963	1,077	1,135	1,197	1,263
Tax revenue	674	785	837	809	854	962	1,013	1,069	1,128
Taxes on income, profits & cap. gains	140	183	214	211	221	233	246	260	274
Taxes on property	0	0	0	0	0	1	1	1	
Taxes on goods & services	450	515	534	503	532	621	653	689	727
<i>Value added tax</i>	281	317	323	305	322	399	419	442	467
<i>Excises</i>	159	179	191	181	192	203	214	226	239
<i>Others</i>	10	19	20	17	18	19	20	21	22
Taxes on int. trade & transactions	84	87	88	95	101	107	113	119	126
Grants	141	270	187	93	275	210	177	185	195
Other revenue	84	100	91	102	109	115	121	128	135
Total Expenditure	822	854	946	978	1,283	1,346	1,397	1,450	1,505
Expense	707	798	833	848	1,104	1,157	1,198	1,240	1,283
Compensation of employees	279	296	315	320	348	368	388	409	432
Use of goods and services	188	255	232	193	281	307	319	332	345
Interest	13	14	13	14	12	13	14	16	17
<i>External</i>	13	12	10	11	9	11	12	13	14
<i>Domestic</i>	0	3	3	3	3	3	3	2	2
Subsidies 1/	4	6	6	7	28	30	32	34	36
Grants 2/	178	185	222	252	339	342	346	349	353
Social benefits 3/	36	35	36	56	91	92	93	94	95
Other expense 4/	10	7	9	8	5	5	5	6	6
Transactions in nonfinancial assets	115	55	113	130	179	189	199	210	222
Gross operating balance	192	356	281	156	133	130	114	143	175
Overall balance	77	301	168	26	-45	-59	-85	-68	-46
Overall balance excluding grants	-64	31	-19	-67	-320	-269	-262	-253	-242
Primary balance	90	315	181	39	-33	-46	-71	-52	-30
Financing	77	301	168	26	-45	-59	-85	-68	-46
Net acquisition of financial assets	6	216	88	-52	0	0	0	0	0
Domestic currency and deposits	6	216	88	-52	0	0	0	0	0
Net incurrence of liabilities	-71	-85	-80	-78	45	59	85	68	46
External loans (net)	-70	-83	-79	-76	47	61	88	70	49
Disbursement	25	0	0	0	124	129	151	123	98
Amortization	95	83	78	76	76	68	63	53	48
Domestic loans (net)	-1	-2	-2	-2	-2	-2	-2	-2	-3
Statistical discrepancy	0	0	0	0	0	0	0	0	0
Memorandum items:									
Nominal GDP	2,853	3,240	3,585	3,711	3,970	4,194	4,426	4,670	4,929
Total central government debt	908	819	760	671	722	787	872	944	996
Domestic debt	56	57	52	51	49	47	44	42	39
External debt	852	762	709	620	674	740	827	902	956
Stock of government deposits	362	610	696	679	679	679	679	679	679

Sources: Data provided by the Samoa authorities; and IMF staff estimates.

1/ Primarily to subsidize the cost of production for public corporations.

2/ Grants paid to extra budgetary units of the central government. Includes calls on central government guarantees.

3/ To meet the direct cost of social assistance related spending that are not covered by a social security fund or provident fund.

4/ Includes current and capital transfers to meet the cost of operation for state owned enterprises, which are not part of subsidies.

Table 2b. Samoa: Budgetary Central Government Operations, FY2023-2031
(in Percent of GDP)

	2022/23	2023/24	2024/25	Est. 2025/26	Projections				
					2026/27	2027/28	2028/29	2029/30	2030/31
	(In percent of GDP)								
Total Revenue	31.5	35.6	31.1	27.0	31.2	30.7	29.6	29.6	29.6
Revenue (excluding grants)	26.6	27.3	25.9	24.5	24.3	25.7	25.6	25.6	25.6
Tax revenue	23.6	24.2	23.3	21.8	21.5	22.9	22.9	22.9	22.9
Taxes on income, profits & cap. gains	4.9	5.6	6.0	5.7	5.6	5.6	5.6	5.6	5.6
Taxes on property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on goods and services	15.8	15.9	14.9	13.5	13.4	14.8	14.8	14.8	14.8
<i>Value added tax</i>	9.9	9.8	9.0	8.2	8.1	9.5	9.5	9.5	9.5
<i>Excises</i>	5.6	5.5	5.3	4.9	4.8	4.8	4.8	4.8	4.8
<i>Others</i>	0.3	0.6	0.6	0.5	0.4	0.4	0.4	0.4	0.4
Taxes on int. trade & transactions	2.9	2.7	2.5	2.6	2.6	2.6	2.6	2.6	2.6
Grants	5.0	8.3	5.2	2.5	6.9	5.0	4.0	4.0	4.0
Other revenue	2.9	3.1	2.5	2.7	2.7	2.7	2.7	2.7	2.7
Total Expenditure	28.8	26.3	26.4	26.3	32.3	32.1	31.6	31.0	30.5
Expense	24.8	24.6	23.2	22.8	27.8	27.6	27.1	26.5	26.0
Compensation of employees	9.8	9.1	8.8	8.6	8.8	8.8	8.8	8.8	8.8
Use of goods and services	6.6	7.9	6.5	5.2	7.1	7.3	7.2	7.1	7.0
Interest	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Subsidies 1/	0.2	0.2	0.2	0.2	0.7	0.7	0.7	0.7	0.7
Grants 2/	6.2	5.7	6.2	6.8	8.5	8.2	7.8	7.5	7.2
Social benefits 3/	1.2	1.1	1.0	1.5	2.3	2.2	2.1	2.0	1.9
Other expense 4/	0.3	0.2	0.3	0.2	0.1	0.1	0.1	0.1	0.1
Transactions in nonfinancial assets	4.0	1.7	3.2	3.5	4.5	4.5	4.5	4.5	4.5
Gross operating balance	6.7	11.0	7.8	4.2	3.4	3.1	2.6	3.1	3.6
Overall balance	2.7	9.3	4.7	0.7	-1.1	-1.4	-1.9	-1.4	-0.9
Overall balance excluding grants	-2.3	1.0	-0.5	-1.8	-8.1	-6.4	-5.9	-5.4	-4.9
Primary balance	3.1	9.7	5.0	1.1	-0.8	-1.1	-1.6	-1.1	-0.6
Financing	2.7	9.3	4.7	0.7	-1.1	-1.4	-1.9	-1.4	-0.9
Net acquisition of financial assets	0.2	6.7	2.4	-1.4	0.0	0.0	0.0	0.0	0.0
Domestic currency and deposits	0.2	6.7	2.4	-1.4	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	-2.5	-2.6	-2.2	-2.1	1.1	1.4	1.9	1.4	0.9
External loans	-2.5	-2.6	-2.2	-2.0	1.2	1.5	2.0	1.5	1.0
Disbursement	0.9	0.0	0.0	0.0	3.1	3.1	3.4	2.6	2.0
Amortization	3.3	2.6	2.2	2.0	1.9	1.6	1.4	1.1	1.0
Domestic loans	0.0	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Statistical discrepancy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:									
Nominal GDP (in millions of tala)	2,853.1	3,240.4	3,584.9	3,711.4	3,969.8	4,193.9	4,425.7	4,670.4	4,928.5
Total central government debt	31.8	25.3	21.2	18.1	18.2	18.8	19.7	20.2	20.2
Domestic debt	1.9	1.7	1.4	1.4	1.2	1.1	1.0	0.9	0.8
External debt	29.9	23.5	19.8	16.7	17.0	17.7	18.7	19.3	19.4
Stock of government deposits	12.7	18.8	19.4	18.3	17.1	16.2	15.3	14.5	13.8

Sources: Data provided by the Samoa authorities; and IMF staff estimates.

1/ Primarily to subsidize the cost of production for public corporations.

2/ Grants paid to extra budgetary units of the central government. Includes calls on central government guarantees.

3/ To meet the direct cost of social assistance related spending that are not covered by a social security fund or provident fund.

4/ Includes current and capital transfers to meet the cost of operation for state owned enterprises, which are not part of subsidies.

Table 3. Samoa: Balance of Payments, FY2023-2031 ^{1/}

	2022/23	2023/24	2024/25	Est. 2025/26	Projections				
				2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
(In millions of U.S. Dollars)									
Current account balance	-39.6	51.5	73.2	54.1	-41.7	-33.4	-38.4	-40.2	-40.2
Trade balance	-398.1	-403.2	-405.8	-432.0	-486.5	-508.3	-537.8	-565.6	-594.9
Exports, fob	43.6	37.9	37.7	27.0	45.4	49.0	52.4	55.3	58.4
Imports, fob	441.7	441.1	443.5	459.0	531.9	557.3	590.2	620.9	653.3
Services balance, net	92.6	189.2	207.5	213.1	199.7	221.1	235.2	249.0	265.6
Services credits	221.7	322.6	317.9	340.0	362.8	384.6	411.0	440.1	466.1
Of which: Tourism receipts	154.2	224.4	232.3	238.9	258.1	275.0	296.7	317.9	340.5
Services debits	129.2	133.4	110.4	126.9	163.1	163.5	175.8	191.1	200.5
Primary income, net	-11.7	-15.4	-0.1	-0.1	-42.5	-46.1	-51.8	-54.4	-57.0
Secondary income, net	277.6	281.0	271.7	273.1	287.6	299.9	316.0	330.7	346.2
Official transfers, net	-0.4	0.3	0.6	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Private transfers, net	278.0	280.7	271.1	273.4	287.9	300.2	316.3	331.1	346.5
Capital account balance	115.3	144.5	119.0	88.9	106.6	109.0	113.8	117.4	122.0
Official	71.4	97.9	69.0	48.9	55.5	57.6	61.1	63.2	66.1
Private	43.9	46.6	50.0	40.0	51.1	51.4	52.7	54.1	55.9
Financial account balance 2/	37.0	48.4	30.6	55.0	70.7	68.8	72.3	72.7	77.4
Direct investment, net	-9.8	9.3	-10.0	-6.7	-5.6	-5.4	-4.1	-7.6	-6.8
Portfolio investment, net	-0.4	5.0	7.4	18.3	16.3	16.9	17.5	18.8	19.8
Other investment, net	47.2	34.1	33.3	43.4	60.1	57.2	58.9	61.4	64.5
Errors and omissions	20.9	-53.9	-90.8	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	59.5	93.8	70.8	88.0	-5.8	6.8	3.1	4.5	4.4
Financing	-59.5	-93.8	-70.8	-88.0	5.8	-6.8	-3.1	-4.5	-4.4
Change in gross official reserves (- is increase)	-68.1	-93.8	-70.8	-88.0	5.8	-6.8	-3.1	-4.5	-4.4
Net use of credit	-1.7	-1.7	-2.3	-4.5	-4.5	0.0	0.0	0.0	0.0
Of which: IMF disbursements (+)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Repayments to the IMF (-)	-1.7	-1.7	-2.3	-4.5	-4.5	0.0	0.0	0.0	0.0
Exceptional financing	0.0	0.0	-0.6	-0.6	-0.6	-0.6	0.0	0.0	0.0
(In percent of GDP)									
Current account balance	-3.8	4.4	5.7	4.0	-2.9	-2.2	-2.4	-2.4	-2.3
Trade balance	-38.1	-34.3	-31.5	-32.0	-34.3	-34.2	-34.3	-34.3	-34.4
Exports, fob	4.2	3.2	2.9	2.0	3.2	3.3	3.3	3.4	3.4
Imports, fob	42.3	37.5	34.4	34.0	37.5	37.5	37.6	37.7	37.8
Services balance, net	8.9	16.1	16.1	15.8	14.1	14.9	15.0	15.1	15.4
Services credit	21.2	27.4	24.7	25.2	25.6	25.9	26.2	26.7	27.0
Of which: Tourism receipts	14.8	19.1	18.0	17.7	18.2	18.5	18.9	19.3	19.7
Services debit	12.4	11.3	8.6	9.4	11.5	11.0	11.2	11.6	11.6
Primary income, net	-1.1	-1.3	0.0	0.0	-3.0	-3.1	-3.3	-3.3	-3.3
Secondary income, net	26.6	23.9	21.1	20.2	20.3	20.2	20.1	20.1	20.0
Official transfers, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private transfers, net	26.6	23.9	21.0	20.3	20.3	20.2	20.2	20.1	20.1
Capital account balance	11.0	12.3	9.2	6.6	7.5	7.3	7.2	7.1	7.1
Official	6.8	8.3	5.4	3.6	3.9	3.9	3.9	3.8	3.8
Private	4.2	4.0	3.9	3.0	3.6	3.5	3.4	3.3	3.2
Financial account balance 2/	3.5	4.1	2.4	4.1	5.0	4.6	4.6	4.4	4.5
Direct investment, net	-0.9	0.8	-0.8	-0.5	-0.4	-0.4	-0.3	-0.5	-0.4
Portfolio investment, net	0.0	0.4	0.6	1.4	1.1	1.1	1.1	1.1	1.1
Other investment, net	4.5	2.9	2.6	3.2	4.2	3.9	3.8	3.7	3.7
Errors and omissions	2.0	-4.6	-7.1	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	5.7	8.0	5.5	6.5	-0.4	0.5	0.2	0.3	0.3
Financing	-5.7	-8.0	-5.5	-6.5	0.4	-0.5	-0.2	-0.3	-0.3
Change in gross official reserves (- is increase)	-6.5	-8.0	-5.5	-6.5	0.4	-0.5	-0.2	-0.3	-0.3
Net use of credit	-0.2	-0.1	-0.2	-0.3	-0.3	0.0	0.0	0.0	0.0
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Data provided by the Samoan authorities; and IMF staff estimates and projections.

1/ The presentation follows the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6).

2/ Excluding reserve assets.

Table 4. Samoa: Central Bank and Commercial Bank Balance Sheets

	2020/21	2021/22	2022/23	2023/24	2024/25
(In millions of Tala; end of period)					
Central Bank					
Net foreign assets	747	823	1,099	1,355	1,563
Net domestic assets	-206	-293	-344	-598	-802
Net credit to central government	-226	-267	-299	-455	-563
Net credit to financial corporations	130	125	101	6	-32
Other items (net)	-109	-150	-145	-149	-207
Monetary base	541	530	756	757	761
Other Depository Corporations					
Net foreign assets	15	45	101	115	126
Net domestic assets	1,201	1,189	1,315	1,422	1,489
Net credit to central government	-94	-67	-96	-155	-133
Net credit to public nonfinancial corporations 1/	10	7	8	6	6
Credit to private sector	1,153	1,155	1,124	1,164	1,207
Net claims on central bank and other financial corporations 1/	396	370	577	662	688
Other items (net)	-264	-276	-298	-254	-279
Deposits and other liabilities	1,216	1,234	1,416	1,537	1,615
Transferable deposits	486	501	663	772	776
Other deposits	726	730	750	763	836
Depository Corporations, Consolidated					
Net foreign assets	762	868	1,200	1,470	1,689
Net domestic assets	564	487	375	228	100
Broad money	1,325	1,355	1,575	1,697	1,788
(In percent of GDP; end of period)					
Central Bank					
Net foreign assets	33.8	35.5	38.5	41.8	43.6
Net domestic assets	-9.3	-12.6	-12.1	-18.5	-22.4
Monetary base	24.5	22.9	26.5	23.4	21.2
Other Depository Corporations					
Net foreign assets	0.7	1.9	3.5	3.5	3.5
Net domestic assets	54.3	51.3	46.1	43.9	41.5
Credit to private sector	52.2	49.8	39.4	35.9	33.7
Deposits	55.0	53.3	49.6	47.4	45.1
Depository Corporations, Consolidated					
Net foreign assets	34.5	37.5	42.1	45.4	47.1
Net domestic assets	25.5	21.0	13.1	7.0	2.8
Broad money	60.0	58.5	55.2	52.4	49.9
(12-month percent change)					
Monetary and Credit Aggregates					
Monetary base	23.8	-2.0	42.5	0.2	0.5
Broad money	8.1	2.2	16.3	7.7	5.4
Credit to private sector, commercial banks	1.5	0.2	-2.6	3.5	3.7
Sources: Central Bank of Samoa; and IMF staff estimates.					
1/ Net credit is net of liquid liabilities.					

Table 5. Samoa: Financial System Balance Sheet

	2020/21	2021/22	2022/23	2023/24	2024/25
(In millions of Tala; end of period)					
Other Financial Corporations 1/					
Net foreign assets	100	174	185	229	275
Net domestic assets	1,286	1,275	1,358	1,504	1,607
Net credit to central government	46	51	54	60	64
Net credit to public nonfinancial corporations	40	63	68	71	92
Credit to private sector	884	895	921	997	1,066
Net credit to depository corporations	145	88	149	206	217
Other items (net)	171	177	167	170	168
Liabilities and equity	1,386	1,449	1,544	1,733	1,882
Loans	95	92	111	109	122
Technical reserves	915	992	1,058	1,177	1,282
Shares and other equity	376	364	375	447	478
Financial Corporations Survey 2/					
Net foreign assets	753	883	1,245	1,555	1,802
Net domestic assets	1,785	1,840	1,787	1,695	1,747
Net credit to central government	-274	-283	-340	-551	-632
Net credit to public nonfinancial corporations	50	70	75	77	98
Credit to private sector	2,009	2,053	2,052	2,169	2,281
(In percent of GDP; end of period)					
Other Financial Corporations 1/					
Net foreign assets	4.5	7.5	6.5	7.1	7.7
Net domestic assets	58.2	55.0	47.6	46.4	44.8
Credit to private sector	40.0	38.6	32.3	30.8	29.7
Liabilities and equity	62.7	62.5	54.1	53.5	52.5
Financial Corporations Survey 2/					
Net foreign assets	34.1	38.1	43.6	48.0	50.3
Net domestic assets	80.7	79.4	62.6	52.3	48.7
Net credit to central government	-12.4	-12.2	-11.9	-17.0	-17.6
Net credit to public nonfinancial corporations	2.2	3.0	2.6	2.4	2.7
Credit to private sector	90.9	88.6	71.9	66.9	63.6
(12-month percent change)					
Financial System Aggregates					
Credit to private sector, other financial corporations	2.7	1.2	2.9	8.2	7.0
Credit to private sector, total financial system	0.4	2.2	0.0	5.7	5.2
Sources: Central Bank of Samoa; and IMF staff estimates.					
1/ Other Financial Corporations include DBS, SNPF, SHC, UTOS, Samoa Life Assurance Corporation, and four General Insurance Companies.					
2/ Financial Corporations Survey consolidates the accounts of Depository Corporations (Central Bank and Other Depository Corporations) and Other Financial Corporations.					

Table 6. Samoa: Commercial Bank Financial Soundness Indicators

	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Adequacy					
Regulatory capital to risk-weighted assets, ratio	28.1	28.8	33.2	29.3	28.4
Regulatory Tier-1 capital to risk-weighted assets, ratio	23.7	24.7	27.7	23.7	23.2
Total capital to total assets, ratio	15.1	14.9	14.2	12.7	12.7
Asset Quality					
Non-performing loans to total gross loans, ratio	3.7	4.6	4.7	4.6	4.6
Provisions to non-performing loans	189.6	168.3	179.7	184.2	174.3
Non-performing loans net of provisions to capital, ratio	0.2	0.6	-1.8	-3.5	-2.6
Large exposures to capital, ratio	53.2	38.2	27.9	38.3	26.6
Earnings and Profitability					
Return on assets, ratio	2.8	2.5	2.8	3.1	2.6
Return on equity, ratio	16.5	15.1	17.1	18.3	20.2
Net interest margin, percent	3.4	2.6	3.5	4	3.6
Exchange Rate Risk					
Net open position in foreign exchange to capital, ratio	-6.5	-2.1	4.0	4.3	6.3
FX loans to total loans, ratio	1.9	1.5	1.6	1.0	0.8
FX liabilities to total liabilities, ratio	10.5	14.6	16.8	15.2	16.6
Liquidity Ratios					
Liquid assets to total assets, ratio	19.9	17.7	26.0	27.5	27.2
Liquid assets to short-term liabilities, ratio	35.0	36.1	46.9	55.3	53.2
Total loans to total domestic deposits	79.8	76.8	63.5	65.9	65.9
Sources: Central Bank of Samoa; and IMF Financial Soundness Indicators Database.					

Annex I. Progress in Implementing the 2024 Article IV Policy Recommendations

Progress has been uneven. Strong fiscal buffers have been maintained, and there have been some advances in modernizing monetary operations and addressing AML/CFT concerns. However, traction on structural reforms and financial sector deepening has remained limited, partly reflecting persistent capacity constraints.

Policy Recommendations	Progress
Fiscal Policy	
Adopt a near-term expansionary fiscal stance focused on scaling up public investment to boost productive capacity, while preserving fiscal buffers over the medium term, given climate-related risks and vulnerabilities.	Partially implemented. The FY2025/26 budget envisages an expansionary stance, but its magnitude appears excessive in the absence of a well-developed capital spending plan. In addition, execution has been constrained by capacity limitations, with lower-than-planned capital spending.
Strengthen PFM: (i) improving public investment management (planning, execution, monitoring) (ii) enhancing cash management and forecasting; and (iii) strengthening budget credibility and data quality	Limited progress. Progress is underway with TA support from development partners, but challenges remain, particularly in capital spending execution.
Maintain strong controls over the DDP to manage fiscal risks	Partially implemented. The District Development Act was adopted in March 2026 to strengthen oversight and accountability, but implementation challenges and capacity constraints persist.
Improve revenue administration: (i) strengthening IT systems and compliance; (ii) moving toward self-assessment; and (iii) enhancing risk-based tax enforcement	Moderate progress. Progress has been made, particularly through digitalization and enhanced taxpayer services supported by development partners. However, reforms to deepen self-assessment and operationalize risk-based enforcement remain limited.
Address SOE-related fiscal risks: (i) strengthening monitoring and risk assessment; and (ii) restoring electricity tariffs to ensure SOE financial sustainability	Limited progress. Monitoring has continued, but broader reforms—such as tariff normalization—remain incomplete.
Enhance climate-related fiscal planning, (i) integrating climate risks into budgeting; and (ii) scaling up adaptation investment	Limited progress. Climate integration into PFM/PIM and adaptation investment are progressing, but scaling up remains constrained by capacity and financing.
Monetary Policy	
Continue monetary policy normalization: (i) reducing excess liquidity in the banking system; (ii) gradually raising interest rates (toward positive real rates)	Partially implemented. The CBS has taken steps to raise the policy rate and absorb excess liquidity, including scaling up OMOs, but excess liquidity remains elevated and policy transmission remains weak.

Policy Recommendations	Progress
Strengthen liquidity management framework.	Some progress. The CBS has expanded OMOs in size and maturity and introduced operational improvements, though liquidity management and forecasting frameworks require further strengthening.
Financial Sector Policy	
Strengthen financial supervision and regulation by enhancing prudential standards (capital, liquidity, risk management) and operationalizing the emergency liquidity assistance framework	Some progress. Efforts to enhance prudential frameworks and supervision are ongoing, though implementation of key reforms remains gradual.
Improve oversight of PFIs: align regulations with banks and strengthen governance and risk management	Some progress. The CBS aligned PFI loan classification standards with those of commercial banks.
Establish a credit registry to reduce information asymmetries and support financial inclusion.	Some progress. Legislation work to establish a credit registry is underway.
Strengthen AML/CFT legal and supervisory frameworks: (i) addressing legal gaps in AML/CFT legislation; (ii) enhancing risk-based supervision and enforcement; (iii) rolling out e-KYC systems and national digital ID; and (iv) Improving beneficial ownership transparency.	Some progress. The authorities have strengthened the legal framework, including amendments to the Money Laundering Prevention Act, which are currently with Cabinet; however, capacity constraints continue to hamper effective implementation.
Mitigate pressures on CBRs through: (i) Improved compliance and supervision; and (ii) outreach to foreign regulators	Some progress. The CBS completed onsite inspections of MTOs in December 2025, while banks are strengthening their systems to comply with AML requirements.
Exercise extreme caution on digital asset initiatives due to ML/TF risks and limited capacity	Broadly observed. The authorities have proceeded cautiously.
Structural Reforms	
Promote foreign investment and trade: (i) review investment restrictions; and (ii) streamline customs and export procedures	Limited progress. Efforts to improve the business environment continue, but structural constraints and limited reform progress persist.
Address labor market challenges and migration impacts: (i) increase female labor force participation; (ii) improve childcare and labor market conditions; (iii) provide upskilling/reskilling programs; and (iv) strengthen education and vocational training systems	Limited progress. Incremental progress through existing programs and partner-supported initiatives, particularly in skills development and labor mobility.

Annex II. External Sector Assessment

Overall Assessment: The external position of Samoa in FY2025/26 is assessed to be substantially stronger than the level implied by medium-term fundamentals and desirable policies, with fiscal policy remaining the largest contributor to the policy gap. The current account (CA) is expected to remain surplus at 4 percent of GDP in FY2025/26, supported by resilient remittance receipts, although elevated oil prices associated with the Middle East conflict are estimated to have widened the trade deficit in the final quarter of FY2025/26 (ending June 2026). FX reserve cover is assessed as adequate under the ARA metric for credit-constrained economies. However, these assessments are subject to considerable uncertainty given large errors and omissions in the balance of payments (BoP), frequent data revisions, and the inherently volatile nature of the BoP. In addition, the assessment is based on staff estimations for the FY2025/26 outturn due to data lags and should therefore be interpreted with caution.

Potential Policy Responses: The authorities should develop a credible medium-term public investment pipeline and prioritize high-return, growth-enhancing projects, supported by capacity development and strengthened procurement and project management frameworks. This would help reduce excess public savings while preserving fiscal discipline and spending efficiency. At the same time, improving the business environment and enhancing access to finance would facilitate private investment, which would help improve Samoa's productive capacity and contribute to reducing the current account surplus.

Foreign Assets and Liabilities: Position and Trajectory

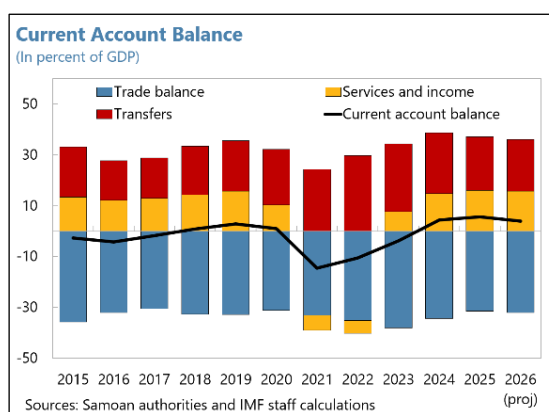
Data quality on net international investment position (NIIP) hinders a full assessment of the level and trajectory of foreign assets and liabilities. With support from IMF technical assistance, the authorities have made progress in improving IIP estimates and have submitted a revised series to the IMF's Statistics Department. However, a comprehensive set of IIP data is not yet published. Nonetheless, gross international reserves are assessed as adequate (see below) and external public debt remains sustainable, with a moderate risk of debt distress in the long term (see Debt Sustainability Analysis).

Additionally, foreign assets held by Samoan residents have increased in recent years, reflecting not only the accumulation of foreign reserves by the CBS (see below) but also rising overseas investment by other financial corporations, including the Samoan National Provident Fund and the Unit Trust Organization of Samoa.

Current Account

Background

Samoa's current account continues to remain in surplus at 4 percent of GDP in FY2025/26. This reflects sustained remittance inflows, a key source of foreign exchange given Samoa's sizable outward migration, which remains high at 23.6 percent of GDP, well above the pre-pandemic average of 19.5 percent. Nonetheless, the trade deficit is estimated to slightly widen relative to FY2024/25, reflecting the impact of elevated oil prices associated with the Middle East conflict, although the impact is partly offset by weak economic activities and subdued import demand. From a saving-investment balance perspective, the under-execution of public capital expenditure since FY2023/24 has eased, with public spending moderately picking up. As a result, the public saving-investment balance is estimated to record a deficit of 1.8 percent of GDP in FY2025/26, widening from 0.5 percent of GDP in FY2024/25. The private saving-investment balance, measured as a residual, improved from the sharp

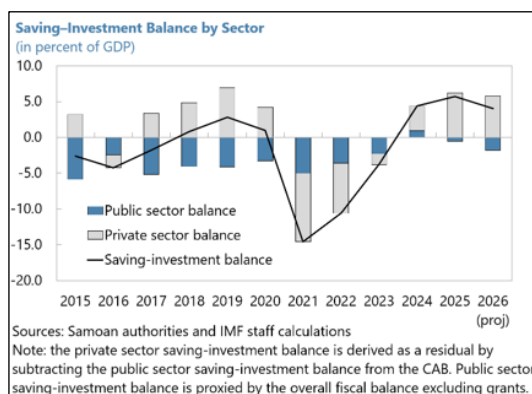


deterioration following the pandemic-related collapse in tourism income. As the impact of the pandemic receded, the balance returned to a surplus and is estimated to reach 5.8 percent of GDP in FY2025/26, although this may also reflect weak private investment.

Assessment

The external position in FY2025/26 is assessed to be substantially stronger than the level implied by fundamentals and desirable policies. In the EBA-Lite CA model, an adjustment was made to the CA norm to account for Samoa's large migrant share, which is significantly higher than other countries with comparable remittance inflows. After this adjustment, the model estimates an adjusted CA norm of -4 percent of GDP for FY2025/26, a positive CA gap of 8.6 percent of GDP, and a policy gap of 4.8 percent of GDP. The policy gap is largely driven by fiscal policy and FX reserve accumulation. The unexplained residual in the assessment may reflect structural impediments, particularly weak private sector investment, and country-specific factors not captured in the model.

Looking ahead, the CA is projected to shift into a deficit. In FY2026/27, the deficit is expected to reach 2.9 percent of GDP, reflecting higher imports associated with elevated oil prices. As these pressures ease, the deficit is expected to narrow to 2.2 percent of GDP in FY2027/28. Over the medium term, the current account balance is projected to stabilize at around -2.3 percent of GDP, alongside a public saving-investment deficit of about 5 percent of GDP.



Samoa: EBA-lite Model Results, FY2026

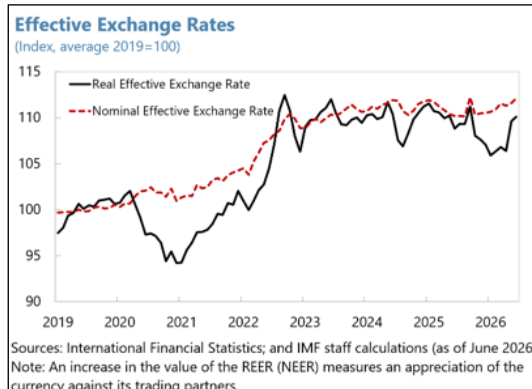
CA model 1/ (in percent of GDP)	
CA-Actual	4.0
Cyclical contributions (from model) (-)	-0.1
Natural disasters and conflicts (-)	-0.5
Adjusted CA	4.6
CA Norm (from model) 2/	-8.3
Adjustments to the norm (+) 3/	4.3
Adjusted CA Norm	-4.0
CA Gap	8.6
o/w Relative policy gap	4.8
Elasticity	-0.2
REER Gap (in percent)	-35.7

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.
3/ The norm adjustor reflects the countries unusually high stock of outward migrants relative to the domestic population, which is significantly higher than other countries with similar levels of remittance inflows. Remittance income is generally associated with a higher average propensity to consume and invest, which would be reflected in a lower current account balance.

Real Exchange Rate

Background

Samoa follows a 'conventional peg' exchange rate regime, with the tala serving as the primary nominal anchor. The tala is pegged to a basket of four currencies—the Australian dollar (AUD), New Zealand dollar (NZD), US dollar (USD) and the euro (EUR). The weights in the basket are determined by trade, tourism, and other external flows, and are reviewed quarterly by the CBS. Consistent with recommendations from the IMF TA, the CBS employs a forward-looking approach in setting the basket weights by incorporating exchange rate forecasts, global economic developments, and other relevant factors to anticipate movements in the tala between review periods. As of June 2026, the nominal effective exchange rate (NEER) remained broadly unchanged, with a marginal appreciation of 1 percent (y-o-y). The real effective exchange rate (REER) had depreciated since late 2025 amid lower domestic inflation, before partially reversing in May 2026 as higher oil prices increased inflationary pressures.



Assessment

Due to data limitations, the REER and external sustainability approaches under EBA-Lite were not applied. Results from the CA approach indicate a REER gap of -35.7 percent (based on elasticity of -0.2), indicating that the real exchange rate is undervalued. However, the results do not indicate the need for an exchange rate adjustment, given that: (i) the export base is relatively narrow, with limited scope for import substitution; (ii) current transfers, which are the main drivers of the current account, are relatively insensitive to exchange rate movements, and (iii) the policy gap explains the large part of the CA gap.

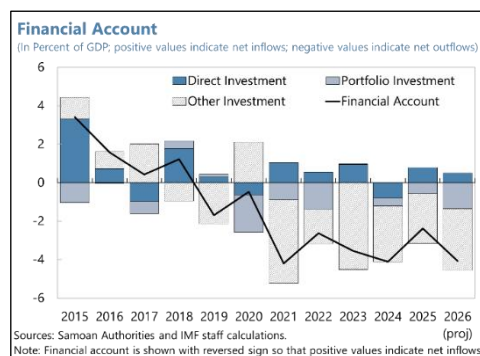
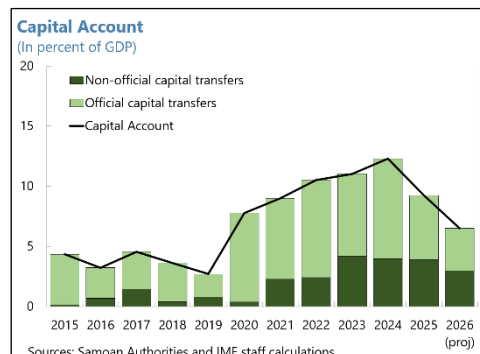
Capital and Financial Accounts: Flows and Policy Measures

Background

Samoa's capital and financial account combined continued to record resilient net external financing inflows, largely driven by capital grants and non-official capital transfer, although these inflows are expected to ease somewhat going forward. The capital account is estimated to post a surplus of 6.6 percent of GDP in FY2025/26, reflecting official transfers to the government (3.6 percent of GDP) and non-official capital transfers (3 percent of GDP) in line with sustained remittance inflows. This more than offset a moderate net outflow of 4.1 percent of GDP in the financial account, driven primarily by the accumulation of other investment assets (e.g., deposits) alongside a reduction in public sector other investment liabilities, in line with the recent decline in external public debt. Inward foreign direct investment remains weak, reflecting Samoa's remoteness and distance from major markets. Portfolio investment is expected to record net outflows, largely reflecting purchases of foreign assets by public financial institutions.

Assessment

Risks from the capital and financial account remain contained. Over the medium term, capital account inflows are expected to continue, supported by government grants and sustained non-official capital transfers, though moderation from recent elevated levels is expected to continue. FDI inflows are projected to remain subdued. Financing needs are low, as external liabilities consist mainly of concessional government loans with long maturities. Samoa also maintains a relatively closed financial account, with capital transfers and payments subject to approval by the Central Bank of Samoa.



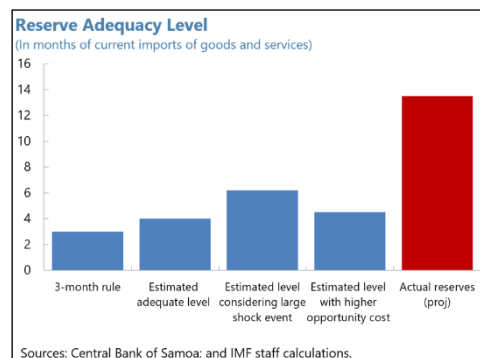
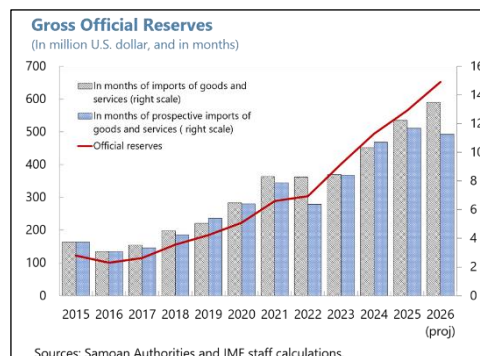
FX Intervention and Reserves Level

Background

Gross international reserves (GIR) are expected to continue to increase, reaching US\$653 million (equivalent to 11.3 months of prospective imports) at end-FY2025/26, from US\$565 million at end-FY2024/25. The accumulation was driven by the current account surplus and resilient external financing, including grants.

Assessment

Reserve coverage is expected to remain well above adequate levels. Based on the Assessing Reserve Adequacy (ARA) metric for small state economies (with fixed exchange rate and a 50 percent probability of a large shock), the optimal level of reserves for Samoa is estimated at between 2.7 and 4.5 months of current imports, depending on the assumed cost of holding reserves (6.2 or 4 percent, respectively). Accounting for Samoa's elevated vulnerability to natural disasters—by increasing the probability of a large shock to 70 percent—raises the optimal reserve range to between 4 and 6.2 months of imports. As end-FY2025/26, reserve levels are expected to remain above ranges implied by the ARA metric. Over the medium term, although reserves are expected to decline gradually in months of prospective imports, they are projected to remain well above the ARA metric levels.



Annex III. Medium-Term Potential Growth in Samoa

This annex analyzes Samoa's historical growth drivers using a growth accounting framework to assess the relative contributions of labor, capital, and total factor productivity (TFP), and projects medium-term (MT) productivity growth. The findings suggest that capital accumulation has historically been the primary driver of growth, reflecting Samoa's low population growth and declining labor force participation. Assuming that historical trends demographics, labor market, investment and TFP continue, Samoa's growth is expected to stabilize at around 2.5 percent over the MT.

A. Methodology, Data, and Assumptions

1. Samoa's potential output growth is estimated using a production function framework, following standard growth accounting principles (e.g. Kotera and Xu 2023; IMF World Economic Outlook (April 2024) Chapter 3; and Amundsen and others 2025). This framework enables the decomposition of growth into its key supply-side drivers—labor, capital, and productivity—and facilitates the assessment of how structural policies—those affecting labor force participation or private sector investment—may influence long-run growth.

2. Potential output is defined as the level of output consistent with sustainable utilization of factor inputs and trend productivity. It is modelled using a Cobb–Douglas production function:

$$Y_t^* = A_t K_t^\alpha L_t^{(1-\alpha)}$$

where Y_t^* denotes potential output, A_t is total factor productivity, K_t denotes the capital stock, L_t is labor input measured as total potential employment,¹ and α is the capital share in output.²

3. The analysis uses multiple data sources. Real GDP and gross fixed capital formation are obtained from the Samoa Bureau of Statistics; population data from the Asian Development Bank; age structure from the United Nations World Population Prospects (2024); and labor force participation and unemployment rates from the International Labor Organization, applied to estimate the labor force and employment levels.

B. Findings

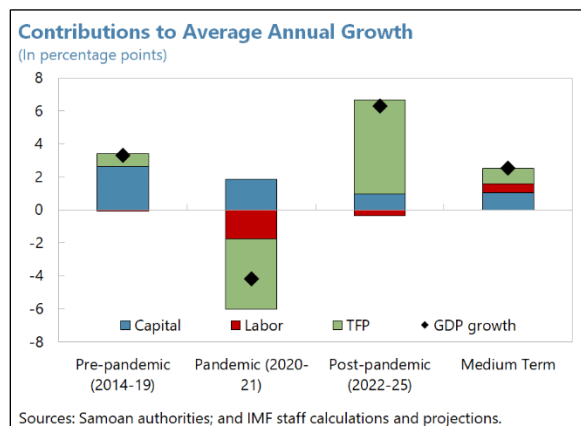
4. Capital accumulation was the primary driver of growth in the pre-pandemic period (2014–19) and contributed to supporting growth during the pandemic years (2020–21) (Figure). In contrast, labor made a negative contribution to growth during the COVID-19 pandemic, and has not

¹ Employment is calculated as $(1-U) \times (\text{labor force})$, where U is the unemployment rate. The labor force is calculated as the $(\text{LFPR}) \times (\text{working age population})$, with the latter referring to individuals aged 15–64.

² Given the absence of capital stock data from Samoa, and considering the structural similarities between Fiji and Samoa, Fiji's data are used to approximate Samoa's capital stock. Samoa's capital share is assumed to be equal to Fiji's historical capital share, based on data from the Penn World Table 11.0. Also, the capital to output ratio is assumed to match Fiji's ratio at the start of the sample period (2014). Samoa's capital stock is then constructed using its real GDP in 2014 and this assumed ratio.

recovered fully since, despite modest population growth (around 0.6 percent annually). This reflects a marked decline in labor force participation from 57.9 percent in 2014 to 45.6 percent in 2025.

5. Several factors likely contributed to this decline: (i) expansion of overseas labor mobility schemes (such as Australia's PALM and New Zealand's RSE programs); (ii) pandemic-related disruptions to labor markets which weakened formal employment and may have discouraged participation; and (iii) a potential rise in informality and the share of youth not in employment, education, or training. TFP growth, measured as a residual, did not exhibit a clear trend and largely reflected volatility in output associated with the pandemic shock and the subsequent recovery. On average, TFP growth was estimated at 1.4 percent, but it remained highly volatile, recording negative growth in FY2016/17 and FY2017/18, in addition to the COVID-19 pandemic period.



C. Medium-Term Outlook

6. Samoa's MT growth is projected at around 2.5 percent (Figure). Capital accumulation is expected to contribute roughly 1 percentage point, broadly in line with historical trends, assuming annual investment growth of around 2 percent. The relatively modest pace of capital accumulation reflects both constrained public investment due to implementation capacity limitations as well as subdued private investment in a small, disaster-prone economy.

7. Labor is projected to contribute about 0.5 percentage points to MT growth. The shift to a positive contribution from a negative historical contribution reflects favorable demographic dynamics—specifically, a rising share of the working-age population following a decline since 2015. However, this improvement reflects primarily demographic shifts rather than gains in labor force participation or improvements in employment conditions.

8. TFP is projected to contribute about 1 percentage point to MT growth, somewhat lower than historical averages, reflecting muted business dynamism in Samoa and outward migration of skilled workers. While TFP growth is generally difficult to predict, it tends to be lower in economies characterized by lower business dynamism and a relatively high reliance on service sectors where productivity gains are typically more limited than in manufacturing.³ Given its residual nature, projected TFP growth should be interpreted cautiously, as a reduced-form proxy capturing improvements in economy-wide efficiency, including a better allocation of resources over time.

³ A similar exercise in the forthcoming 2026 Article IV staff report for Fiji assumes a similar TFP growth rate over the MT.

9. Several reform measures could meaningfully lift MT growth in Samoa. Easing access to finance for agriculture and manufacturing businesses—including through establishing a credit information register and strengthening land tenure security—would support private investment. Trade facilitation for exporters would increase effective market size, encouraging investment and expanding the economy’s supply-side capacity. At the same time, upgrading technical and vocational education and training programs will help align worker’s skills with high-demand domestic sectors like tourism, ecotourism, and infrastructure. Sustained gains in output and productivity could, in turn, translate into higher wages, making local jobs more financially attractive relative to overseas migration and thereby supporting higher labor force participation. Streamlining business regulations to facilitate market entry and exit would also enhance business dynamism, improve the allocative efficiency of capital, and support higher growth with a positive effect on aggregate productivity.

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Annex IV. Risk Assessment Matrix

Source of Risks	Likelihood	Expected Impact on Samoa	Policy Recommendation
External Risks			
Intensification of Conflicts and Geopolitical Tensions (Intensified geopolitical tensions, weaker multilateralism, and other factors raise risks of military escalation and renewed or prolonged conflict, including in the Middle East. Further damage to infrastructure, disruptions to trade routes and supply chains, refugee flows, financial frictions, and commodity and financial market volatility weigh on growth and fuel inflation)	High	High: This could further raise global fuel and food prices, increasing import costs and inflation in Samoa. Weaker growth in key partner economies may dampen tourism demand and remittance inflows, weighing on external balances and growth. This could also disrupt supply chains and raise shipping costs, exacerbating vulnerabilities given Samoa's high import dependence.	• Provide targeted support to vulnerable households and viable firms while maintaining fiscal discipline. • Monetary policy should stay vigilant to inflation, pursuing further tightening if there is a risk of inflation expectations de-anchoring. • Preserve reserve buffers and safeguard external stability. • Strengthen resilience through supply diversification and improved food and energy security.
Protectionism and Trade Disruptions (Tariff increases and nontariff restrictions weigh on growth, and measures targeting upstream sectors or critical inputs generate supply bottlenecks impacting output and prices. Retaliatory measures amplify costs and disrupt global supply chains)	High	High: Increased protectionism could weaken growth in Samoa's trading partners, weighing on tourism demand and remittance inflows, and dampening medium-term investment. Trade disruptions—through higher shipping costs, delays, and supply constraints—could raise import prices, adding to inflationary pressures and worsening the current account balance.	• Strengthen domestic supply chains—particularly in agriculture, logistics, and storage—to reduce import dependence and enhance resilience to external shocks. • Provide temporary, well-targeted support to vulnerable households and viable firms to mitigate the impact of higher import prices, ensuring full transparency and on-budget financing. • Prioritize high-quality public investment to expand domestic productive capacity, while safeguarding fiscal space.
Renewed Energy Price Pressures (A re-escalation of geopolitical tensions and tighter inventories increase energy prices and volatility, with potential nonlinearities)	High	High: Higher commodity prices would increase Samoa's import bill, worsening the external balances. Elevated prices would erode household purchasing power, dampening private consumption. Higher input costs could also delay or scale back the implementation of planned projects, weighing on growth.	• Deploy temporary, targeted support to vulnerable households, while avoiding broad-based subsidies and price controls. • Strengthen contingency planning and access to contingent financing (including concessional loans/grants) to response to severe or prolonged shock. • Accelerate investments in renewable energies and boost local agriculture productivity to reduce reliance on imported fuel and food over time.

Source of Risks	Likelihood	Expected Impact on Samoa	Policy Recommendation
Food Security (Further energy and fertilizer supply disruptions, compounded by extreme weather driven by an extraordinarily strong El Niño, inflate prices, threatening food security and social stability)	Medium	High: Disruptions to food supply and shortages of staple foods would increase inflationary pressures given Samoa's high import dependence. It would further erode households' purchasing power and have a more adverse impact on low-income households, undermining social cohesion, and adversely affecting human capital, especially among young children.	• Support vulnerable households through temporary, targeted support, while avoiding broad-based subsidies or price controls. • Strengthen monitoring of food and fertilizer prices and invest in storage infrastructure to maintain contingency buffers. • Increase the resilience of domestic supply chains—particularly in agriculture—to reduce the impact of food supply shocks.
Inflation, Policy Credibility, and De-anchoring Risks (Under renewed inflationary pressures, including second-round effects, perceptions of political pressure on independent institutions weaken policy credibility and de-anchor expectations)	Medium	Medium: An erosion of monetary policy credibility could undermine the exchange rate peg as nominal anchor, increase inflation expectations, and weigh on investment and growth prospects.	• The CBS should stand ready to raise the policy rate and further absorb excess liquidity if second-round inflation effects or signs of de-anchoring emerge. • Fiscal policy should avoid adding to demand pressures, while keeping mitigation measures temporary and targeted. • Preserve confidence in the exchange rate peg through prudent macroeconomic policies, adequate reserve buffers, clear monetary policy communication, and safeguards for CBS independence.
Climate Change (Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability)	Medium	High: More frequent natural disasters would disrupt tourism, agriculture, and infrastructure, weakening growth and increasing fiscal and external pressures. They could erode productive capacity and investor confidence, dampening investment and straining public debt and foreign reserves.	• Preserve fiscal and external buffers and strengthen medium-term fiscal frameworks, including by mobilizing concessional climate financing to create space for adaptation. • Prioritize high-quality investment in climate-resilient infrastructure to reduce vulnerability to natural disasters. • Strengthen natural disaster preparedness, early warning systems, and response capacity to mitigate economic and fiscal impacts.
Labor Shortages and Remittances (Tighter immigration policies deepen labor shortages in aging economies, weighing on output, inflation, and fiscal balances. Origin countries face lower remittances, and	Medium	High: An acceleration in outward migration would place further strain on the economy's supply-side capacity.	• Boost labor force participation — particularly among women— while scaling up targeted training and re-skilling for workers. • Alleviate skills bottlenecks by strengthening job matching, including through improved labor market information systems.

Source of Risks	Likelihood	Expected Impact on Samoa	Policy Recommendation
weaker external positions, with potential medium-term mitigation from a larger domestic labor force)			
Domestic Risks			
Domestic Price Pressures (due to an unanticipated surge in domestic demand)	Medium	High: An expansionary fiscal policy, rapid credit growth amid high bank liquidity, and wage pressure due to labor shortage could increase domestic inflationary pressures.	• Moderate fiscal spending to ease demand pressures, while prioritizing capital expenditure and protecting priority social spending. • Further tighten the monetary policy stance as needed.
Loss of Correspondent Banking Relationships (CBRs) (due to ALM/CFT risks)	Medium	Medium: Elevated pressures on CBRs, with closure of correspondent bank accounts held by MTOs and the local banks, could limit FX flows, hampering international payments, and raising remittance costs. Foreign banks in Samoa could provide some offset.	• Improve AML/CFT legal framework and its implementation in line with international standards, including through risk-based supervision. • Accelerate the roll-out and effective use of e-KYC utility and national digital ID to strengthen customer due diligence. • Enhance beneficial ownership transparency, ensure timely access to accurate ownership information, and strengthen payments system oversight, while improving data quality to demonstrate low ML/FT risks.

Annex V. Samoa's Fiscal Framework

Samoa's fiscal framework has supported prudent outcomes, but its effectiveness as an operational anchor is constrained by three structural gaps: limited predictability and credibility—driven in part by weak forecast realism—weak ex-ante operational guidance, and the absence of clearly specified correction mechanisms. Fiscal anchors function as policy commitments rather than binding rules, limiting their effectiveness as a medium-term guide. Strengthening anchor calibration and their medium-term orientation, improving integration with the budget process, and addressing weaknesses in public financial management and capital execution would enhance the framework's effectiveness.

A. Current Framework and Policy Anchors

1. Samoa's fiscal framework is currently anchored by policy-based targets and a medium-term fiscal framework (MTFF) intended to guide the fiscal path over the budget horizon. These include a public debt target of 50 percent of GDP and an overall fiscal deficit ceiling of about 3.5 percent of GDP, which are set through the annual Fiscal Strategy Statement (FSS), rather than embedded in binding legislation, and operate within the broader legal and procedural framework established by the Public Finance Management Act 2001 (PFMA). For a small island state highly exposed to external shocks and natural disasters, this flexible and principles-based approach has practical advantages. However, its effectiveness ultimately depends on whether the anchors are appropriately calibrated, whether the MTFF provides a credible medium-term guide, and whether annual budgets are sufficiently realistic enough for the framework to function as an operational anchor for fiscal policy.

B. Enforcement, Monitoring, and Accountability

2. Fiscal discipline in Samoa is supported by institutional, procedural, and transparency mechanisms embedded in the budget process and the wider PFM framework. Responsibility for implementing the framework rests primarily with the Finance Minister (FM), who is legally mandated to formulate economic and financial policy, prepare annual and multi-year plans, and oversee the budget. The Ministry of Finance (MoF) oversees accounting systems, monitors budget execution, and ensures compliance across government entities. The framework is further underpinned by a principles-based fiscal responsibility regime, which requires policies to remain consistent with prudent debt levels, fiscal balance, and sound management of fiscal risks. Although these principles are not expressed as numerical rules, they impose procedural discipline by requiring any deviations to be explicitly justified and temporary.

3. Fiscal policy is operationalized through a hierarchy of policy instruments and institutional controls. These include the Strategy for the Development of Samoa (Pathway for the Development of Samoa), fiscal strategy statements (FSS), and the annual budget, all of which establish ex-ante anchors and require the authorities to explain deviations and update projections. At the implementation stage, discipline is reinforced through appropriation controls and reporting requirements: expenditure requires Parliamentary authorization, while in-year adjustments—such as unforeseen or emergency spending—require Cabinet approval and subsequent reporting. Regular

fiscal reporting, including quarterly budget execution reports and audited annual statements reviewed by the Auditor-General, enables systematic assessment of outcomes against policy objectives. Accountability is further supported by clearly defined institutional responsibilities and enforceable sanctions for non-compliance. In practice, deviations—often driven by external shocks—are addressed through subsequent budgets and supplementary appropriations. While these arrangements support transparency and accountability, the fiscal anchors continue to operate as policy commitments rather than binding fiscal rules.

C. Assessment of the Fiscal Anchors under the IMF Fiscal Rules Definition

4. Under the IMF fiscal rules Database, Samoa’s fiscal anchors are not classified as formal fiscal rules. As summarized in Table 1, IMF-defined fiscal rules are generally supported by a legal or regulatory basis, impose binding numerical limits over multiple years, and are designed to remain durable beyond the annual budget cycle. By contrast, Samoa’s anchors are established through the annual FSS and can be revised from one budget cycle to the next, although the debt anchor has remained unchanged over the past five years and the deficit ceiling over the past three years.

Annex V. Table 1. Samoa: Key Requirements for Formal Fiscal Rules vs Samoa’s Fiscal Anchors	
IMF Fiscal Rule – Key Criteria	Samoa’s Framework
Legal basis and permanence: the rule is established in law or regulation, making it legally binding and intended to remain in force beyond annual budgets.	<i>Established through the annual budget process rather than statute.</i> Medium-term targets are adopted through the annual FSS and applied on a year-by-year basis, allowing revisions during each budget cycle.
Binding duration: the numerical target is binding for multiple years (typically three or more) and cannot be revised frequently.	<i>Yearly horizon.</i> The fiscal anchors are reset annually in the FSS, with no fixed multi-year target path and can be updated each budget cycle.
Enforcement and correction: the framework includes formal enforcement arrangements and/or sanctions, along with a predefined correction mechanism or return path after breaches.	<i>No formal enforcement or automatic correction.</i> Deviations from anchors require ex-post justification to Parliament (e.g., ministerial explanation), but there is no pre-specified plan to return path to the target.
Escape clauses: Clearly defined conditions allow for temporary deviation or suspension (e.g., natural disasters), typically accompanied by a required adjustment plan to return to the rule.	<i>Limited explicit escape provisions.</i> The PFMA (Section 15(3)) provides a narrow exception for emergencies, but without clearly defined triggers or a pre-specified adjustment or return path, leaving flexibility largely at the government’s discretion.

5. The FSS, which sets out the annual fiscal stance and reports performance, has some limitations. Fiscal anchors appeared to have been calibrated without sufficiently incorporating past performance or systematically assessing their implication on fiscal and debt sustainability. In addition, as shown in Table 1, deviations from the fiscal anchors are addressed through ex-post explanation to Parliament, consistent with the requirements of the PFMA, rather than through predefined enforcement or correction procedures. Similarly, while the PFMA allows for limited exceptions in emergency situations, these provisions are not supported by clearly specified triggers or mandatory paths for returning to the anchors. As a result, the application and revision of the fiscal

anchors remain largely discretionary, distinguishing Samoa's framework from formal fiscal rules that rely on legal entrenchment, enforceability, and explicit correction mechanisms. This suggests that strengthening budget realism and implementation capacity is a prerequisite for enhancing the effectiveness of the fiscal anchors, including any move toward more formal or binding arrangements.

Annex V. Box 1. Samoa: Cross-Country Context: Fiscal Anchors in Small Pacific Island States

Small Pacific Island states typically rely on policy-based anchors rather than statutory fiscal rules, reflecting capacity constraints and high exposure to exogenous shocks. Samoa's annually updated medium-term anchors are broadly in line with regional practice. In several peer countries—including Tonga, Vanuatu, and the Federated States of Micronesia—fiscal policy is guided by medium-term objects for debt and deficits rather than by legally binding national fiscal rules.

Frequent and severe exogenous shocks (e.g., natural disasters and sharp terms-of-trade swings) make rigid multi-year numerical targets difficult to operationalize in small states and can lead to pro-cyclical tightening or repeated rule suspensions. Nonetheless, cross-country experience suggests that fiscal rules can still serve as an effective anchor in small states and shock-prone economies if flexibility is explicit and pre-defined. An IMF working paper (2019) highlights second-generation designs that incorporate: (i) clearly specified escape clauses for severe shocks; (ii) pre-specified adjustment paths to return to targets; and (iii) disaster-specific clauses or buffers. For example, a deficit ceiling could be temporarily exceeded following a major cyclone, provided the government publishes a plan to return to target within a defined period. Retaining a debt anchor while allowing operational targets (e.g., expenditure growth) to adjust with the cycle can also help reduce pro-cyclicality.

D. Performance and Emerging Tensions

6. The main challenge facing Samoa's fiscal framework is not fiscal indiscipline, but the limited credibility and operational usefulness of its fiscal anchors. In practice, the framework has generally supported prudent fiscal outcomes, including continued adherence to the debt anchor. However, large and persistent gaps between budget plans and fiscal outturns—driven by optimistic expenditure assumptions and implementation constraints—have weakened the anchor's role as an ex-ante operational guide. Recurrent shortfalls in expenditure execution, particularly in the capital budget, together with forecast assumptions that do not always align with feasible delivery capacity, have reduced the informational value of the fiscal stance set out at the budget preparation stage.

7. Samoa's annual budgets have generally been framed to be consistent with the policy-based fiscal anchors set out in the FSS, although fiscal outturns have typically been stronger than envisaged at budget preparation. The anchors are calibrated in each annual FSS, allowing targets to be adjusted in response to shocks and evolving policy priorities. In recent years, revenues (including grants) have frequently exceeded budget projections, while expenditure—especially capital spending—has persistently fallen short of appropriations. For example, the FY2023/24 budget envisaged a deficit of around 3.3 percent of GDP, but the year ended with a close to 10 percent surplus. These patterns suggest that addressing weaknesses in budget realism and capital execution should be a priority before moving toward more sophisticated or binding fiscal frameworks.

8. Two structural factors appear to explain most of the repeated divergence between budget plans and outcomes. First, revenue forecasts have tended to be conservative, reflecting

capacity constraints, methodological limitations, and a deliberate prudent bias, so tax receipts and grants have often exceeded assumptions. Second, expenditure plans, especially the capital program, have often exceeded implementation capacity, with project readiness and procurement constraints contributing to under-execution.

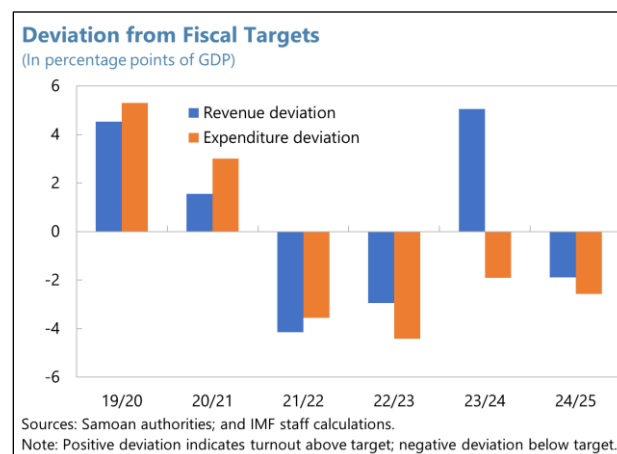
9. Persistent forecast conservatism can weaken the informational content of the fiscal anchors as an ex-ante operational guide. The MoF tends to underestimate tax buoyancy and donor support, in part due to limited macro-fiscal forecasting tools and data constraints. While cautious forecasts can help avoid fiscal slippage, repeated underestimation can weaken budget credibility and hampers effective fiscal planning. When revenues are systematically under-predicted, the ex-ante fiscal stance implied by the deficit anchor is less transparent, and in-year decisions may rely more on reallocations once resources materialize.

10. Accountability mechanisms focus on transparency and ex-post explanation, with corrective action typically embedded in subsequent budgets. Under the PFMA and budget process, performance against the FSS is reported in budget documentation and audited ex post, and deviations from targets are explained to Parliament. In practice, the main correction channel is the next budget cycle (through revised deficit targets, spending priorities, and financing plans), while in-year shocks are addressed through supplementary appropriations subject to Cabinet approval and Parliamentary appropriation.

11. Under-execution of capital spending has been an important channel through which planned fiscal stances differ from realized outcomes.

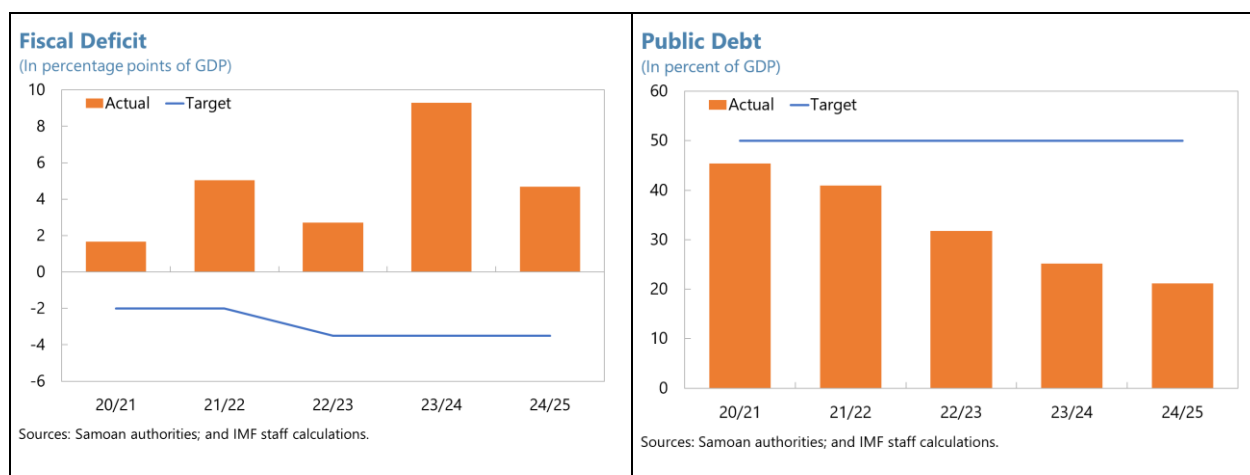
While successive budgets have allocated sizable development spending, delivery has often been constrained by project readiness, procurement, and agency capacity. This mechanically compresses the realized deficit relative to plans and can accelerate debt reduction, but it also delays infrastructure delivery, with adverse implications for medium-term growth and climate-resilience. These

dynamics underscore the importance of strengthening public investment planning and execution, as well as improving reporting that separates policy decisions from implementation shortfalls, when assessing performance against the fiscal anchors.



12. Large and persistent gaps between budget plans and outturns complicate anchor calibration and point to realism issues in expenditure planning, particularly for the capital program. Recent outcomes illustrate this pattern (e.g., FY2024/25 recorded a surplus of 4.2 percent of GDP versus a budgeted deficit of 3.5 percent of GDP). With debt declining and investment needs rising, a priority is to clarify how anchors are calibrated in normal times and to strengthen budget realism and capital execution so that targets are consistent with feasible delivery and desired investment scaling. Taken together, these point to three binding constraints namely limited

predictability/credibility, weak ex-ante operational guidance, and under-specified correction/escape design which are amplified by forecasting limits and capital implementation weaknesses.



13. While Samoa's fiscal anchors have supported prudent outcomes, three structural gaps limit their effectiveness as a medium-term operational guide:

- **Predictability and credibility.** Anchors are set in the annual FSS, with no explicit multi-year lock-in observed since FY2022/23 and limited disclosure of calibration methods, weakening medium-term expectations.
- **Operational guidance.** Outside crises, the framework provides limited ex-ante guidance, increasing reliance on discretion and the risk of pro-cyclicality.
- **Correction and escape design.** Deviations require ex-post explanation but are not governed by pre-specified triggers, procedures, or return paths for reinstating targets after shocks.

14. Implementation risks reflect common constraints in small island states, including volatile revenues (particularly grants and externally driven inflows).

- Grant volatility can expand fiscal space in good years but complicates calibration and forecasting.
- Limited high-frequency fiscal and macroeconomic data weaken intra-year monitoring and credible medium-term projections.
- Cycle-adjusted operational guidance is not currently part of Samoa's fiscal framework, reflecting the practical difficulty of estimating potential output and cyclical positions in a data constrained and shock-prone environment.

15. The MTFF, which is intended to translate annual fiscal objectives into a multi-year path, plays a limited role as an operational guide in practice. While the MTFF provides rolling fiscal projections over the budget horizon, its linkage to annual budget decisions appears weak, and projections are often not realized, reflecting both forecast uncertainty and implementation

constraints. As a result, the MTFF has limited traction in anchoring medium-term expectations or guiding policy trade-offs, reducing its effectiveness as a core element of the fiscal framework.

E. Recommendations to strengthen Samoa's Framework

16. A sequenced, multi-pronged approach is needed to strengthen Samoa's fiscal framework. The near-term reform priorities should focus on improving budget realism, forecasting, and capital execution before moving toward more formal or binding features. Key measures include enhancing the operational relevance of the existing fiscal anchors by strengthening forecast realism, improving capital budget execution, establishing a more credible multi-year fiscal path through the MTFF, and clarifying how anchors are calibrated and monitored. Over time, considerations could be given to progressively strengthening the institutional underpinnings of the framework—including through a statutory basis, a clearer multi-year operation, more explicit correction mechanisms, and stronger integration of the debt anchor into the legal and procedural framework—subject to capacity and political economy considerations.

Near-Term Priorities

- **Improving forecast realism and reassess anchor calibration.**¹ Strengthen macro-fiscal forecasting and budget realism by improving revenue forecasting methodologies and institutionalizing regular forecast performance assessments to identify and correct optimism bias. This could be complemented with tighter expenditure planning controls and clearer separation of donor-financed flows to enhance transparency and support more effective monitoring of compliance with the fiscal anchors. As budget realism improves, the authorities could reassess whether the current debt anchor remains appropriately calibrated. Earlier analytical work on Samoa highlighted the importance of translating the debt objective into a more operational fiscal path, including through a deficit ceiling consistent with long-term debt sustainability.² A refreshed calibration exercise—taking into account Samoa's current debt-carrying capacity and exposure to natural disaster risks—would help assess whether the existing anchors remain appropriate and could support the development of a more credible three-year fiscal path through the MTFF.
- **Upgrading the MTFF, forecasting, and fiscal data to support monitoring and correction.** Improve comparability between budget estimates prepared by the MoF and fiscal outturns compiled by the Samoa Bureau of Statistics by harmonizing institutional coverage and statistical treatment. Enhance the timeliness and granularity of fiscal reporting—including commitments and arrears where feasible—and routinely reconcile budget execution, cash, and debt data. These improvements would support more credible anchor calibration, strengthen intra-year monitoring, and facilitate timely corrective actions when targets are missed.

¹ The FY2026/27 FSS highlighted persistent deviations between fiscal projections and outturns, with revenues generally exceeding forecasts and expenditures falling short due to implementation constraints. While the FSS strengthened its discussion of fiscal risks and forecast performance, it provided limited detail on specific measures to address the underlying causes of these forecasting and execution gaps.

² See the 2018 Article IV consultation staff report

- **Improving capital execution and protecting climate-resilient investment.** Strengthen public investment management (PIM) across project appraisal, prioritization, procurement, readiness assessment, and implementation monitoring. Improving execution capacity would reduce reliance on capital spending under-execution as the de facto adjustment and help ensure that fiscal outcomes more accurately reflect policy intent rather than implementation shortfalls. Stronger execution would also support timely delivery of climate-resilient infrastructure and development priorities.

Medium- and Longer-Term Priorities

- **Publishing anchor calibration and providing ex-ante guidance.** Clearly disclose how the deficit ceiling is calibrated relative to the 50 percent of GDP debt anchor—including indicative fiscal balance ranges consistent with debt sustainability under baseline and adverse scenarios. The MTFF should be used to communicate a credible multi-year fiscal path that translates the debt anchor into operational deficit targets, rather than treating the anchors as annual policy resets. This medium-term path should be articulated more explicitly in the FSS, including through a clearly defined multi-year fiscal strategy, to improve transparency and policy predictability while allowing time to strengthen budget realism and implementation capacity.
- **Codifying escape provisions and pre-specified return paths.** Define clear triggers for activating escape clauses, such as natural disasters, severe economic downturn, major external shocks, or public health emergencies. The framework should also specify tolerance bands, reporting requirements to Parliament, and time-bound return paths to the anchors, including defined recovery periods following shocks. Such reforms would preserve the flexibility needed in a shock-prone small island economy like Samoa—where fiscal policy serves as the primary macroeconomic stabilizer tool—while making deviations more predictable and to safeguarding the credibility of the fiscal framework.
- **Levering technical assistance to support implementation capacity.** Given Samoa’s institutional and capacity constraints, continued TA from development partners—including the IMF and other regional and multilateral partners—will be important to support implementation of the reform agenda. Priority areas include macro-fiscal forecasting, MTFF design, PIM, fiscal reporting, cash and debt management, and the operationalization of fiscal anchors. Well-coordinated capacity development support could help strengthen institutional capabilities, improve budget realism and execution, and facilitate gradual modernization of the fiscal framework.

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Annex VI. Data Issues

Annex VI. Table 1. Samoa: Data Adequacy Assessment for Surveillance							
Data Adequacy Assessment Rating ¹							
C							
Questionnaire Results ²							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Intersectoral Consistency	Median Rating
	B	B	C	C	B	C	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	C	C	C	B	B		
Granularity ³	B		D	C	B		
			A		C		
Consistency			C	D		C	
Frequency and Timeliness	B	A	A	A	B		
Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank. ¹The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics. ²The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see <i>IMF Review of the Framework for Data Adequacy Assessment for Surveillance</i>, January 2024, Appendix I). ³The top cell for "Granularity" of Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows Government that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.							
A	The data provided to the Fund are adequate for surveillance.						
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.						
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.						
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.						
Rationale for staff assessment. The data provision to the Fund have some shortcomings that somewhat hamper surveillance. Core macroeconomic and monetary statistics are reported to the IMF on a regular basis and are published on official websites. The current GDP base year (2013) is outdated, but the ongoing development of supply and use tables (SUT), supported by IMF TA, is expected to underpin the planned GDP rebasing and further improve data quality. The CPI is released regularly and in a timely manner each month (mid-month); however, core CPI is not currently published, and the current weights based on the 2013/2014 Household Income and Expenditure Survey are outdated. There remains significant scope to strengthen fiscal data. Improving the measurement of capital expenditure, which is currently treated as a residual between above-the-line and below-the-line items, would enhance its reliability and suitability for surveillance. Greater harmonizations of institutional coverage between the budget (prepared by Ministry of Finance) and government finance statistics (GFS) outturns (compiled by the Samoa Bureau of Statistics) would further enhance fiscal transparency and support more robust policy analysis. In addition, persisting methodological and conceptual deviations from Government Finance Statistics Manual (GFSM) standards continue to constrain the analytical usefulness of fiscal statistics. For external sector statistics (ESS), further improvements are needed in several areas, including the compilation of remuneration of employees (ROE) and direct investment liabilities, addressing data gaps related to special purpose entities, and resolving discrepancies in official grant statistics between ESS and GFS. Net errors and omissions in FY2024/25 exceeded -7 percent of GDP—larger than the size of current account balance surplus—highlighting a strong need for improvement to ensure the robustness of analytical work for surveillance. Given remaining weakness in fiscal and external data, staff continue to liaise closely with the authorities and TA experts to assess recent developments as reliably as possible. High-frequency monetary and financial sector (MFS) data are available with a one-quarter lag, but coverage and definitional issues persist; improving the quality of financial soundness indicators, notably for PFIs, and publishing available central bank data would further strengthen the data framework. Intersectoral inconsistency—including between ESS and GFS where ESS is compiled on an accrual basis while GFS remains on a cash basis—need to be addressed. Strengthening institutional arrangements—particularly inter-agency coordination and data-sharing processes—will be critical to achieving further progress.							
Annex VI. Table 1. Samoa: Data Adequacy Assessment for Surveillance (Concluded)							

Changes since the last Article IV consultation On national account, the 2023 SUT is expected to be finalized soon, with TA focusing on developing an updated compilation system to support the new 2023 base-year GDP series. On ESS, building on the significant improvements achieved in recent years, further progress has been made. The recent TA missions supported the development of model-based estimates of ROE, the establishment of a balance of payments and international investment position (BOP-IIP) integration framework, and preparatory work toward the launch of a direct investment survey.

Corrective actions and capacity development priorities Ongoing TA by PFTAC on GFS aims to improve consistency between budget execution estimates and fiscal statistics, strengthen the legal and institutional environment for data compilation and dissemination, and enhance alignment with GFSM standards. PFTAC also supports GDP rebasing and the updating CPI weights using data from the 2023 Household Income and Expenditure Survey. Ongoing TA by STA focuses on enhancing the coverage and granularity of ESS, notably through the development of compilation frameworks for compensation of employees and direct investment liabilities.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. None.

Other data gaps. In the context of rising outward migration and associated macroeconomic challenges, the limited availability of migration flow data—currently restricted to total departures (by sea and air) and net migration—continues to constrain granular analysis and the design of effective migration policies. Access to more detailed information, including the demographic and socio-economic characteristics of seasonal workers and longer-term emigrants, would support more informed policy formulation.

Annex VI. Table 2. Samoa: Data Standards Initiatives

Samoa participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since April 2017.

Annex VI. Table 3. Samoa: Table of Common Indicators Required for Surveillance

As of August 20, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data ⁷	Frequency of Reporting ⁷	Expected Frequency ^{7,8}	Announced Frequency ⁹	Expected Timeliness ^{7,8}	Announced Timeliness ⁹
Exchange Rates	2026-08-14	2026-08-14	D	D	D	M	...	1M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	2026-05	2026-07	M	M	...	...	...	...
Reserve/Base Money	2026-05	2026-07	M	M	M	M	2M	1M
Broad Money	2026-05	2026-07	M	M	M	M	1Q	1M
Central Bank Balance Sheet	2026-05	2026-07	M	M	M	M	2M	1M
Consolidated Balance Sheet of the Banking System	2026-05	2026-07	M	M	M	M	1Q	1M
Total assets of other depository corporations ²	2026-03	2026-07	Q	Q	...	...	...	...
Total credit from other depository corporations ²	2026-03	2026-07	Q	Q	...	...	...	...
Interest Rates ³	2026-05	2026-07	M	M	M	M	...	1M
Consumer Price Index	2026-06	2026-08	M	M	M	M	2M	2W
Revenue, Expenditure, Balance and Composition of Financing ⁴ -General Government ⁵	2026-03	2026-05	Q	Q	A	A	3Q	12M
Revenue, Expenditure, Balance and Composition of Financing ⁴ -Central Government	2026-03	2026-05	Q	Q	Q	Q	1Q	2M
Stocks of Central Government and Central Government-Guaranteed Debt ⁶	2026-03	2026-05	Q	Q	Q	Q	2Q	2M
Total stock of General Government Debt ⁵	2026-03	2026-05	Q	Q	...	...	...	...
External Current Account Balance	2026-03	2026-06	Q	Q	Q	Q	1Q	4M
Exports and Imports of Goods and Services	2026-03	2026-06	Q	Q	M	M	12W	6W
GDP/GNP	2026-03	2026-06	Q	Q	Q	Q	1Q	1Q

Gross External Debt	2026-03	2026-05	Q	Q	Q	Q	2Q	1Q
International Investment Position	2026-03	2026-07	Q	Q	A	Q	3Q	1Q

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds.

³ Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

⁴ Foreign, domestic bank, and domestic non-bank financing.

⁵ The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries.

⁶ Including currency and maturity composition.

⁷ Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

⁸ Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...".

⁹ Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (<https://dsbb.imf.org/>). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

Annex VII. Capacity Development Priorities

CD Priorities	Recent CD Activities	Planned CD priorities
Fiscal Sector Reforms		
- Strengthening revenue administration and modernizing tax systems - Improving PFM and budget execution - Enhancing fiscal transparency and fiscal risk management - Building capacity for effective chart of accounts implementation	- Chart of accounts implementation (Apr 2026) - Extending the use of fiscal risk tools (Feb 2026) - Tax audit progress and compliance risk management (Feb 2026) - Business license renewal process improvement (Oct 2025) - Digital modernization preparation (Sep 2025) - Impacts of tax processing system on organization operating model (Jul 2025)	Revenue: - Continue digital transformation of revenue administration systems - Strengthen compliance risk management and data analytics capabilities - Conduct tax expenditure analysis PFM: - Complete chart of accounts implementation - Strengthen budget execution and control systems - Enhance cash management and forecasting - Improve fiscal risk assessment and management frameworks - Public investment management
Monetary Sector Reforms		
- Modernizing monetary policy frameworks and operations - Strengthening central bank risk management - Enhancing emergency liquidity assistance framework - Improving macroeconomic forecasting and policy analysis	- Modernizing monetary policy frameworks and operations follow-up (Apr 2025, Oct 2025) - Macroeconomic frameworks TA for Central Bank of Samoa (Sep 2025) - Central bank risk management (Mar 2024-Aug 2025)	- Continue modernization of monetary policy frameworks and strengthen monetary operations and liquidity management - Review the CBS law and further develop central bank risk management frameworks - Enhance emergency liquidity assistance procedures and build capacity in macroeconomic forecasting and modeling
Financial Sector Reforms		
- Strengthening financial sector regulation and supervision - Enhancing prudential standards and risk-based supervision - Modernizing insurance and financial institutions legislation - Strengthening AML/CFT frameworks	- Review of draft insurance legislation and Financial Institutions Act (Jul-Dec 2025) - Development of financial risk analysis framework and training (Mar-Apr 2025) - AML/CFT onsite supervision (Mar 2025)	- Finalize and implement new insurance legislation and update Financial Institutions Act - Improve financial sector oversight capacity, notably on PFIs - Further development of AML/CFT risk-based supervision, strengthen compliance with international standards, and enhance governance frameworks across financial sector
Macro Statistics		
- Improving quality, coverage, and timeliness of macroeconomic statistics - Strengthening national accounts and price statistics - Enhancing external sector and government finance statistics	2023 SUT and rebasing GDP (Mar 2025, Sep 2025, Mar 2026) - Updating CPI (Nov 2025, Feb 2026) - BoP/IIP missions (Feb 2025, Jan 2026) - GFS for general government operations (Jun 2025)	- Develop quarterly national accounts and strengthen price statistics including PPI development - Continue strengthening balance of payments and IIP compilation - Enhance government finance statistics coverage to full general government



SAMOA

August 27, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

Prepared By

Asia and Pacific Department
(In consultation with other departments)

CONTENTS

FUND RELATIONS _____ 2

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS _____ 5

FUND RELATIONS

(As of July 31, 2026)

Membership Status

Joined: December 28, 1971; Article VIII

General Resources Account

	SDR Million	Percent Quota
Quota	16.20	100.00
Fund holdings of currency	14.37	88.69
Reserve position in Fund	1.84	11.38

SDR Department

	SDR Million	Percent Allocation
Net cumulative allocation	26.62	100.00
Holdings	28.71	107.88

Outstanding Purchases and Loans

	SDR Million	Percent Quota
RCF Loans	12.96	80.00

Latest Financial Arrangements

Type	Approval Date	Expiration Date	Amount Approved (SDR million)	Amount Drawn (SDR million)
Stand-by	7/9/1984	7/8/1985	3.38	3.38
Stand-by	6/27/1983	6/26/1984	3.38	3.38
Stand-by	8/17/1979	8/16/1980	0.75	0.00

Outright Loans

Type	Date of Commitment	Date Drawn	Amount Approved (SDR million)	Amount Drawn (SDR million)
RCF	4/24/2020	4/28/2020	16.20	16.20
RCF	5/15/2013	5/24/2013	5.80	5.80

Overdue Obligations and Projected Payments to Fund¹

(SDR million; based on existing use of resources and present holding of SDRs):

	Forthcoming				
	2026	2027	2028	2029	2030
Principal	1.62	3.24	3.24	3.24	1.62
Charges/interest		0.00	0.00	0.00	0.00
Total	1.62	3.24	3.24	3.24	1.62

¹When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Exchange Rate Arrangements

Samoa's exchange rate arrangement is a conventional peg to a trade and payments weighted basket of currencies. The pegged rate can be adjusted within a ± 2 percent band. The currencies in the Samoan tala basket include Samoa's most important trading partners and countries that are major sources of tourism revenue from abroad—New Zealand, Australia, the United States, and countries using the euro. Samoa has accepted the obligations of Article VIII, Sections 2,3, and 4 of the IMF's Articles of Agreement and maintains an exchange system that is free of restrictions on the making of payments and transfers for current international transactions and multiple currency practices.

Article IV Consultations

Samoa is on a 12-month consultation cycle. The 2024 consultation was concluded by the Executive Board on January 16, 2025 (IMF Country Report No. 25/32).

Safeguards Assessments

The last safeguards assessment of the CBS, completed in 2021, found broadly appropriate governance arrangements and sound financial reporting practices, with controls over key operations largely in place. However, audit mechanisms needed strengthening, and the lending framework required enhancement. The CBS has since implemented priority recommendations, including Fund technical assistance on risk management and emergency liquidity assistance.

AML/CFT

In 2015, Samoa's AML/CFT regime was assessed by the Asia Pacific Group on Money Laundering (APG) under the 2012 FATF Standards. In the Mutual Evaluation Report (MER), the APG found significant shortcomings in Samoa's AML/CFT regime, rating it low or moderately effective in 10 out of the 11 immediate outcomes on effectiveness, and non-compliant or partially compliant in 23 of the 40 technical recommendations. After the adoption of Samoa's 2015 MER and as part of the APG's follow-up process, Samoa was upgraded for seven FATF recommendations that had been updated.

Samoa has made some progress in addressing the deficiencies identified in the MER, including by developing and implementing the 2016-2020 and 2024-2026 national AML/CFT strategy, and the National Risk Assessment, which were updated in 2024. Amendments to the Money Laundering Prevention Act (MLPA) were passed in 2018, while the Trustee Companies Amendment Act and the Foundations Amendment Act were enacted in 2019. These amendments included requirements for enhanced due diligence for high-risk customers and requirements for trustee companies (TCSPs) to collect beneficial ownership information of international companies, though deficiencies remain.

With the help of IMF TA in July 2024, Samoa has identified remaining gaps in the MLPA relating to preventive measures, and provisions relating to the Samoa Financial Intelligence Unit (SIFU) and the supervisory framework. It was recommended that Samoa undertakes legislative amendments to address these gaps as well as gaps in other AML/CFT laws, and amendments to the Money

laundrying Prevention Act are expected to be adopted this year. These efforts would increase the technical compliance of its AML/CFT framework for the next Mutual Evaluation (ME) of Samoa, which is scheduled to take place in 2027, and to be discussed by the APG plenary in late-2028. As the ME will also focus on the effectiveness of the AML/CFT regime, Samoa will need to improve the effectiveness of implementation of its AML/CFT regime, especially the implementation of risk-based supervision by the CBS, SIFA and SFIU, and the governance and operations of SFIU.

Capacity Development

Samoa has been an intensive user of IMF Capacity Development (CD) in recent years. Much of this has been delivered through the Pacific Financial Technical Assistance Centre (PFTAC) in the following areas: public financial management (PFM) and fiscal risks, revenue administration, macroeconomic programming and analysis, real sector statistics, government finance statistics, and financial sector statistics and supervision. The Capacity Development Office of Thailand has provided CD on external sectors statistics. The CBS is participating in a multiyear program of ICD to develop its capacity in macroeconomic frameworks. In 2021 MCM provided technical assistance on central bank risk management and on the financial safety net and crisis management. FAD provided a diagnostic of tax reforms in Pacific Islands, in which Samoa was included. Also in 2021, Samoa participated in the Climate Macroeconomic Assessment Program, which was led by FAD with participation of RES and APD.

Resident Representative

The Regional Resident Representative Office for Pacific Island countries, including Samoa, is based in Suva, Fiji and was opened in September 2010. Mr. Giovanni Ganelli is the current Resident Representative.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

Information on the activities of other International Financial Institutions in Samoa can be found at:

- World Bank:
https://projects.worldbank.org/en/projects-operations/projects-summary?lang=pt&countrycode_exact=WS
- Asian Development Bank:
<https://www.adb.org/countries/samoa/main>
- Pacific Financial Technical Assistance Center:
<https://www.pftac.org/content/PFTAC/en1.html>



SAMOA

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

August 28, 2026

Approved By
Corinne Deléchat
(IMF) and **Manuela**
Francisco and Lalita
M. Moorty (IDA)

Prepared by the staffs of the International Monetary Fund (IMF) and the International Development Association (IDA)¹

Risk of external debt distress	Moderate
Overall risk of debt distress	Moderate
Granularity in the risk rating	Some space to absorb shocks
Application of judgment	No judgment was applied, as the final risk rating is the same as the mechanical risk rating.

Samoa is assessed at moderate risk of external and overall debt distress, unchanged from the moderate risk rating in the December 2024 DSA. This continued moderate risk assessment reflects Samoa's strong debt-carrying capacity and significantly improved debt dynamics, underpinned by large fiscal surpluses and a further buildup of government deposits in recent years. Consistent with earlier DSAs, the projection horizon has been extended to 20 years to incorporate the average long-term effects of climate change and natural disasters on the economy, given Samoa's high climate vulnerability. Under the baseline scenario, all external and public debt indicators remain below their respective thresholds throughout the projection period, even with an anticipated normalization of the fiscal position as grants decline and capital spending recovers, which will generate renewed financing needs financed first by drawing down part of the accumulated deposits and then through future highly concessional external borrowing. However, the gap between the PV of external PPG debt and its threshold narrows toward the end of the horizon, implying limited space to absorb adverse shocks. Moreover, standard stress tests show vulnerabilities with the PV of external PPG debt to exports, and external PPG debt service to exports breaching their respective benchmarks. In addition, a severe growth shock, reflecting Samoa's historical growth vulnerability, results in a breach of the PV of public debt threshold. However, the tailored natural disaster

¹ This DSA has been prepared jointly by the IMF and World Bank, following *Guidance Note on the Bank-Fund Debt Sustainability Framework for Low Income Countries* (2018).

shock—calibrated to Samoa’s historical median—does not result in breaches of either the PV of external PPG debt-to-GDP threshold or the PV of public debt benchmark. The results highlight the importance of ongoing reforms to prioritize high-quality climate-resilient public investment, enhance public financial management, raise domestic revenues, and support sustainable, inclusive growth. Such measures will be vital to rebuild and preserve fiscal and external buffers over time, further reduce risks to debt sustainability, and potentially create the conditions for Samoa to eventually reach a low risk of debt distress.

PUBLIC DEBT COVERAGE

1. **This Debt Sustainability Analysis (DSA) covers central government and central government-guaranteed debts** (Text Table 1). There is no sub-national government structure in Samoa. The Central Bank of Samoa (CBS) is not allowed to contract debt on behalf of the government, and State-Owned Enterprises (SOEs) must seek government approval for all new loans.² Given the lack of consolidated, timely data on SOE revenue and expenditures, SOEs are not included in the baseline debt sustainability analysis but are captured in the contingent liability stress test. The definition of external and domestic debt is based on residency.³ Samoa's debt transparency is generally strong, with comprehensive and timely reporting across most debt statistics and publication of a Debt Management Strategy, although there are some lags in reporting and an annual borrowing plan is not published.⁴

Text Table 1. Samoa: Debt Coverage

Subsectors of the public sector		Sub-sectors covered
1	Central government	X
2	State and local government	Not applicable
3	Other elements in the general government	
4	o/w: Social security fund	Not applicable
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	Not applicable
8	Non-guaranteed SOE debt	

BACKGROUND ON DEBT

2. **Central government debt (hereafter public debt) declined to 21.2 percent of GDP at end-FY2024/25 from 25.3 percent at end-FY2023/24** (Text Table 2). This reflected a fiscal surplus of 4.7 percent of GDP in FY2024/25, driven by buoyant revenues supported by the continued economic recovery and improved revenue administration, alongside restrained spending. The surplus allowed the government to meet external debt repayments without additional external borrowing, contributing to the decline in the public debt-to-GDP ratio. Government deposits also increased further, rising to 18.6 percent of GDP in FY2024/25 from 17.8 percent in FY2023/24.

3. **Public external debt amounted to US\$257.5 million (19.8 percent of GDP) at end-FY2024/25, a decline of 3.7 percentage points of GDP compared to end-FY2023/24.** More than half (60 percent) of outstanding public external debt at end-FY2024/25 was owed to multilateral creditors, mainly the IDA and Asian Development Bank (ADB), while 40 percent was from bilateral

² Credit to the central bank under the IMF's Rapid Credit Facility, disbursed in 2020, is not included in public debt.

³ Since all the domestic debt is in tala and all the external debt is in foreign currency, the residency-based classification is equivalent to the currency-based classification in the case of Samoa.

⁴ 2025 World Bank Debt Transparency Heatmap.

creditors, primarily China and Japan. (Text Table 2). Domestic debt declined slightly to 1.4 percent of GDP, reflecting net repayments amid continued fiscal surpluses. All domestic public debt is issued in local currency.⁵

4. Public and publicly guaranteed (PPG) debt totaled 23.8 percent of GDP at end-FY2024/25, of which guarantees were 2.6 percent of GDP (Text Table 2). The government guarantees declined by US\$2.6 million (0.5 percent of GDP) compared to FY2023/24 (Text Table 2), mainly driven by net repayments of guaranteed debt by SOEs, particularly the Development Bank of Samoa.

Text Table 2. Samoa: Public and Publicly Guaranteed Debt Stock, FY2021/22 – FY2024/25

	FY21/22	FY22/23	FY23/24	FY24/25	FY21/22	FY22/23	FY23/24	FY24/25
	(In millions of US\$)				(in percent of GDP)			
Total public and publicly guaranteed debt	411.1	388.5	334.5	310.1	48.1	37.5	28.4	23.8
Public debt	350.2	329.9	298.1	276.2	41.0	31.8	25.3	21.2
External	349.6	309.7	277.5	257.5	40.9	29.9	23.5	19.8
Multilateral	179.4	170.5	159.8	154.7	21.0	16.4	13.5	11.9
IDA	103.5	98.5	94.9	94.1	12.1	9.5	8.0	7.2
ADB	68.2	64.4	58.6	54.6	8.0	6.2	5.0	4.2
OPEC	5.8	5.9	4.8	4.5	0.7	0.6	0.4	0.3
Other	1.9	1.8	1.6	1.5	0.2	0.2	0.1	0.1
Bilateral	170.2	139.2	117.6	102.8	19.9	13.4	10.0	7.9
Exim Bank (China)	145.3	117.7	99.9	85.0	17.0	11.3	8.5	6.5
Japan	24.8	21.6	17.7	17.9	2.9	2.1	1.5	1.4
Domestic	0.6	20.2	20.6	18.7	0.1	1.9	1.7	1.4
Publicly guaranteed debt	60.9	58.6	36.5	33.9	7.1	5.6	3.1	2.6
Memorandum items:								
Nominal GDP (in millions of USD)	854.8	1037.1	1179.8	1302.0				
Market rate (tala/U.S. dollar, end period)	2.7	2.8	2.7	2.8				

Sources: Samoan authorities; and staff estimates.

⁵ The existing domestic debt stock is comprised entirely of a direct debt obligation arising from a government guarantee previously extended to Samoa Airways.

Text Table 3. Samoa: Government Guarantees

	FY21/22	FY22/23	FY23/24	FY24/25	FY21/22	FY22/23	FY23/24	FY24/25
By Creditor	(In millions of Tala)				(In percent of GDP)			
Unit Trust of Samoa	67.6	72.5	18.0	17.0	2.9	2.5	0.6	0.5
Bank South Pacific	2.6	1.8	0.9	0.0	0.1	0.1	0.0	0.0
Central Bank of Samoa	79.7	73.5	69.9	66.1	3.4	2.6	2.2	1.8
European Investment Bank	2.5	1.6	0.8	0.4	0.1	0.1	0.0	0.0
Samoa National Provident Fund	13.0	11.8	10.6	9.7	0.6	0.4	0.3	0.3
FAHE Ltd	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	165.3	161.2	100.2	93.2	7.1	5.6	3.1	2.6
By Borrower	(In millions of Tala)				(In percent of GDP)			
Samoa Shipping Services	1.0	1.0	0.9	0.8	0.0	0.0	0.0	0.0
Samoa Housing Corporation	10.0	9.1	8.6	8.1	0.4	0.3	0.3	0.2
Samoa Airways	53.0	55.8	0.9	0.0	2.3	2.0	0.0	0.0
Development Bank of Samoa	92.3	84.9	79.6	74.8	4.0	3.0	2.5	2.1
Unit Trust of Samoa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Samoa Airport Authority	9.0	10.5	10.2	9.4	0.4	0.4	0.3	0.3
Total	165.3	161.2	100.2	93.2	7.1	5.6	3.1	2.6

Source: Samoan authorities.

BACKGROUND ON MACRO ASSUMPTIONS

5. Samoa's post-pandemic economic recovery has remained robust but is now moderating amid emerging global energy price headwinds. Following a strong rebound in the post-pandemic period, growth slowed in FY2025/26, reflecting weaker external demand, delays in budget execution, and subdued activity in tourism-related sectors. Inflation has remained low so far, but is beginning to face upward pressure from higher import prices, particularly energy costs linked to global developments. The current account surplus is estimated to narrow markedly in FY2025/26 as higher oil prices raise import costs, despite continued strong remittance inflows. Fiscal surpluses have declined but remain positive, supporting a further reduction in public debt and a buildup of government deposits, although the fiscal stance has become more expansionary.

6. The baseline assumptions broadly follow those in the 2024 DSA (Text Table 4). They are consistent with the macroeconomic framework based on the latest data provided by the authorities and estimates by staff. Using the recently updated estimate of potential growth, real GDP growth is assumed to converge to 2.5 percent over the DSA projection horizon. This higher medium-term growth assumption reflects the adoption of a revised production-function approach, replacing the historical-average methodology used in the previous DSA.⁶ The higher medium-term growth assumption increases the current account deficit, which stabilizes at around 4.7 percent of GDP starting in FY2032/33. Similarly, the fiscal deficit is assumed to increase gradually by 0.5 percentage point per year during FY2031/32–FY2035/36 to accommodate climate-resilient infrastructure spending needs, assuming sufficient improvements in public financial and investment management

⁶ Samoa's potential growth, estimated using a Cobb-Douglas production function, is projected to stabilize at around 2.5 percent over the medium term, assuming historical trends in demographics, labor market conditions, investment, and TFP continue. Capital accumulation has historically been the main driver of growth, reflecting low population growth and declining labor force participation.

capacity, reaching 4.4 percent of GDP by FY2036/37.⁷ The discount rate used to calculate the net present value (NPV) of external debt is 5 percent. Given Samoa's high vulnerability to natural disasters and the effects of climate change, the baseline scenario incorporates the assumed effects of these factors, consistent with previous cross-country analysis.⁸ To simplify the policy discussion of the medium-term outlook, no major disasters are assumed in the baseline during FY2025/26–FY2030/31. The other main assumptions are:

Text Table 4. Samoa: Baseline Macroeconomic Assumptions
(Percent of GDP, unless otherwise Indicated)

	Current DSA (2026 Article IV)				Previous DSA (2024 Article IV)			
	FY26-FY31	FY32-FY36	FY37-FY46	FY32-FY46	FY25-FY30	FY31-FY35	FY36-FY45	FY31-FY45
Real GDP growth (percent change)	2.0	2.5	2.5	2.5	2.7	0.7	0.7	0.7
CPI Inflation (percent change)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Current account balance	-1.4	-3.5	-5.4	-4.7	-1.4	-3.5	-5.3	-4.7
Overall fiscal balance	-1.0	-2.4	-4.3	-3.7	-1.6	-3.8	-6.2	-5.4

Sources: Samoan authorities; and staff projections.

- GDP growth is estimated to have slowed sharply in FY2025/26 before stabilizing over the medium term.** Growth is estimated at 0.4 percent in FY2025/26 and projected to rebound to 2 percent in FY2026/27, supported by an expansionary fiscal stance. Over the medium term, growth is projected to stabilize at around 2.5 percent, taking into account projected demographic trends and the pace of capital formation. Risks to the outlook are tilted to the downside. External risks include heightened geopolitical tensions and rising trade protectionism, which could increase import costs and weigh on growth. Higher commodity prices could further erode purchasing power and raise input costs. Climate-related shocks remain a key risk, given Samoa's exposure to natural disasters. On the domestic side, risks include rising inflationary pressures and labor shortages associated with continued outward migration, which could constrain supply-side capacity. On the demand side, weak private consumption may weigh on near-term growth, while resilient tourism and higher public investment are expected to support growth over the medium term.
- Near-term inflation is expected to temporarily exceed the 3 percent target before converging back to the target over the medium term.** Headline inflation averaged 1.4 percent in FY2025/26 and is projected to rise further to about 4.5 percent in FY2026/27, reflecting higher imported energy costs.⁹ Risks are tilted to the upside, including from commodity price volatility,

⁷ The World Bank's *Public Expenditure Review for Nine Pacific Island Countries* (2023), including Samoa, shows that despite significant needs for climate-resilient infrastructure, public investment spending in Samoa (as a percent of GDP) has been below Pacific peers and middle-income averages in recent years. The assumed increase in spending would align Samoa's overall public investment more closely to these international benchmarks.

⁸ See Samoa Article IV consultations for 2023 and 2024. See also the IMF Board Paper *Small States' Resilience to Natural Disasters and Climate Change*. The baseline scenario is premised on a business-as-usual scenario for emissions and increase in world temperature.

⁹ Assumes average crude oil prices of \$89 per barrel in 2026 and \$79 in 2027.

supply-side pressures, and possible further increases in the minimum wage. Over the medium term, assuming that the global energy price shock proves temporary, inflation is expected to stabilize around the CBS's target of 3 percent, anchored by the exchange rate regime.¹⁰

- **Strong remittance inflows and tourism earnings are expected to continue supporting a favorable external position.** After recording a surplus of 5.7 percent of GDP in FY2024/25, the current account surplus is estimated to moderate to 4 percent of GDP in FY2025/26, reflecting higher imports related to elevated oil prices, despite continued resilient remittance inflows. The current account is projected to shift to a deficit of 2.9 percent of GDP in FY2026/27, mainly owing to higher import costs related to elevated energy prices. The increase in import values is expected to be partly offset by weak private consumption and softer import demand. Over the medium term, the deficit is expected to widen gradually as import demand normalizes alongside higher public investment, particularly climate-related spending, while continued tourism receipts and remittance inflows provide important support. International reserves are projected to remain above 7 months of imports, exceeding levels assessed as adequate to buffer external shocks.
- **Staff baseline projects smaller fiscal deficits than envisaged in the budget, reflecting more realistic assumptions on revenue and capital spending execution based on historical outturns.** FY2025/26 is estimated to record an overall surplus of about 0.7 percent of GDP, down from 4.7 percent in FY2024/25, reflecting an increase in capital spending and lower grant inflows and weaker tax collections. For FY2026/27, the authorities target an overall deficit of 3.1 percent of GDP, while staff project a smaller deficit of 1.1 percent of GDP, taking into account the historical capital spending execution relative to budget in light of persistent implementation constraints. Over the medium term, the fiscal position is expected to weaken as grants decline and capital spending recovers, generating renewed borrowing needs. The projected deterioration in the primary balance over the next three years lies at the left tail of the realism tool distribution, reflecting the baseline assumption of a shift from recent fiscal surpluses to moderate deficits driven by higher public investment. At the same time, the increase in public investment supports capital accumulation and potential growth, making the projected growth path broadly consistent with the fiscal outlook.
- **To finance the fiscal deficit over the projection period, the financing mix is assumed to include a drawdown of government deposits in FY2026/27, followed by concessional external financing broadly in line with the current debt profile.** The new financing needs identified in the DSA are consistent with public gross financing needs in the baseline macroeconomic framework. The fiscal deficits in FY2026/27 are expected to be financed by a drawdown of government deposits accumulated from previous surpluses, bringing deposit levels back to their pre-pandemic average by end-FY2026/27.¹¹ From FY2027/28 onward, both deficit

¹⁰ The CBS relates Samoa's inflation rate to its major trading partners' annual average inflation rate—this determines the target that the CBS seeks to maintain each year—to pursue price stability. The indicative target rate has been 3 percent in recent years.

¹¹ As of May 2026, the government's deposits at the CBS amount to 15.7 percent of GDP.

and debt amortization are assumed to be financed through external borrowing, with contributions from each multilateral and bilateral lender reflecting their current shares, and financing terms aligned with prevailing policies. The average grant element of all new external loans is assumed to be 43 percent. Future borrowing from both multilateral development banks (MDBs) and bilateral partners is assumed to be on full credit terms.¹² Domestic debt—including liabilities from government guarantees in the debt stock—is assumed to be rolled over at prevailing domestic interest rates.

- **The realism tools do not raise significant concerns regarding the baseline macroeconomic framework.** The projected fiscal adjustment is modest relative to the historical distribution of adjustment episodes in low-income countries.¹³ In addition, the assumed relationship between public investment and growth is broadly consistent with the investment profile underpinning the baseline. Taken together, the realism tools support the reasonableness of the macroeconomic assumptions underlying the DSA.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

7. Samoa's debt-carrying capacity remains strong. The Composite Indicator (CI) index, which has been calculated based on the April 2026 WEO and the World Bank's 2025 Country Policy and Institutional Assessment (CPIA), is 3.43, indicating that the country's debt-carrying capacity remains strong in the LIC-DSA framework (Text Table 5). The CI index was 3.31 in the December 2024 DSA.

Text Table 5. Samoa: Composite Indicator Rating				
Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.953	1.52	44%
Real growth rate (in percent)	2.719	3.415	0.09	3%
Import coverage of reserves (in percent)	4.052	57.963	2.35	69%
Import coverage of reserves ^{^2} (in percent)	-3.990	33.597	-1.34	-39%
Remittances (in percent)	2.022	15.494	0.31	9%
World economic growth (in percent)	13.520	3.637	0.49	14%
CI Score			3.43	100%
CI rating			Strong	

¹² The baseline scenario includes projected World Bank and ADB disbursements. Consistent with the 2017 LIC DSF guidance note, IDA and ADB financing approved or firmly committed from FY26 onwards reflects IDA21 terms for small states (50 percent grant and 50 percent credit), while projected future financing from IDA and ADB is assumed at regular credit terms for small states. This is done to avoid a circular situation where the assumption that future commitments will be on grant terms would yield actual commitments on credit terms.

¹³ Figure 3 suggests that large negative residuals have contributed to improved debt dynamics relative to the previous DSA (e.g., the 2019 DSA vintage), reflecting persistently better-than-budgeted fiscal balances due to expenditure under-execution, which has also contributed to stronger-than-projected current account balances.

8. Based on the CI rating, Samoa's debt is assessed against a strong debt carrying capacity (Text Table 6). The relevant indicative thresholds for countries with a strong CI rating are 55 percent for the PV of PPG external debt-to-GDP ratio, 240 percent for the PV of PPG external debt-to-exports ratio, 21 percent for the PPG external debt service-to-exports ratio, and 23 percent for the external debt service-to-revenue ratio. The benchmark for the PV of total public debt under strong capacity is 70 percent.

Text Table 6. Samoa: Debt Thresholds

Debt carrying capacity (CI classification)	PV of PPG external debt in percent of		PPG external debt service in percent of		PV of total public debt
	GDP	Exports	Exports	Revenue	GDP
Weak	30	140	10	14	35
Medium	40	180	15	18	55
Strong	55	240	21	23	70

9. The DSF includes six standardized stress tests applied to both the external and public DSA. These cover shocks to real GDP growth, the primary fiscal balance, exports, other external flows (including official and private transfers and FDI), exchange rate depreciation, and a combination shock. Under these tests, shocked variables are set at the baseline projection minus one standard deviation. However, if the historical average is less favorable than the baseline, the stressed values are instead set at the historical average minus one standard deviation.¹⁴

10. Given the frequency and severity of natural disasters in Samoa, a tailored stress test for a natural disaster shock in the medium term was also conducted. The natural disaster shock is implemented through one-off shocks to public debt, GDP, and exports. The default setting (10 percent of GDP increase in debt stock, 1.5 percent decline in real GDP growth, and 3 percent decline in exports growth) was modified so that the stress test captures Samoa's historical experience, based on staff research.¹⁵ The tailored stress test assumes that new debt is contracted to finance damages caused by natural disasters, which increases the public debt-to-GDP ratio by 21 percent in FY2036/37, the median size of damages caused by natural disasters in the past.¹⁶

¹⁴ See 2018 Guidance Note on the Bank-Fund Debt Sustainability Framework for Low Income Countries.

¹⁵ See the IMF Working Paper 18/108, "The Economic Impact of Natural Disasters in Pacific Island Countries" (<https://www.imf.org/en/Publications/WP/Issues/2018/05/10/The-Economic-Impact-of-Natural-Disasters-in-Pacific-Island-Countries-Adaptation-and-45826>).

¹⁶ Samoa is highly vulnerable to natural disasters. Using data for 1980–2016 (Lee et al, 2018) estimate that the maximum damage from natural disasters reached 161.8 percent of GDP, while average damage amounted to 47.7 percent of GDP—the highest among a sample of 12 Pacific island countries. Although the annual probability of experiencing at least one disaster is relatively low, Samoa has the second-highest probability of facing a severe natural disaster in any given year within the sample.

11. The stress test capturing combined contingent liabilities accounts for implicit liabilities and a potential financial market shock (Text Table 7). This stress test reflects the possible consequences for the path of public debt of a shock that requires the government to cover some contingent liabilities—including liabilities which are incurred only after the assumed shock. The test incorporates contingent liabilities amounting to 7 percent of GDP, which comprises 2 percent of GDP of non-guaranteed SOE debt and 5 percent of GDP resulting from a financial market shock.¹⁷

Text Table 7. Samoa: Combined Contingent Liability Shock		
1 The country's coverage of public debt	The central government plus government-guaranteed debt	
	Default	Used for the analysis
2 Other elements of the general government not captured in 1.	0 percent of GDP	0
3 SOE debt (not guaranteed by the government) 1/	2 percent of GDP	2
4 PPP	35 percent of PPP stock	0
5 Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5
Total (2+3+4+5) (in percent of GDP)		7
1/ The default shock of 2% of GDP was used in order to capture fiscal risks from a shock to SOE revenue or expenditure requiring infusion of government funds beyond existing liabilities (which amount to around 0.8 percent of GDP).		

DEBT SUSTAINABILITY

12. Samoa is assessed at moderate risk of external and overall public debt distress.

Mechanical risk signals over the standard 10-year horizon point to moderate risk, and staff extended the DSA projection horizon to 20 years to capture Samoa's high vulnerability to natural disasters and climate change. Under the baseline scenario, the PV of external public and publicly guaranteed debt remains below its policy-dependent thresholds, while the PV of total public debt stays below its indicative benchmark throughout the projection period. Although some stress tests—notably the real GDP growth shock—result in breaches of debt thresholds or benchmarks, these occur mainly in the outer years beyond the 10-year horizon. Given the absence of breaches under the baseline and the long-term nature of stress-test breaches, staff assesses the risk of external and overall public debt distress as moderate.

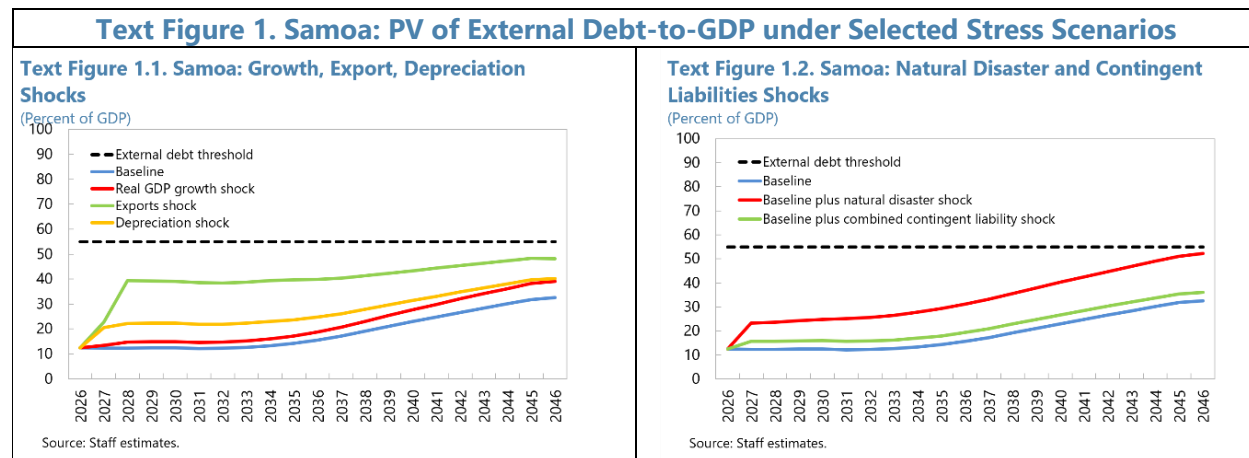
A. External Debt Sustainability Analysis

13. Under the baseline scenario, Samoa's external debt is projected to remain below the applicable threshold through 2046. The PV of external debt-to-GDP ratio is expected to rise gradually from 12.5 percent of GDP at end-FY2025/26 to 32.5 percent at end-FY2045/46, reflecting increased external borrowing to meet fiscal financing needs, particularly for climate change-related spending (Figure 1 and Table 1). Despite this upward trajectory, the PV of external debt remains below the threshold of 55 percent. Given the large share of concessional loans in total external debt,

¹⁷ Contingent liabilities associated with government guarantees are already included in the baseline definition of public debt. Accordingly, the contingent liability stress test applies a shock of 2 percent of GDP for non-guaranteed SOE debt. This exceeds the reported stock of outstanding non-guaranteed SOE debt, estimated at around 0.8 percent of GDP as of March 2026, providing a prudent buffer for potential SOE-related liabilities.

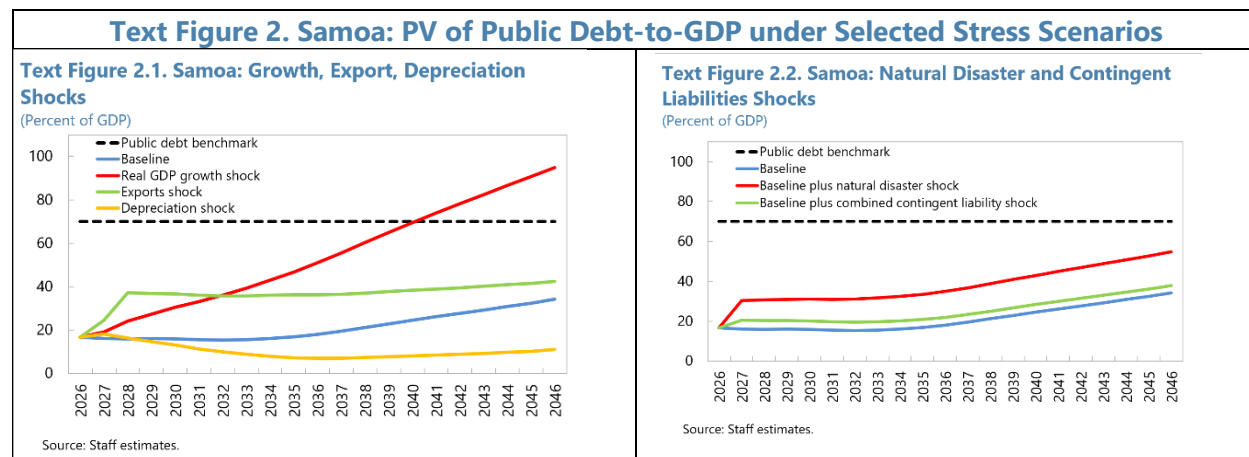
the debt service-to-exports and debt service-to-revenue ratios also remain below their respective indicative thresholds.

14. Stress tests suggest that external debt dynamics remain resilient to shocks. The PV of the external debt-to-GDP ratio stays below the threshold under all standard stress tests (Text Figure 1.1). Among the tailored stress tests, a natural disaster shock has the largest adverse impact on the debt trajectory; however, the PV of external debt-to-GDP ratio still remains below the threshold (Text Figure 1.2).



Public Sector Debt Sustainability Analysis

15. The projected path of public debt broadly mirrors that of external debt, though stress tests point to some vulnerability to shocks. Under the baseline scenario, the PV of public debt-to-GDP ratio remains below the benchmark (Figure 3 and Table 4). However, under the standard stress tests, a GDP growth shock leads to a breach in FY2039/40 (Text Figure 2.1). This reflects Samoa's historically volatile GDP growth, due to its significant exposure to external climate-related shocks. Among the tailored stress tests, a natural disaster shock has the largest adverse impact on the debt trajectory, though it still does not breach the benchmark over the projection horizon (Text Figure 2.2).



16. Projected current account deficits and real economic growth are expected to remain the main drivers of debt dynamics. The external and public debt trajectories in the current DSA are lower than in the 2024 DSA (Figure 3), mainly reflecting a lower initial debt stock due to sizable fiscal surpluses in FY2023/24 and FY2024/25, as well as the projected use of accumulated government deposits to finance deficits and amortization needs in FY2025/26 and FY2026/27. While current account deficits continue to contribute to external debt accumulation, they are projected to stabilize over time. For public debt, continued positive economic growth, partially offset by small primary deficits, is expected to keep debt ratios below the thresholds.

RISK RATING AND VULNERABILITIES

17. Samoa faces moderate risk of debt distress. Under the baseline assumptions, both external debt and public debt are expected to remain below the threshold. None of the external debt indicators breach their respective thresholds in the baseline and stress tests incorporating a natural disaster result in non-breach of thresholds. However, under the standard stress tests, an extreme export shock results in near-term breaches of the PV of debt-to-export and debt service-to-export ratios, while a real GDP growth shock leads to a breach of the public debt benchmark only in the long term. The narrowing distance between the debt indicators and their respective thresholds in the outer years suggests that Samoa retains some space to absorb adverse shocks, and compared to the 2024 DSA, space to absorb shocks has improved (Figure 6).

18. Sustaining recent gains in debt sustainability and steadily moving Samoa's debt risk from moderate to low will require a balanced, prudent strategy that preserves fiscal discipline, strengthens growth, and builds resilience to shocks. Samoa's debt vulnerabilities are mitigated by its highly concessional debt profile and sizable government deposits (over 18 percent of GDP at end-FY2024/25). The following measures would help preserve the recent improvements in debt dynamics and gradually create the conditions for Samoa to achieve a low risk of debt distress:

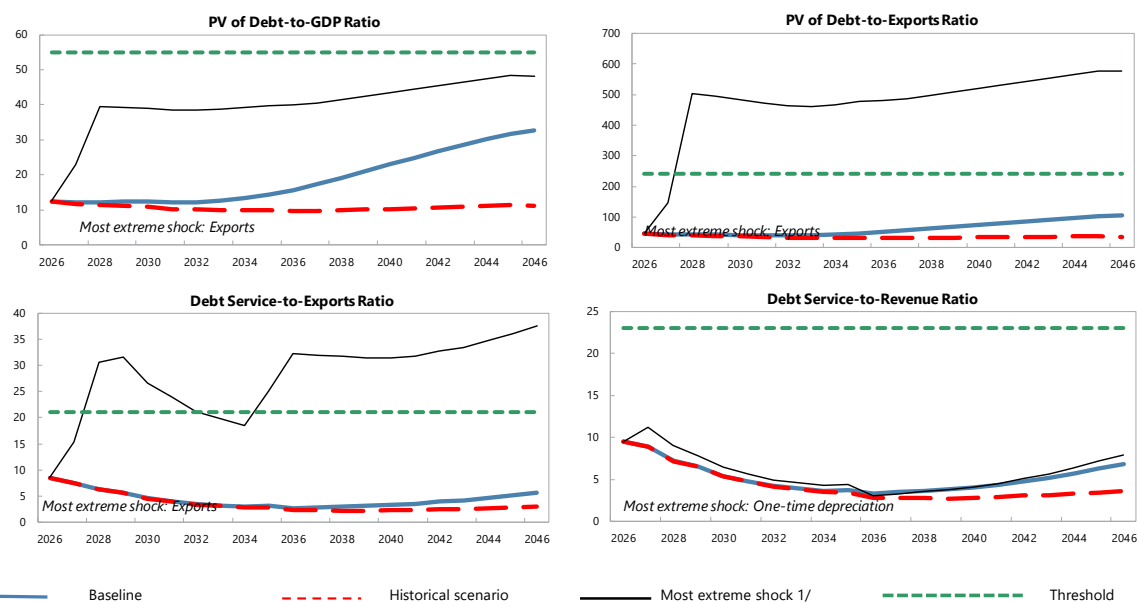
- Maintaining a prudent fiscal stance anchored in a credible medium-term framework remains essential: sustained primary surpluses and ample government deposit buffers would continue to reduce debt vulnerabilities, while relying primarily on highly concessional financing and strict limits on new guarantees would keep debt service affordable and contain contingent liabilities. Recent policy actions supported by the Sustainable Development Finance Policy (SDFP) have supported these objectives, including a zero ceiling on non-concessional external borrowing. The authorities have also continued to strengthen the monitoring of government guarantees and the assessment of SOE credit risks, enhancing debt transparency and oversight of contingent liabilities. In this regard, establishing a centralized SOE database could help improve the consolidation and monitoring of SOE debt data.
- Raising Samoa's medium-term potential growth—currently around 2½ percent—through structural reforms and more effective public investment execution would broaden the economic base and further improve debt dynamics over time.

- Given Samoa's high exposure to natural disasters, enhancing climate resilience by advancing high-quality adaptation investments, mobilizing disaster-risk financing, and integrating climate risks into fiscal planning will also be crucial to limit the fiscal impact of future shocks.

19. Developing a domestic government securities market could provide a useful alternative source of financing over the longer term, including in risk scenarios where immediate financing needs arise and external financing is difficult to access. Samoa's domestic debt market remains small and underdeveloped, with no active secondary market and a narrow investor base comprising mainly commercial banks and large institutional investors, notably the Samoa National Provident Fund and the Unit Trust of Samoa. While ample liquidity provides some capacity to absorb modest issuance of long-term government bonds, sizable or sustained issuance could eventually crowd out private credit or raise domestic interest rates. Market development should therefore proceed gradually, supported by predictable issuance and efforts to broaden the investor base. The recent approval of procedures for the issuance of government debt securities, supported by the SDFP, will help underpin the development of the domestic market.

20. Authorities' views. The authorities broadly concurred with staff's assessment that Samoa remains at moderate risk of external and overall debt distress. The authorities highlighted Samoa's continued exposure to natural disasters and climate-related shocks as a key source of vulnerability and the need for sustained investment in climate adaptation and resilience. The authorities noted that the DSA's overall assessment and direction of long-term debt dynamics and financing needs will inform the ongoing preparation of the MTDS for FY2026/27-FY2030/31. They emphasized the importance of strengthening the monitoring and management of explicit contingent liabilities, particularly government guarantees, managing credit risks from on-lending arrangements, and monitoring potential fiscal risks from non-guaranteed state-owned enterprise debt. They reaffirmed that grants remain the preferred source of financing and that highly concessional financing will be prioritized where borrowing is needed to meet national and budget priorities. Any other financing options considered in response to national priorities, state emergencies, or financing needs will be assessed in terms of their costs, risks and impact on the debt portfolio and will be required to remain consistent with the MTDS, the Public Finance Management Act, the applicable Fiscal Strategy Statement and state budget, and relevant policies and strategies underpinning the government's fiscal and debt sustainability objectives.

Figure 1. Samoa: Indicators of Public and Publicly-Guaranteed External Debt under Alternative Scenarios, 2026-2046 ^{1/}



Customization of Default Settings		
	Size	Interactions
Tailored Stress		
Combined CL	No	
Natural disaster	Yes	Yes
Commodity price 2/	n.a.	n.a.
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

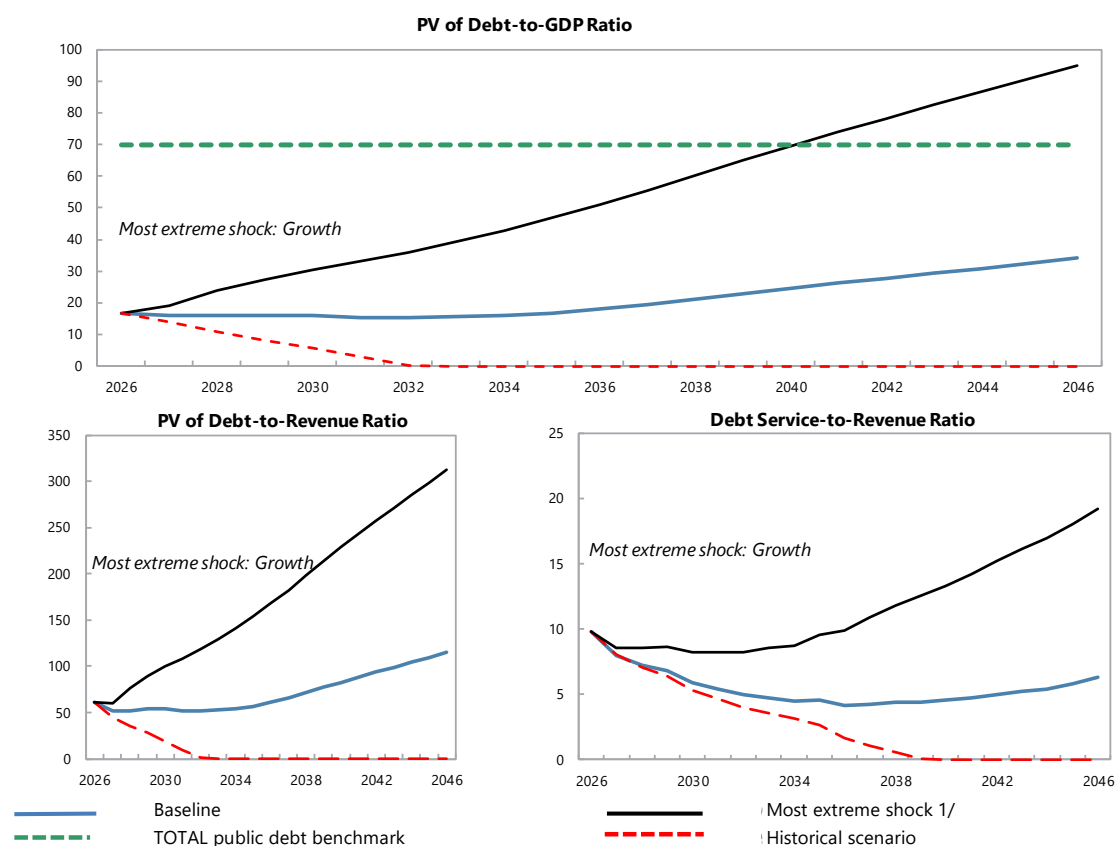
Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.3%	1.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	30	30
Avg. grace period	7	7

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. Samoa: Indicators of Public Debt Under Alternative Scenarios, 2026-2046

Borrowing Assumptions on Additional Financing Needs Resulting from the Stress Tests*	Default	User defined
Shares of Marginal Debt		
External PPG Medium and Long-term	85%	85%
Domestic Medium and Long-term	15%	15%
Domestic Short-term	0%	0%
Terms of Marginal Debt		
External MLT Debt		
Avg. Nominal Interest Rate on New Borrowing in USD	1.3%	1.3%
Avg. Maturity (incl. Grace Period)	30	30
Avg. Grace Period	7	7
Domestic MLT Debt		
Avg. Real Interest Rate on New Borrowing	5.8%	5.8%
Avg. Maturity (incl. Grace Period)	10	10
Avg. Grace Period	1	1
Domestic Short-term Debt		
Avg. Real Interest Rate	0.0%	0.0%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

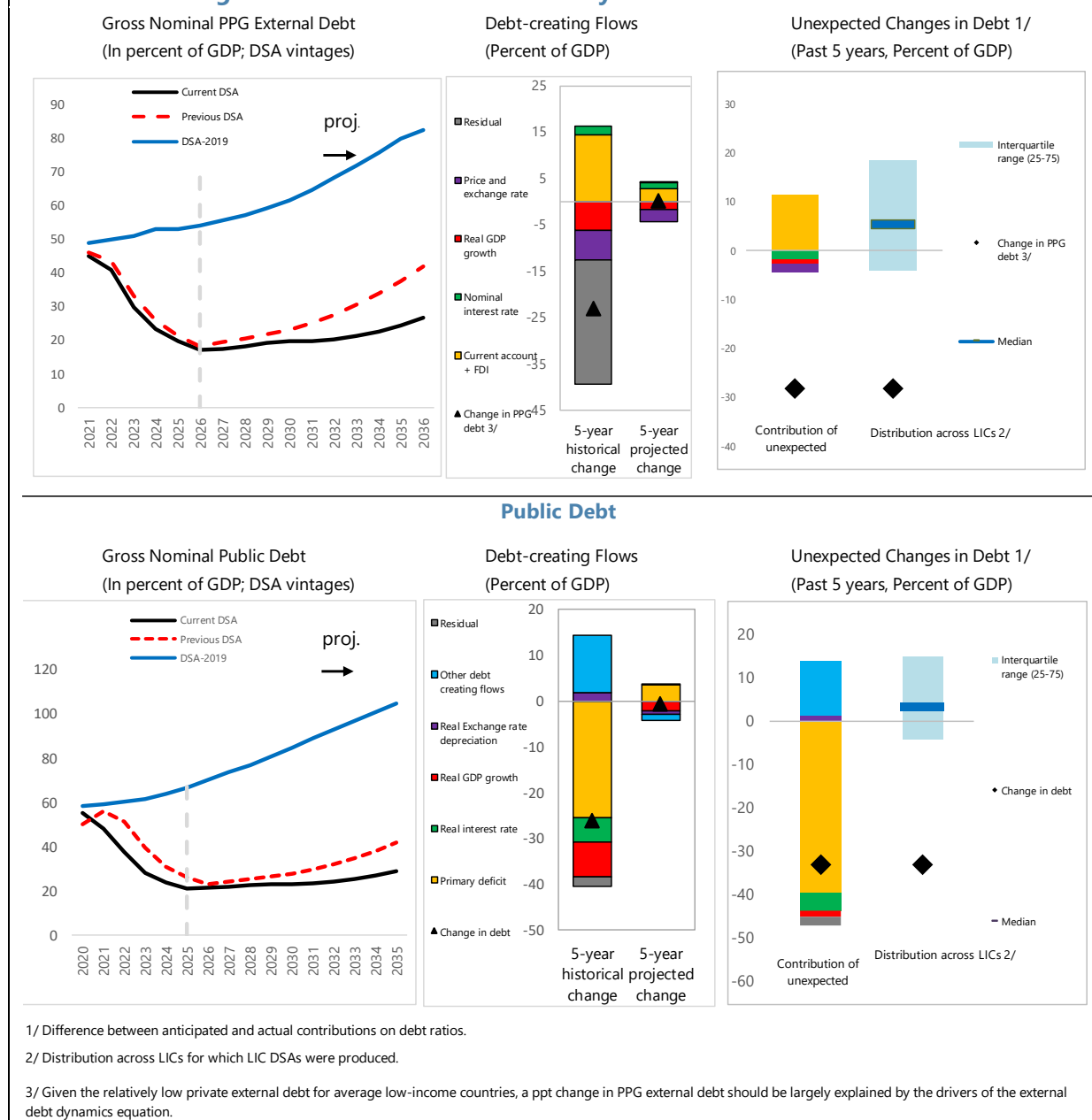
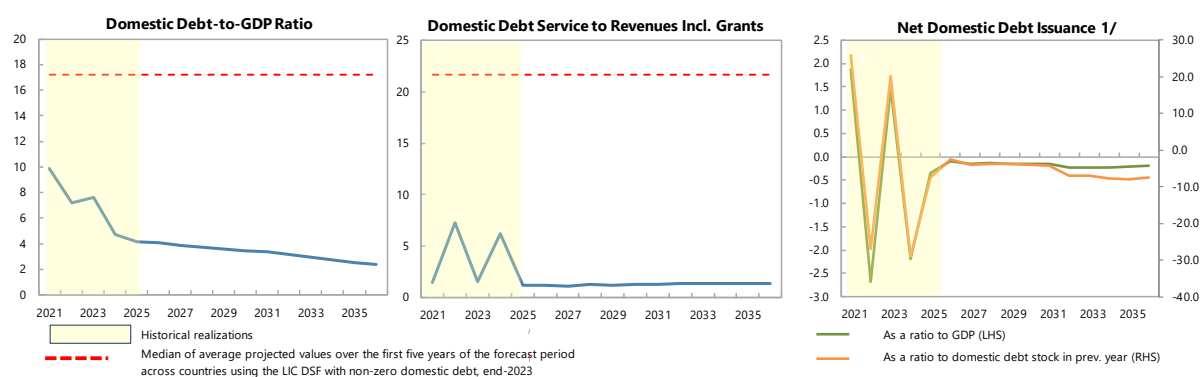
Figure 3. Samoa: Drivers of Debt Dynamics – Baseline Scenario

Figure 4. Samoa: Indicators of Domestic Debt, 2021-2036
(In Percent)



Borrowing Assumptions (average over 10-year projection)

Shares in new domestic debt issuance

Medium and long-term

Value

100%

Short-term

0%

Borrowing terms

Domestic MLT debt

Avg. real interest rate on new borrowing

5.8%

Avg. maturity (incl. grace period)

10

Avg. grace period

1

Domestic short-term debt

Avg. real interest rate

0.0%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

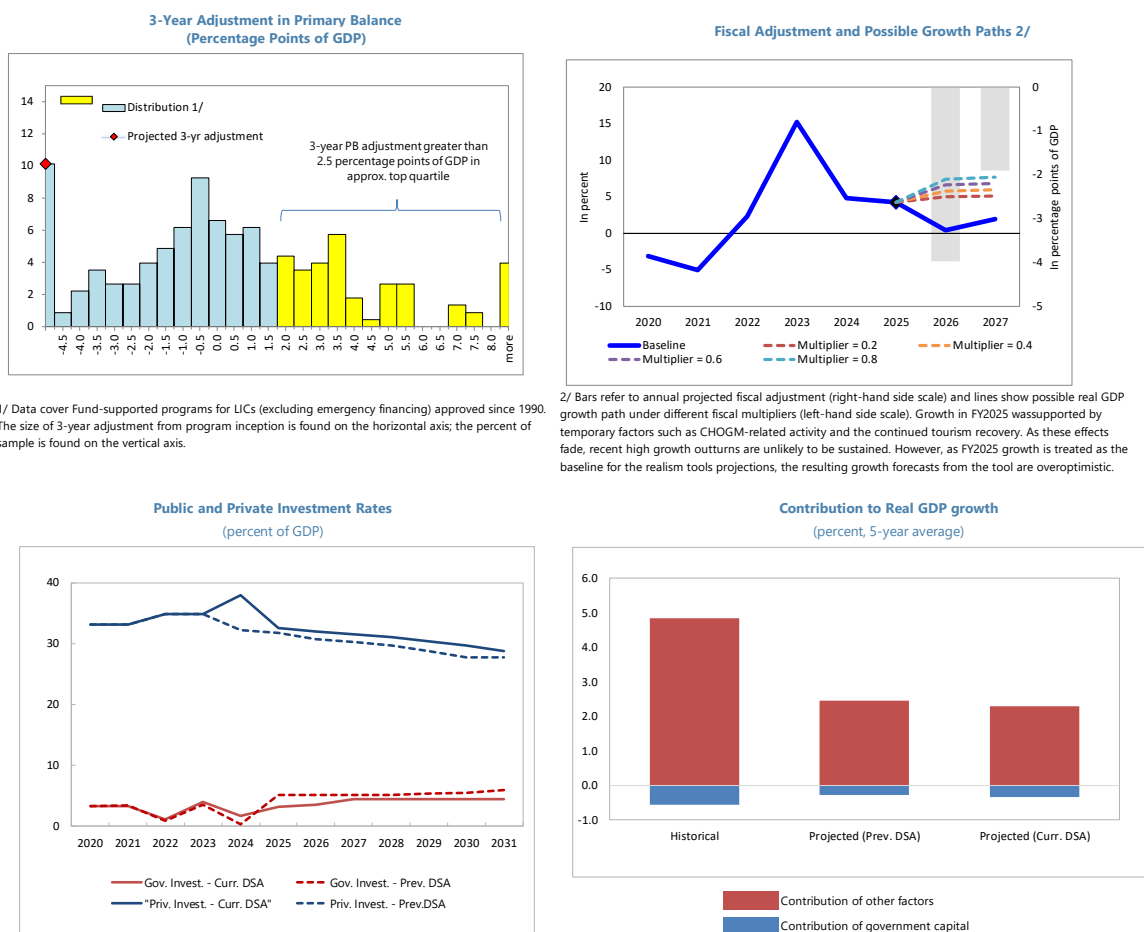
Figure 5. Samoa: Realism Tools

Figure 6. Samoa: Qualification of the Moderate Category, 2026-2046 ^{1/}



Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Table 1. Samoa: External Debt Sustainability Framework, Baseline Scenario, 2023-2046
(In Percent of GDP, unless otherwise Indicated)

	Actual			Projections								Average 8/ Historical Projections	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
External debt (nominal) 1/ of which: public and publicly guaranteed (PPG)	29.9 29.9	23.5 23.5	19.8 19.8	17.2 17.2	17.5 17.5	18.1 18.1	19.2 19.2	19.8 19.8	19.8 19.8	26.7 26.7	51.0 51.0	38.7 38.7	20.7 20.7
Change in external debt	-11.0	-6.3	-3.7	-2.6	0.3	0.7	1.0	0.6	0.1	2.2	0.9		
Identified net debt-creating flows	-3.2	-6.9	-8.5	-4.6	2.2	1.5	1.8	1.5	1.5	3.6	4.0	0.1	1.4
Non-interest current account deficit	3.4	-4.7	-6.0	-4.3	2.7	2.0	2.2	2.2	2.1	4.4	4.9	1.5	2.1
Deficit in balance of goods and services	29.2	18.2	15.4	16.2	20.2	19.3	19.3	19.2	19.1	21.2	21.5	21.6	19.4
Exports	25.4	30.7	27.6	27.2	28.8	29.2	29.5	30.1	30.3	30.9	31.1		
Imports	54.6	48.9	43.0	43.4	49.0	48.5	48.8	49.3	49.4	52.1	52.6		
Net current transfers (negative = inflow)	-26.6	-23.9	-21.1	-20.2	-20.3	-20.2	-20.1	-20.1	-20.0	-19.8	-19.3	-21.8	-20.0
of which: official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	0.7	0.9	-0.3	-0.3	2.8	2.9	3.1	3.1	3.1	3.0	2.7	1.7	2.7
Net FDI (negative = inflow)	-0.9	0.8	-0.8	-0.5	-0.4	-0.4	-0.3	-0.5	-0.4	-0.5	-0.3	-0.4	-0.5
Endogenous debt dynamics 2/	-5.6	-3.0	-1.7	0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.5		
Contribution from nominal interest rate	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.6		
Contribution from real GDP growth	-5.3	-1.3	-0.9	-0.1	-0.3	-0.4	-0.4	-0.4	-0.5	-0.6	-1.2		
Contribution from price and exchange rate changes	-0.8	-2.1	-1.1	...	...	...	...	...	...	...	...		
Residual 3/	-7.8	0.6	4.8	2.0	-1.9	-0.8	-0.7	-0.9	-1.4	-1.4	-3.1	-3.6	-0.8
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	14.8	12.5	12.2	12.2	12.4	12.4	12.1	15.6	32.5		
PV of PPG external debt-to-exports ratio	...	...	53.5	45.9	42.5	41.9	42.1	41.3	39.9	50.4	104.6		
PPG debt service-to-exports ratio	14.8	9.5	9.0	8.6	7.5	6.3	5.7	4.6	4.0	2.7	5.7		
PPG debt service-to-revenue ratio	14.2	10.7	9.6	9.5	8.9	7.2	6.5	5.4	4.8	3.3	6.9		
Gross external financing need (Million of U.S. dollars)	64.5	-12.2	-55.1	-33.3	63.4	51.9	56.8	51.4	50.3	104.3	225.8		
Key macroeconomic assumptions													
Real GDP growth (in percent)	15.2	4.8	4.2	0.4	2.0	2.5	2.5	2.5	2.5	2.5	2.5	3.2	2.2
GDP deflator in US dollar terms (change in percent)	2.0	7.4	5.1	4.4	3.0	2.3	3.1	2.4	2.4	2.4	2.5	1.6	2.7
Effective interest rate (percent) 4/	1.3	1.3	1.4	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.4	1.3	1.3
Growth of exports of G&S (US dollar terms, in percent)	159.7	35.9	-1.3	3.2	11.2	6.2	6.9	6.9	5.9	5.1	5.1	15.4	6.1
Growth of imports of G&S (US dollar terms, in percent)	30.0	0.6	-3.6	5.8	18.6	3.7	6.3	6.0	5.2	6.0	5.0	3.9	6.9
Grant element of new public sector borrowing (in percent)	...	...	...	35.4	39.9	41.3	43.0	48.0	53.7	44.6	42.1	...	45.2
Government revenues (excluding grants, in percent of GDP)	26.6	27.3	25.9	24.5	24.3	25.7	25.6	25.6	25.6	25.6	25.6	26.8	25.4
Aid flows (in Million of US dollars) 5/	51.7	97.9	67.0	33.7	122.1	99.9	94.9	96.2	97.1	142.1	233.6		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.5	8.2	6.3	5.5	5.2	5.0	5.7	5.8	...	5.4
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	100.0	81.0	77.6	73.7	79.2	84.6	72.5	69.5	...	80.0
Nominal GDP (Million of US dollars)	1,045	1,176	1,288	1,350	1,418	1,486	1,570	1,647	1,728	2,205	3,592		
Nominal dollar GDP growth	17.5	12.5	9.5	4.8	5.1	4.8	5.6	4.9	4.9	5.0	5.0	4.8	5.0
Memorandum items:													
PV of external debt 7/	...	...	14.8	12.5	12.2	12.2	12.4	12.4	12.1	15.6	32.5		
In percent of exports	...	...	53.5	45.9	42.5	41.9	42.1	41.3	39.9	50.4	104.6		
Total external debt service-to-exports ratio	14.8	9.5	9.0	8.6	7.5	6.3	5.7	4.6	4.0	2.7	5.7		
PV of PPG external debt (in Million of US dollars)	...	...	190.2	168.3	173.4	181.5	195.0	204.5	209.4	343.8	1168.9		
(Pvt-Pvt-1)/GDP-1 (in percent)	...	...	...	-1.7	0.4	0.6	0.9	0.6	0.3	2.1	2.4		
Non-interest current account deficit that stabilizes debt ratio	14.4	1.6	-2.2	-1.7	2.4	1.3	1.2	1.6	2.0	2.2	4.0		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as $[r - g - p(1+g) + E\alpha(1+r)] / (1+g+p+gp)$ times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate; p = growth rate of GDP deflator in U.S. dollar terms; $E\alpha$ = nominal appreciation of the local currency, and α = share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief; changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No

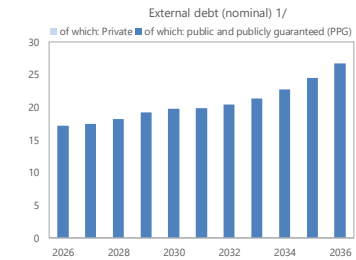
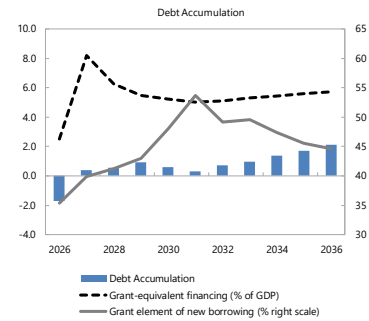


Table 2. Samoa: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046
(In Percent of GDP, unless otherwise Indicated)

	Actual			Projections								Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
Public sector debt 1/ of which: external debt	37.5 29.9	28.3 23.5	23.9 19.8	21.3 17.2	21.4 17.5	21.9 18.1	22.8 19.2	23.2 19.8	23.2 19.8	29.1 26.7	52.6 51.0	46.2 38.7	23.9 20.7
Change in public sector debt	-10.6	-9.2	-4.3	-2.6	0.1	0.5	0.9	0.5	-0.1	2.0	1.9		
Identified debt-creating flows	-10.7	-7.0	-4.7	-2.6	0.4	0.6	1.1	0.6	0.0	2.1	2.1	-3.2	0.6
Primary deficit	-3.1	-9.7	-5.0	-1.1	0.8	1.1	1.6	1.1	0.6	3.0	3.6	-3.4	1.3
Revenue and grants	31.5	35.6	31.1	27.0	31.2	30.7	29.6	29.6	29.6	29.6	29.6	32.5	29.6
of which: grants	5.0	8.3	5.2	2.5	6.9	5.0	4.0	4.0	4.0	4.0	4.0		
Primary (noninterest) expenditure	28.4	25.9	26.0	26.0	32.0	31.8	31.2	30.7	30.2	32.6	33.2	29.1	30.9
Automatic debt dynamics	-7.8	-3.9	-2.1	-0.1	-0.5	-0.5	-0.5	-0.6	-0.6	-0.7	-1.5		
Contribution from interest rate/growth differential	-7.4	-2.3	-1.3	-0.1	-0.5	-0.5	-0.5	-0.6	-0.6	-0.7	-1.5		
of which: contribution from average real interest rate	-1.0	-0.6	-0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1		
of which: contribution from real GDP growth	-6.3	-1.7	-1.1	-0.1	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-1.2		
Contribution from real exchange rate depreciation	-0.4	-1.6	-0.8	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.2	6.7	2.4	-1.4	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	1.5	-0.2
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.2	6.7	2.4	-1.4	0.0	0.0	0.0	0.0	0.0	-0.1	0.0		
Residual	0.1	-2.2	0.4	-0.1	-0.3	-0.1	-0.2	-0.1	-0.1	-0.1	-0.3	-0.9	-0.1
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	18.8	16.7	16.1	16.0	16.0	15.9	15.5	18.0	34.1		
PV of public debt-to-revenue and grants ratio	...	...	60.4	61.7	51.7	52.0	54.1	53.7	52.2	60.8	115.3		
Debt service-to-revenue and grants ratio 3/	13.5	14.4	9.2	9.8	8.0	7.2	6.8	5.9	5.4	4.2	6.3		
Gross financing need 4/	1.3	2.1	0.3	0.2	3.4	3.3	3.6	2.9	2.2	4.1	5.5		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	15.2	4.8	4.2	0.4	2.0	2.5	2.5	2.5	2.5	2.5	2.5	3.2	2.2
Average nominal interest rate on external debt (in percent)	1.3	1.4	1.4	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.4	1.3	1.3
Average real interest rate on domestic debt (in percent)	-1.7	-4.3	-1.0	1.9	0.5	2.4	2.8	2.9	3.1	3.6	3.0	2.6	2.8
Real exchange rate depreciation (in percent, + indicates depreciation)	-1.2	-5.7	-3.7	...	...	...	...	...	...	...	...	0.7	...
Inflation rate (GDP deflator, in percent)	6.9	8.4	6.2	...	4.9	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.2
Growth of real primary spending (deflated by GDP deflator, in percent)	6.7	-4.3	4.8	0.2	25.6	1.7	0.7	0.7	0.8	3.9	2.3	2.0	4.5
Primary deficit that stabilizes the debt-to-GDP ratio 5/	7.5	-0.5	-0.7	1.6	0.7	0.6	0.7	0.6	0.7	0.9	1.7	2.1	0.8
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government plus government-guaranteed debt. Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

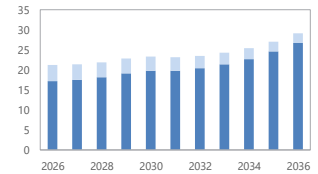
5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (-): a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No

Public sector debt 1/

■ of which: local-currency denominated
■ of which: foreign-currency denominated



■ of which: held by residents
■ of which: held by non-residents

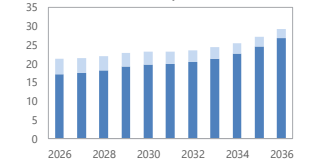


Table 3. Samoa: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2026-2046
(In Percent)

	Projections 1/																				
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
PV of debt-to GDP ratio																					
Baseline	12	12	12	12	12	12	12	13	13	14	16	17	19	21	23	25	27	28	30	32	33
A. Alternative Scenarios																					
A1. Key variables at their historical averages in 2026-2036 2/	12	12	11	11	11	10	10	10	10	10	10	10	10	10	10	10	11	11	11	12	11
B. Bound Tests																					
B1. Real GDP growth	12	13	15	15	15	15	15	15	16	17	19	21	23	25	28	30	32	34	36	38	39
B2. Primary balance	12	14	18	18	18	18	18	18	19	20	21	22	24	26	28	29	31	33	34	36	36
B3. Exports	12	23	39	39	39	39	38	39	39	40	40	40	41	42	43	44	45	46	47	48	48
B4. Other flows 3/	12	15	18	18	18	18	18	18	19	20	21	22	24	25	27	28	30	31	33	34	35
B5. Depreciation	12	15	11	11	11	11	11	12	13	14	16	18	21	23	26	29	31	33	36	38	39
B6. Combination of B1-B5	12	20	22	22	22	22	22	22	23	24	25	26	28	30	31	33	35	36	38	40	40
C. Tailored Tests																					
C1. Combined contingent liabilities	12	16	16	16	16	16	16	16	17	18	19	21	23	25	27	28	30	32	34	35	36
C2. Natural disaster	12	23	24	24	25	25	26	27	28	29	31	33	36	38	40	43	45	47	49	51	52
Threshold	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55	55
PV of debt-to-exports ratio																					
Baseline	46	42	42	42	41	40	40	40	42	46	50	56	62	68	74	80	86	91	97	102	105
A. Alternative Scenarios																					
A1. Key variables at their historical averages in 2026-2036 2/	46	40	39	38	36	34	32	32	32	32	31	31	32	32	33	34	34	35	36	37	35
B. Bound Tests																					
B1. Real GDP growth	46	42	42	42	41	40	40	40	42	46	50	56	62	68	74	80	86	91	97	102	105
B2. Primary balance	46	48	61	61	60	58	57	58	60	63	67	72	78	83	89	94	100	105	110	115	117
B3. Exports	46	146	502	495	483	472	463	460	467	478	479	486	497	508	520	531	543	554	566	577	576
B4. Other flows 3/	46	53	63	63	61	60	59	59	61	64	67	72	77	82	87	92	97	101	106	111	112
B5. Depreciation	46	42	30	31	30	29	29	30	32	36	41	47	54	60	67	73	80	86	92	97	100
B6. Combination of B1-B5	46	88	67	122	119	116	114	115	118	123	128	136	145	154	163	172	180	189	197	205	208
C. Tailored Tests																					
C1. Combined contingent liabilities	46	54	54	54	53	52	51	52	54	58	62	68	74	80	86	92	97	103	108	114	116
C2. Natural disaster	46	83	83	84	85	85	85	87	91	97	103	110	118	126	133	141	148	155	162	168	172
Threshold	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240
Debt service-to-exports ratio																					
Baseline	9	7	6	6	5	4	3	3	3	3	3	3	3	3	3	4	4	4	5	5	6
A. Alternative Scenarios																					
A1. Key variables at their historical averages in 2026-2036 2/	9	8	6	6	5	4	3	3	3	3	2	2	2	2	2	2	3	3	3	3	3
B. Bound Tests																					
B1. Real GDP growth	9	7	6	6	5	4	3	3	3	3	3	3	3	3	3	4	4	4	5	5	6
B2. Primary balance	9	7	7	7	5	5	4	4	4	4	4	4	4	4	4	5	5	5	6	6	6
B3. Exports	9	15	31	32	27	24	21	20	19	25	32	32	32	31	31	32	33	33	35	36	38
B4. Other flows 3/	9	7	7	6	5	4	4	4	4	4	4	4	4	4	4	5	5	5	6	6	6
B5. Depreciation	9	7	6	5	4	4	3	3	3	3	2	2	2	2	3	3	3	4	4	5	5
B6. Combination of B1-B5	9	10	12	11	9	8	7	7	6	8	8	8	8	8	8	9	9	10	11	11	12
C. Tailored Tests																					
C1. Combined contingent liabilities	9	7	7	6	5	4	4	3	3	3	3	3	3	3	3	4	4	4	5	5	6
C2. Natural disaster	9	8	7	7	6	5	5	4	4	4	4	4	4	4	4	5	5	5	6	6	7
Threshold	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Debt service-to-revenue ratio																					
Baseline	9	9	7	7	5	5	4	4	4	4	3	3	4	4	4	4	5	5	6	6	7
A. Alternative Scenarios																					
A1. Key variables at their historical averages in 2026-2036 2/	9	9	7	7	5	5	4	4	4	3	3	3	3	3	3	3	3	3	3	3	4
B. Bound Tests																					
B1. Real GDP growth	9	9	7	6	4	4	3	2	2	1	0	0	-1	-1	-1	-1	-2	-2	-2	-1	-1
B2. Primary balance	9	10	9	8	6	6	5	5	4	5	4	4	4	5	5	5	6	6	7	8	8
B3. Exports	9	9	8	8	6	6	5	5	5	5	5	5	5	5	5	5	6	6	7	7	8
B4. Other flows 3/	9	10	9	10	8	8	7	6	6	8	10	10	10	10	10	10	11	11	11	12	12
B5. Depreciation	9	9	7	7	6	5	5	4	4	5	5	5	5	5	5	6	6	6	7	7	8
B6. Combination of B1-B5	9	11	9	8	6	6	5	5	4	4	3	3	4	4	4	5	5	6	6	7	8
B6. Combination of B1-B5	9	10	9	8	7	6	5	5	5	6	6	6	6	6	6	7	7	7	8	9	9
C. Tailored Tests																					
C1. Combined contingent liabilities	9	9	7	7	6	5	4	4	4	4	4	4	4	4	4	5	5	5	6	6	7
C2. Natural disaster	9	9	8	7	6	6	5	5	5	5	4	4	4	5	5	5	6	6	7	7	8
Threshold	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Samoa: Sensitivity Analysis for Key Indicators of Public Debt, 2026-2046
(In Percent)

	Projections 1/																						
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046		
PV of Debt-to-GDP Ratio																							
Baseline	17	16	16	16	16	15	15	16	16	17	18	19	21	23	25	26	28	29	31	32	34		
A. Alternative Scenarios																							
A1. Key variables at their historical averages in 2026-2036 2/	17	14	11	8	6	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
B. Bound Tests																							
B1. Real GDP growth	17	19	24	27	30	33	36	39	43	47	51	56	60	65	70	74	78	82	87	91	95		
B2. Primary balance	17	18	23	23	22	22	22	22	22	23	24	25	26	28	30	31	32	34	35	37	38		
B3. Exports	17	24	37	37	37	36	36	36	36	36	36	36	37	38	38	39	40	40	41	42	42		
B4. Other flows 3/	17	19	22	22	22	21	21	21	22	22	23	24	26	27	29	30	31	32	34	35	37		
B5. Depreciation	17	18	16	15	13	11	10	9	8	7	7	7	8	8	8	9	9	10	10	11			
B6. Combination of B1-B5	17	17	18	19	19	19	20	20	21	23	24	26	28	30	32	34	36	38	40	42	44		
C. Tailored Tests																							
C1. Combined contingent liabilities	17	21	20	20	20	20	20	20	20	21	22	23	25	27	28	30	31	33	35	36	38		
C2. Natural disaster	17	30	31	31	31	31	31	32	32	33	35	37	39	41	43	45	47	49	51	53	55		
TOTAL public debt benchmark	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70		
PV of Debt-to-Revenue Ratio																							
Baseline	62	52	52	54	54	52	52	52	54	57	61	66	72	77	83	88	94	99	104	109	115		
A. Alternative Scenarios																							
A1. Key variables at their historical averages in 2026-2036 2/	62	44	36	28	19	10	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
B. Bound Tests																							
B1. Real GDP growth	62	60	76	90	100	109	119	129	141	154	168	183	198	214	229	243	257	271	285	298	312		
B2. Primary balance	62	58	74	76	75	73	73	73	74	76	80	84	89	95	100	105	109	114	119	124	129		
B3. Exports	62	79	121	124	124	122	121	121	122	122	122	123	125	127	129	131	133	136	138	140	143		
B4. Other flows 3/	62	62	72	74	74	72	72	72	74	76	78	82	87	92	96	101	105	109	114	118	123		
B5. Depreciation	62	59	54	50	44	39	34	30	27	25	24	24	25	26	27	29	30	31	33	35	38		
B6. Combination of B1-B5	62	54	60	64	66	66	67	69	72	76	82	88	95	102	109	115	121	127	134	140	147		
C. Tailored Tests																							
C1. Combined contingent liabilities	62	66	66	69	68	66	66	66	68	70	74	79	85	90	96	101	106	111	117	122	128		
C2. Natural disaster	62	97	99	104	105	104	105	106	109	113	118	123	131	138	145	151	158	164	171	177	185		
Debt Service-to-Revenue Ratio																							
Baseline	10	8	7	7	6	5	5	5	4	5	4	4	4	4	5	5	5	5	5	6	6		
A. Alternative Scenarios																							
A1. Key variables at their historical averages in 2026-2036 2/	10	8	7	6	5	5	4	4	3	3	2	1	1	0	-	-	-	-	-	-	-		
B. Bound Tests																							
B1. Real GDP growth	10	9	9	9	8	8	8	9	9	10	10	11	12	13	13	14	15	16	17	18	19		
B2. Primary balance	10	8	8	8	7	7	6	6	6	6	6	6	6	6	6	6	6	7	7	7	8		
B3. Exports	10	8	8	8	7	7	6	6	6	7	9	9	9	9	9	9	9	9	9	9	9		
B4. Other flows 3/	10	8	7	7	6	6	5	5	5	5	6	6	6	6	6	6	6	6	6	7	7		
B5. Depreciation	10	9	9	8	7	6	5	5	5	5	4	4	4	3	3	3	3	4	4	4	4		
B6. Combination of B1-B5	10	8	9	9	8	7	7	7	7	7	6	6	6	6	6	6	7	7	7	7	8		
C. Tailored Tests																							
C1. Combined contingent liabilities	10	8	8	8	7	6	6	5	5	5	5	5	5	5	5	5	5	6	6	6	7		
C2. Natural disaster	10	8	9	10	9	8	8	8	7	7	7	7	6	6	6	7	7	7	7	8	8		

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.