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Page: 1/83

**Trade Policy Review Body**

**TRADE POLICY REVIEW**

**REPORT BY THE SECRETARIAT**

SAMOA

This report, prepared for the first Trade Policy Review of Samoa, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Samoa on its trade policies and practices.

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Document WT/TPR/G/386 contains the policy statement submitted by Samoa.

**CONTENTS**

<b>SUMMARY .....</b>	<b>6</b>
<b>1 ECONOMIC ENVIRONMENT .....</b>	<b>10</b>
1.1 Main Features of the Economy .....	10
1.2 Recent Economic Developments .....	12
1.3 Developments in Trade and Investment .....	15
1.3.1 Trends and patterns in merchandise and services trade .....	15
1.3.2 Trends and patterns in foreign direct investment (FDI).....	18
<b>2 TRADE AND INVESTMENT REGIMES.....</b>	<b>19</b>
2.1 General Framework .....	19
2.2 Trade Policy Formulation and Objectives.....	19
2.3 Trade Agreements and Arrangements .....	20
2.3.1 WTO .....	20
2.3.2 Regional and preferential agreements .....	21
2.3.2.1 Pacific Island Countries Trade Agreement (PICTA).....	21
2.3.2.2 Pacific Agreement on Closer Economic Relations (PACER) Plus .....	22
2.3.3 Preferential agreements .....	22
2.3.3.1 South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) .....	22
2.3.3.2 General System of Preferences (GSP) .....	22
2.3.3.3 European Union .....	22
2.4 Investment Regime .....	23
<b>3 TRADE POLICIES AND PRACTICES BY MEASURE.....</b>	<b>26</b>
3.1 Measures Directly Affecting Imports.....	26
3.1.1 Customs procedures, valuation, and requirements .....	26
3.1.2 Rules of origin .....	27
3.1.3 Tariffs .....	27
3.1.3.1 Applied MFN tariffs .....	27
3.1.3.2 Tariff bindings .....	29
3.1.3.3 Preferential tariffs .....	30
3.1.3.4 Tariff exemptions.....	30
3.1.4 Other charges affecting imports.....	30
3.1.5 Import prohibitions, restrictions, and licensing .....	33
3.1.6 Anti-dumping, countervailing, and safeguard measures .....	35
3.1.7 Other measures affecting imports .....	35
3.2 Measures Directly Affecting Exports .....	35
3.2.1 Registration, customs procedures and requirements.....	35
3.2.2 Taxes, charges, and levies .....	35
3.2.3 Export prohibitions, restrictions, and licensing .....	36
3.2.4 Export support and promotion .....	36
3.2.5 Export finance, insurance, and guarantees.....	36

3.3 Measures Affecting Production and Trade.....	36
3.3.1 Incentives.....	36
3.3.2 Standards and other technical requirements .....	37
3.3.3 Sanitary and phytosanitary requirements.....	38
3.3.3.1 Food safety .....	38
3.3.3.2 Veterinary and phytosanitary measures .....	39
3.3.4 Competition policy and price controls .....	40
3.3.4.1 Competition policy .....	40
3.3.4.2 Price controls.....	41
3.3.5 State trading, state-owned enterprises, and privatization .....	43
3.3.5.1 State trading enterprises .....	43
3.3.5.2 SOEs and privatization.....	44
3.3.6 Government procurement .....	45
3.3.7 Intellectual property rights.....	48
<b>4 TRADE POLICIES BY SECTOR.....</b>	<b>54</b>
4.1 Agriculture, Forestry, and Fisheries.....	54
4.1.1 Agriculture.....	54
4.1.1.1 Institutional and legal framework .....	55
4.1.1.2 Domestic support.....	55
4.1.1.3 Export subsidies .....	55
4.1.1.4 State-owned enterprises (SOEs) .....	56
4.1.2 Forestry.....	56
4.1.3 Fisheries.....	57
4.2 Mining and Energy .....	58
4.2.1 Mining .....	58
4.2.2 Energy .....	58
4.2.2.1 Electricity.....	59
4.2.2.2 Petroleum .....	60
4.3 Manufacturing .....	61
4.4 Services .....	61
4.4.1 Financial services.....	61
4.4.1.1 Banking .....	64
4.4.1.2 Insurance .....	67
4.4.2 Communication services .....	67
4.4.2.1 Telecommunications .....	67
4.4.2.2 Postal and courier services .....	69
4.4.3 Transport.....	70
4.4.3.1 Overview .....	70
4.4.3.2 Maritime transport .....	70
4.4.3.3 Air transport.....	71

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4.4.4 Tourism.....	72
<b>5 APPENDIX TABLES .....</b>	<b>74</b>

## CHARTS

Chart 1.1 Employment by economic activity, June 2018.....	11
Chart 1.2 Production composition of merchandise trade, 2012 and 2017.....	16
Chart 1.3 Direction of merchandise trade 2012 and 2017.....	17
Chart 1.4 FDI, 2011-17 .....	18
Chart 3.1 Distribution of MFN tariff rates, 2018.....	28
Chart 3.2 Average tariff rates by HS section, 2018 .....	29
Chart 4.1 Fish catch and exports of fish, 2012-17 .....	57

## TABLES

Table 1.1 GDP by economic activity, 2012-18.....	10
Table 1.2 Selected economic indicators, 2012-18.....	12
Table 1.3 Balance of payments, 2012-18 .....	14
Table 1.4 Trade in services, 2012-18.....	18
Table 2.1 Samoa's merchandise trade with PICTA and SPARTECA partners, 2012-17.....	21
Table 3.1 Structure of the tariff schedule, 2012 and 2018 .....	28
Table 3.2 Further reduction of the bound tariffs until 2022 .....	29
Table 3.3 Applied MFN tariffs and bound tariffs .....	30
Table 3.4 Imported and domestic products subject to excise tax.....	31
Table 3.5 Products covered by the General Price Order, 2018 .....	41
Table 3.6 Public trading bodies .....	44
Table 3.7 Mutual and beneficial bodies (March 2017).....	44
Table 3.8 Public procurement methods and thresholds.....	47
Table 3.9 Summary of protection of IPRs, 2018 .....	48
Table 3.10 IPR applications and registrations.....	52
Table 4.1 Trade in agricultural products (WTO definition), 2012-17 .....	54
Table 4.2 Trade in forestry products, 2012-17 .....	56
Table 4.3 Samoa's licensing regime for offshore tuna fishery .....	58
Table 4.4 Electricity tariff rates, 2018 .....	60
Table 4.5 Financial system structure.....	63
Table 4.6 Commercial bank loans to the private sector .....	64
Table 4.7 Financial soundness indicators, 2013/14 - December 2017.....	64
Table 4.8 Supervisory prudential requirements by the CBS, 2018 .....	65
Table 4.9 Telecommunications licensees, October 2018 .....	69
Table 4.10 Arrivals, by purpose of visit, 2011-17 .....	72
Table 4.11 Arrivals, by purpose of visit and source market, 2013.....	73

**APPENDIX TABLES**

Table A1.1 Merchandise exports by destination, 2012-17 .....	74
Table A1.2 Merchandise imports by origin, 2012-17 .....	75
Table A1.3 Merchandise exports, by group of products, 2012-17.....	76
Table A1.4 Merchandise imports, by group of products, 2012-17 .....	78
Table A2.1 Reserved and restricted activities in the foreign investment regime .....	80
Table A2.2 WTO notifications, 2012-18 .....	82
Table A3.1 Tariff summary, 2018 .....	83

## SUMMARY

1. A small archipelago in the South Pacific with close to 200,000 inhabitants, Samoa is a middle-income country with a per capita income of about USD 4,100 in 2017. Tourism, agriculture, fisheries and trade services are the main pillars of the economy. Remittances and foreign aid also play an important role in sustaining the economy, which is vulnerable to natural disasters.

2. Economic growth was uneven in the period under review (2012-18), averaging 1.9%, as Samoa sought to recover from the devastation caused by category 5 Cyclone Evan in 2012. The economy received a boost from reconstruction efforts and international events hosted by Samoa. However, the closure in 2017 of the largest manufacturing plant (producing automobile wire harnesses for export to Australia) significantly weakened economic growth.

3. Samoa's fiscal balance improved from a deficit to a small surplus in 2017-18, as fiscal policy was geared towards broadening the tax base and curbing reliance on foreign aid. The debt-to-GDP ratio increased from 51.6% in 2012/13 to 55.3% in 2014/15, before moderating slightly in 2016/17 and 2017/18. Inflation remained below the Central Bank's target of 3% during most of the review period.

4. Samoa has a large merchandise trade deficit, and the country has become increasingly dependent on food imports. Its merchandise imports increased from USD 346 million in 2012 to USD 388 million 2014, driven by capital goods for reconstruction following Cyclone Evan, after which imports declined to USD 356 million in 2017. Merchandise exports dropped from USD 76 million in 2012 to USD 44 million in 2017, largely owing to the factory closure. Tuna has emerged as Samoa's main export product, contributing almost 30% to merchandise exports in 2017. Its main trading partners are New Zealand, Singapore, Australia, the United States, China and Fiji. Samoa is a net exporter of services (mainly travel services), which account for over 80% of total exports. Against the background of rising services exports, the current account deficit moved into surplus in 2017.

5. Samoa grants at least MFN treatment to all its trading partners. It is a party to the Pacific Island Countries Trade Agreement (PICTA), granting duty-free preferential treatment to almost all products from participating Forum Island Countries, subject to rules of origin. Samoa is a beneficiary of non-reciprocal preferences granted by Australia and New Zealand under the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA). It is a signatory to the Pacific Agreement on Closer Economic Relations (PACER) Plus, which has not yet entered into force. Samoa graduated from the status of least developed country on 1 January 2014. It remains eligible to use other non-LDC specific GSP schemes. Samoa is in the process of joining the Interim Economic Partnership Agreement between the European Union and the Pacific States.

6. This is Samoa's first Trade Policy Review. A WTO Member since May 2012, its participation in the WTO is facilitated by the Pacific Island Forum Secretariat Office in Geneva. The WTO Agreement on Trade Facilitation was accepted by Samoa on 21 April 2016, and two notifications regarding its Category A, B and C commitments were submitted. Samoa has otherwise provided few notifications to the WTO, and has outstanding notifications in areas such as domestic support and export subsidies in agriculture, and import licensing procedures. Samoa has never been a party to, or a third party in, any WTO dispute settlement procedure.

7. Responsibility for trade policy formulation lies with the Trade Division of the Ministry of Foreign Affairs and Trade (MFAT). Trade negotiations are currently led by the Minister of Commerce, Industry and Labour (MCIL). The Samoan development strategy aims at boosting productivity and strengthening the country's resilience to shocks for sustainable economic growth. Samoa is in the process of implementing its eighth development plan (Strategy for the Development of Samoa 2016/17-2019/20) complemented by detailed sectoral plans. The Trade, Commerce and Manufacturing Sector Plan, which is based upon a Diagnostic Trade Integration Study, provides for a range of reforms of the regulatory framework affecting trade and investment.

8. Samoa's foreign investment regime is governed by the Foreign Investment Act, 2000 (as amended) and implementing regulations. The legal framework does not apply to the offshore financial services sector, which is overseen by the Samoa International Finance Authority (SIFA). Samoa is relatively open to foreign investment, albeit with a few exceptions. "Reserved" activities closed to foreign investment include the food retail trade, transportation (buses, taxis, rental cars),

saw mills, traditional ("elei") garment design and printing, and traditional Samoan accommodation ("fale") and budget accommodation. "Restricted" activities cover certain services, and the processing of coconut oil and nonu fruit (used as a traditional herbal medicine); for these activities, joint venture/incorporation requirements apply. Commercial fishing is subject to a 40% foreign-ownership cap.

9. Samoa has adopted a new Customs Act and customs regulations, and upgraded its clearance procedures to ASYCUDA++. Customs valuation is implemented through the Customs Valuation Regulations, 2011, based on the WTO Customs Valuation Agreement. Samoa has no non-preferential rules of origin.

10. The 2018 customs tariff has four bands (duty-free; 5%; 8%; and 20%) with a few exceptions in terms of higher tariffs and non-*ad valorem* tariffs. The average applied MFN tariff was 11.5% in 2018, virtually unchanged since Samoa's accession to the WTO. MFN tariffs on agricultural products (WTO definition) averaged 15.4% in 2018, ranging from zero to 300%. The peak tariff of 300% is levied on turkey tails. MFN tariffs on non-agricultural products averaged 10.7% in 2018, ranging from zero to 50%. Samoa has bound all tariffs, and generally there is a gap between the bound rates and the applied tariffs. In 2018, the applied MFN rates of 20 tariff lines exceeded their respective bound rates, including 9 tariff lines that were increased pursuant to the Customs Tariff Amendment Act, 2018. No other duties or charges (ODCs) are imposed at the border. Samoa has no legislation on trade contingency measures, and has never used anti-dumping, countervailing, or safeguard measures.

11. Imported and domestic goods and services are subject to a Value-Added Goods and Services Tax (VAGST) at the standard rate of 15%. Excise taxes are levied, *inter alia*, on certain food items; alcoholic beverages; tobacco products; fuel; and certain vehicles. In 2018, excise taxes were increased on food items with a high sugar or high fat content to encourage healthier diets.

12. Samoa maintains several import restrictions and prohibitions for health, safety or environmental reasons or to meet its international obligations. The import prohibition on turkey tails, which was applied on the grounds of health concerns, was lifted in 2013. Imports of left-hand drive vehicles are prohibited for traffic safety reasons (Samoa is a right-hand drive country), subject to a monthly import quota of 100 units (vehicles for private use, pick-up trucks and some special purpose vehicles). An import prohibition applies to second-hand vehicles over 10 years old. The local production and importation of liquor with an alcohol percentage greater than 40% was prohibited in 2018.

13. In general, registration formalities for exports of goods for commercial purposes are similar to those for imports. Samoa does not levy any export taxes. Exports of logs and timber, sea cucumbers, and live corals are prohibited for environmental reasons. Support for export activities is provided through import duty concession schemes. There are no governmental export finance, insurance or guarantee schemes. Exporters are required to repatriate export revenues.

14. At present, Samoa has few technical regulations and there is no single standardization body. The development of technical regulations falls under the responsibility of various ministries and agencies, including the MCIL. The Competition and Consumer Act, 2016 provides for the adoption of product standards by regulation. A new technical regulation on energy-efficiency standards came into force in 2018. In 2015, Samoa adopted a new Food Act, 2015, including its implementing regulations and several Codex-based standards. Samoa has yet to notify its recent TBT and SPS measures.

15. Samoa has reformed its competition regime with the adoption of a new Competition and Consumer Act in 2016. Under this legislation, price controls, still in place on basic food and household items, are to be lifted after a transition period. The State continues to play an important role in the economy, with state-owned enterprises operating in sectors such as utilities, ports and maritime transport, and airports and air transport. A legal framework is in place to strengthen the performance and accountability of state-owned enterprises.

16. The conduct of government procurement in Samoa is based on the Public Finance Management Act, 2001 and other legislation. They provide for the establishment of a Government Tenders Board, which is supported by the Procurement Division under the Ministry of Finance. Within the prescribed

limits, the Board is responsible for, *inter alia*: opening and awarding tenders for goods, works and general services. Samoa has an open government procurement regime, where open tendering is the norm (67% of total procurement in 2017/18) and no preferences are granted to domestic companies. Alternative methods of procurement are allowed under limited conditions.

17. The institutional and legal framework for the protection of intellectual property rights (IPRs) remains substantially unchanged since Samoa's WTO accession, and covers the main areas of the TRIPS Agreement. IPRs in Samoa are protected under, *inter alia*: the Copyright Act, 1998; the Copyright Amendment Act, 2011; the Intellectual Property Act, 2011; and the Intellectual Property Amendment Act, 2018. Responsibility for the formulation and implementation of intellectual property policy rests with the Registries of Companies and Intellectual Property Division of the MCIL, in collaboration with relevant stakeholders. It receives applications from domestic and international applicants, and grants or denies IPRs. Samoa aims to further reform its IPR regime through its 2012 National Intellectual Property Strategy and provide better protection to Samoan traditional knowledge and cultural expressions. Samoa is a party to several IPR-related international conventions and agreements. In December 2018, the Government deposited its instrument of accession to the Madrid Protocol.

18. The agriculture sector contributed 7.7% to GDP in 2017/18. Taro and other root crops are Samoa's main export commodities; however, agricultural production is otherwise largely for subsistence. Government support has been mainly in the form of Green Box general services and input subsidies to subsistence farmers (such as seeds and planting material), and also in response to natural disasters. The fisheries sector contributed 3% to GDP in 2017/18. Samoa adopted a new Fisheries Management Act, 2016, which is complemented by a management plan and licensing regime for the important tuna fishery sector. Commercial fishing enterprises may benefit from incentives in the form of tariff exemptions on fishing gear, bait, and equipment.

19. The state-owned Electric Power Corporation establishes and maintains the infrastructure for the transmission and distribution of electric power, and purchases electricity from independent power producers. The Office of the Regulator (for the telecom, electricity, broadcasting and postal sectors) is responsible for setting and reviewing tariffs charged by electricity licensees. The current electricity tariff structure comprises: a debt charge, a usage charge, and an energy charge. Based on monthly cost movements, the Regulator reviews and approves the energy charge on a monthly basis.

20. The manufacturing sector contributed 7.6% to GDP in 2017/18, down from 11% in 2012/13. Key subsectors include the food and beverage, tobacco, and clothing industries. Government support is provided mainly in the form of import duty concessions on inputs, raw materials and capital goods, which are available to poultry farmers, the fishing and food industries, manufacturers of handicrafts and indigenous garments, and the aviation and tourism industries.

21. Samoa's services sector contributes to over two thirds of GDP, led by trade services (33% of GDP in 2017/18). Under the GATS, Samoa has made specific commitments in some 70 subsectors: these include business services, communications, educational and construction services, on which open and non-discriminatory regimes have been scheduled, and financial services, tourism and travel related services, where certain modes of supply are unbound or subject to limitations.

22. The Central Bank of Samoa is the main regulator of the financial services sector. The main legislation regulating the sector includes the Central Bank of Samoa Act, 2015, the Financial Institution Act, 1996, the Insurance Act, 2007, and the Money Laundering Prevention Act, 2007. With regard to banking services, while commercial banks are well capitalized, natural disasters continue to pose a risk. The partial withdrawal of correspondent bank relationships by global banks has stabilized in recent years. Prudential standards apply equally to foreign and domestic banks, and are established in line with the Basel Core Principles. A strategy on anti-money laundering and countering the financing of terrorist activities is in place.

23. The main piece of legislation governing the telecommunications sector is the Telecommunications Act, 2005. There is no foreign ownership restriction in the sector. The Office of the Regulator is responsible for regulatory functions, such as licensing and frequency management.

24. Ports, airports and road networks are essential for Samoa's economic and social development, given the country's remoteness. The authorities overseeing the sector include the Ministry of Works, Transport and Infrastructure, the Land Transport Authority, the Samoa Port Authority, the Samoa Shipping Company, and the Samoa Airport Authority. Maritime transport is regulated by the Shipping Act, 1998 and its Regulations. The primary legislation governing civil aviation in Samoa is the Civil Aviation Act, 1998 and its Regulations. The National Infrastructure Strategic Plan and the Transport Sector Plan are the main policy documents for achieving the Government's objectives in the transport sector. Samoa has signed bilateral agreements with several countries, including Australia and China; and is a signatory to the Pacific Islands Air Service Agreement (PIASA), which provides for the establishment of a single aviation market. Samoa has withdrawn from the Multilateral Agreement on the Liberalization of International Air Transportation (MALIAT), effective 9 March 2019.

25. Tourism is vital for Samoa, with export earnings equivalent to about 20% of GDP. The Tourism Development Act, 2012 is the main piece of legislation regulating tourism and related activities. The Samoa Tourism Authority (STA) administers the licensing regime for the sector. Investment in the sector is encouraged through import duty exemptions for imported materials

## 1 ECONOMIC ENVIRONMENT

### 1.1 Main Features of the Economy

1.1. With a land area of around 2,800 km<sup>2</sup>, Samoa is a small archipelago in the South Pacific. It consists of two main islands (Savai'i and Upolu) and several smaller islands. Its approximately 196,440 (2017) inhabitants are concentrated on the two main islands.

1.2. Over the last two decades, the authorities launched successive reform programmes that, *inter alia*, promoted macroeconomic stability, and increased access to health and education. During the two decades, the country experienced an important expansion in labour intensive sectors, such as agriculture, including fisheries. Furthermore, infrastructure improved, and remittances and tourism also boomed in the same period. Against this background, the country experienced substantial economic progress; its gross national income per capita increased steadily, from USD 1,600 in the early 2000s to USD 4,100 in 2017.<sup>1</sup>

1.3. Following years of strong economic and social performance, which were marked by a relatively high-income level and improved human capital (two of the three criteria used to classify developing countries as least-developed), Samoa graduated from least developed country (LDC) status, effective 1 January 2014. However, the country continues to face vulnerability to natural and economic shocks, as well as challenges regarding social transformation.

1.4. While extreme poverty is rare in Samoa, the country faces a number of important social challenges, including the accessibility of public services by the poorest category of the population, and the high prevalence of non-communicable diseases (such as diabetes and heart disease) and related social costs.

1.5. Samoa has a small, relatively open economy, driven by agriculture, fisheries, tourism, remittances and other services. Since the closure of a factory producing automobile harnesses for export to Australia (Section 4.3), the manufacturing sector mainly processes agricultural products, such as coconut, and tuna.

1.6. The services sector is the largest contributor to GDP (with some two thirds of GDP) (Table 1.1).<sup>2</sup> In addition, it provides employment to some 88% of the working population (Chart 1.1). Tourism is Samoa's top foreign exchange earner, and New Zealand and Australia are Samoa's largest sources of tourism income.

**Table 1.1 GDP by economic activity, 2012-18**

GDP by economic activity at current prices (%)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Agriculture	7.3	6.9	6.4	6.8	8.0	7.7
Fishing	2.3	2.6	3.1	2.8	3.1	3.0
Food and beverage manufacturing	3.6	4.0	3.8	4.0	3.8	3.6
Other manufacturing	7.1	6.6	6.0	5.7	5.9	4.0
Construction	10.5	11.6	9.7	10.2	9.1	9.8
Electricity and water supply	4.4	4.4	4.8	3.9	3.7	3.9
Services	65.9	65.2	67.4	67.9	67.9	69.4
Trade	32.1	32.2	31.5	30.9	31.9	32.8
Accommodation and restaurants	1.7	1.4	1.6	2.1	2.0	2.4
Transport	3.3	3.2	4.5	5.0	4.7	4.4
Communication	4.1	3.7	4.5	4.8	3.9	4.2
Public administration	7.6	7.7	7.8	8.0	7.9	8.4
Financial services	3.8	3.9	3.9	4.4	4.7	4.0
Business services	3.2	3.0	3.1	2.5	2.4	2.6
Ownership of dwellings	5.6	5.6	5.5	5.2	4.9	4.8
Personal and other services	4.6	4.5	5.0	5.2	5.5	5.8
Less: enterprise share of FISIM	-1.2	-1.2	-1.2	-1.4	-1.5	-1.3

<sup>1</sup> World Bank statistical information. Viewed at:

<https://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=WS>.

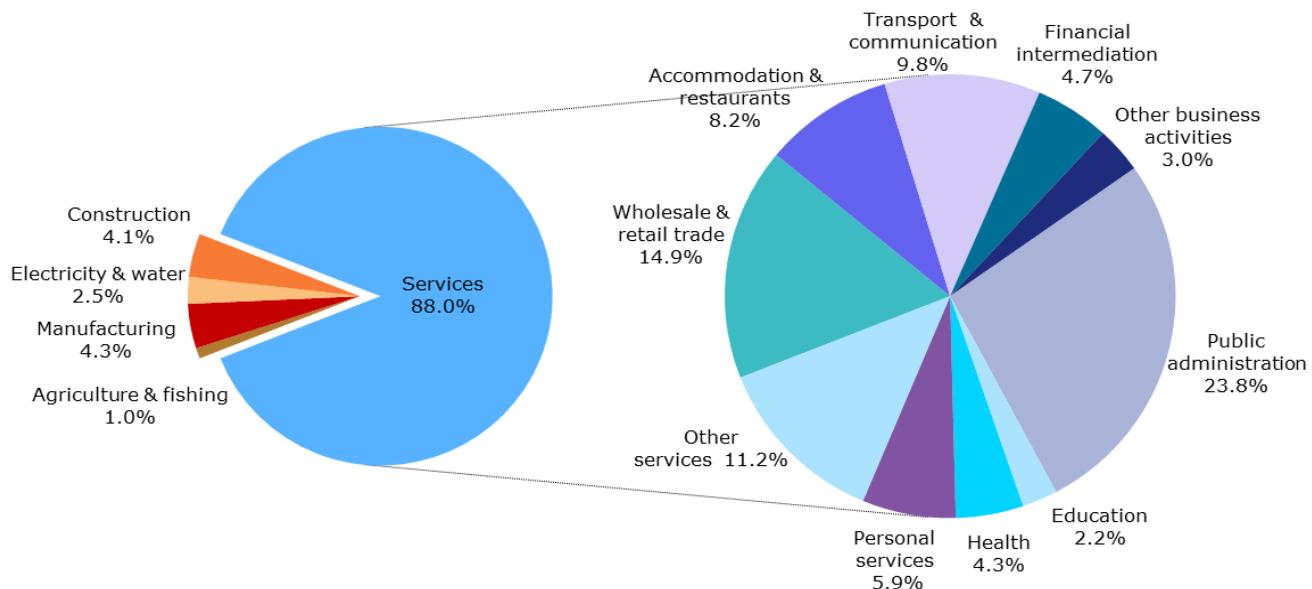
<sup>2</sup> The authorities indicated that there are ongoing efforts with a view to improving the quality of core statistics on economic activities.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
GDP by economic activity at constant 2009 prices (% change)						
Agriculture	2.0	11.1	-11.3	-6.1	17.7	-6.2
Fishing	-17.9	3.5	50.8	47.3	-13.1	-20.0
Food and beverage manufacturing	-8.7	5.2	-7.5	12.7	5.2	1.3
Other manufacturing	1.2	-7.3	-7.2	2.6	7.0	-31.4
Construction	-6.8	11.4	-11.6	12.3	-11.1	11.1
Electricity and water supply	5.6	1.4	13.6	-2.8	5.9	4.0
Services	-1.1	-1.1	5.1	6.9	3.4	3.5
Trade	2.5	1.2	0.2	6.7	6.8	3.5
Accommodation and restaurants	-17.1	-15.4	12.1	37.2	1.7	13.9
Transport	-24.6	-1.7	37.3	22.2	-3.3	-5.2
Communication	11.9	-9.3	19.0	7.9	-12.5	12.0
Public administration	1.8	0.3	1.5	1.3	-0.9	4.6
Financial services	15.2	-0.9	3.3	4.9	6.8	-9.0
Business services	-9.2	-10.6	9.4	-9.0	2.4	9.7
Ownership of dwellings	0.6	0.6	0.6	0.6	0.6	0.6
Personal and other services	-15.4	-1.4	13.8	11.7	11.0	7.9
Less: enterprise share of FISIM	15.2	-0.9	3.3	4.9	6.8	-9.0

Note: The fiscal year in Samoa is from 1 July through 30 June.

Source: Central Bank of Samoa online information.

### Chart 1.1 Employment by economic activity, June 2018



Source: WTO Secretariat calculations, based on data provided by the authorities

1.7. Samoa faces a number of challenges with respect to its economic development. Its susceptibility to natural disasters, remoteness, and the size of its domestic market remain impediments to business development.

1.8. Fiscal policy is under the responsibility of the Ministry of Finance (MoF). Samoa's fiscal stance is geared towards gradual consolidation, to slowly lower debt, and to contain the budget deficit in the medium-term within 3.5% of GDP. In the past, the authorities have also sought to broaden the tax base and reduce operational expenses. Given the vulnerabilities the country faces, the fiscal framework is aimed at ensuring resilience to natural disasters. A review is undertaken on a regular basis to ensure an efficient tax policy.

1.9. The Central Bank of Samoa (CBS) is responsible for the formulation and implementation of monetary policy. Its main objective is to promote sustainable real economic growth by maintaining price stability, international reserves viability and a sound financial system. The CBS sets the inflation target, currently at 3%.

1.10. Regarding its exchange rate policy, the CBS seeks to ensure that export-oriented industries remain competitive in overseas markets, whilst at the same time minimizing imported inflation (the main determinant of the country's inflation). The exchange rate of the local currency, the Tala (WST), is pegged to a trade and payments weighted basket of currencies of its major trading partners. The basket is reviewed periodically to ensure that exchange rates are in line with changing economic and market conditions. It is based on Samoa's distribution of merchandise trade and tourism earnings and is reviewed annually to reflect changes in trade and payment patterns between Samoa and its major trading partners. It comprises the currencies of the United States, New Zealand, Australia and the European Union.

1.11. According to the IMF's 2017 annual report on exchange arrangements and exchange restrictions, Samoa's exchange rate regime is defined as a conventional peg. With regard to exchange control, the country maintains a system that is free of restrictions on payments and transfers for current international transactions. The authorities indicate that the only area in which prior CBS approval is sought relates to capital account transactions.

1.12. A coordination framework is in place between the MoF and the CBS, at both a strategic and an operational level. To this end, memoranda of understandings (MoUs) between the CBS and the MoF have been signed.

## 1.2 Recent Economic Developments

1.13. During the review period, the Strategy for the Development of Samoa (SDS) 2012-2016, and its successor from 2016/2017 to 2019/2020, served as one of main guiding documents for the Government's policies for economic development. The SDS was adopted with a view to boosting the country's productivity for sustainable development, revitalizing growth, and ensuring buffering mechanisms to protect the local economy from the effects of economic crises. The SDS translates into more detailed sectoral plans developed by ministries and agencies (Sections 2 and 4). Additionally, the authorities state that several poverty alleviation projects with gender considerations were implemented in rural areas to improve the living standard of the poorest populations.

1.14. In December 2012, Samoa was hit by Cyclone Evan, which caused considerable damage and losses. According to the Government's Post-Disaster Needs Assessment on Cyclone Evan 2012, the disaster cost an estimated USD 203.9 million in terms of damaged physical assets, production losses and higher production costs caused by impracticable infrastructures. Real GDP declined by 1.9% over the fiscal year 2012/2013 (Table 1.2), reflecting, *inter alia*, the decline of value-added in the services sector, mainly in tourism (hotels and restaurants, and transport). Fishing and agri-food industries also suffered considerably. The authorities responded, *inter alia*, with a fiscal stimulus and Central Bank lending to non-bank financial institutions.

**Table 1.2 Selected economic indicators, 2012-18**

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>GDP</b>						
Real GDP annual growth (%)	-1.9	1.4	1.5	7.2	2.7	0.7
GDP per capita at current market prices (WST)	9,681.8	9,772.6	10,111.4	10,558.4	10,878.6	11,221.7
GDP per capita at current market prices (USD)	4,231.5	4,203.2	4,155.9	4,040.7	4,288.0	4,454.8
Current GDP (WST million)	1,838.9	1,870.1	1,949.2	2,056.0	2,133.8	2,210.9
Current GDP (USD million)	803.7	804.3	801.2	786.9	841.1	877.7
<b>Money and credit (% change)</b>						
Broad money (M2), end-period	-0.8	18.7	0.6	7.1	7.8	16.5
Net domestic assets	9.1	1.9	23.6	13.6	2.8	-2.3
Banking system's credit: private sector, end-period	1.2	3.0	12.7	13.9	9.0	-0.7
<b>Prices and interest rates</b>						
Inflation (CPI, % change, period average)	-0.2	-1.2	1.9	0.1	1.3	3.7
Commercial bank deposit rate (% , period average)	2.66	3.03	2.77	2.38	2.45	2.75
Commercial bank lending rate (% , period average)	10.07	10.23	9.68	9.35	8.82	8.85

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Exchange rate</b>						
WST/USD, period average	2.288	2.325	2.433	2.613	2.537	2.519
Nominal effective exchange rate (% change, period average)	1.7	-0.3	-0.2	-0.02	0.2	-0.02
Real effective exchange rate (% change, period average)	-3.6	-3.3	0.5	-1.2	-0.4	1.7
<b>Fiscal balance (% of GDP)</b>						
Total revenue	26.7	29.7	27.4	29.0	28.9	29.2
Current revenue	24.1	25.3	25.3	26.8	27.0	26.4
Taxes	22.1	23.0	22.7	24.2	24.3	23.8
Other revenues	2.0	2.3	2.6	2.6	2.8	2.6
Grants	2.6	4.4	2.1	2.2	1.9	2.8
Total expenditure	30.5	35.0	31.3	29.4	30.0	29.1
Current expenditure	26.1	28.3	27.0	24.5	23.0	23.3
Net acquisition of non-financial assets	4.4	6.6	4.3	4.9	7.0	5.8
Current surplus/deficit (including grants)	0.6	1.4	0.4	4.5	5.9	5.9
Overall surplus/deficit	-3.8	-5.3	-3.9	-0.4	-1.1	0.1
Financing:						
External financing	3.7	2.8	2.3	0.4	0.1	1.2
Domestic financing	1.6	1.3	-2.1	-0.9	-1.8	0.4
<b>External sector (% of GDP, unless otherwise indicated)</b>						
Current account balance	-1.7	-8.5	-2.7	-4.5	-1.8	2.3
Net merchandise trade	-35.0	-38.5	-36.7	-34.4	-32.2	-33.4
Merchandise exports	3.4	3.1	3.5	4.7	4.5	4.1
Merchandise imports	38.4	41.6	40.1	39.1	36.7	37.5
Services balance	13.2	13.4	15.8	15.4	16.9	18.8
Capital account	2.0	7.5	4.5	3.5	5.1	3.4
Financial account	-1.9	-2.7	-3.5	-1.9	0.6	0.2
Direct investment	-1.2	-2.0	-3.4	-0.8	1.0	-1.7
Balance of payments	-1.8	2.0	3.2	-2.1	1.3	4.8
Remittances (WST million)	419.3	392.0	418.5	391.3	405.2	502.7
Gross official international reserves (end-period)	322.6	352.3	335.8	284.9	312.8	422.7
in months of imports	5.5	5.4	5.1	4.3	4.8	6.1
Total external debt (USD million, end-period)	414.5	415.6	443.2	398.7	401.2	434.3
in % of GDP	51.6	51.7	55.3	50.7	47.7	49.5

Source: Samoa Bureau of Statistics online information; CBS online information; IMF online information; and data provided by the authorities.

1.15. In 2013/2014, the tourism industry continued to underperform, reflecting the lingering effects of Cyclone Evan. However, the economy picked up slightly, supported by good performance in agriculture, fishing, and manufacturing; the Government provided financial support to farmers through the Agriculture and Fisheries Cyclone Recovery Programme (AFCRP), which was completed in 2016, and the Samoa Agriculture Competitiveness Enhancement Project (SACEP) (Section 4.1). GDP grew further in 2014/2015, and its growth rate significantly accelerated in 2015/2016 to reach 7.1%, boosted by buoyant construction activities, following the launch of several reconstruction and rehabilitation works. Samoa's economic performance was further supported by rapid expansion in construction, commerce and transportation services, related to preparations for the United Nations Small Island Developing States (SIDS) Conference in September 2014 and the Commonwealth Youth Games in September 2015. After the temporary spike in 2015/2016, growth moderated in 2016/2017, due partly to the negative impact of the closure of the Yazaki manufacturing plant<sup>3</sup> in August 2017 and subdued exports, including fish exports, but it remained robust, at 2.7%, driven by services, manufacture and agriculture. GDP growth further moderated in 2017/18, as the country was hit by Cyclone Gita.

1.16. During the review period, inflation was kept under control, and the rate remained well below the authorities' target of 3% until 2016/2017, reflecting stable oil prices and good performance in agriculture and food supply. While prices contracted slightly over the periods 2012/2013 and 2013/2014, a noticeable hike was recorded in 2014/2015 and 2016/2017 due to a drop in output in agriculture and higher prices of locally-produced food. In 2017/2018, inflation increased further, and overshot the CBS 3% target, reflecting high oil prices and the negative effects of Cyclone Gita on

<sup>3</sup> Yazaki was producing automobile parts including automotive wire harnesses; it was one of the largest manufacturing employer and a major contributor to the country's GDP in Samoa in recent years.

agriculture. Regarding the exchange rate, after a steady depreciation trend against the U.S. dollar since 2012, the Tala appreciated in 2016/17.

1.17. During the review period, the CBS kept its policy rate close to zero, and bank liquidity remained high. According to the IMF, the transmission mechanism for monetary policy is weak, due to a lack of competition in commercial banks, weakness in some bank balance sheets, and structural impediments to finance (Section 4.4.1). Despite narrowing during recent years, the interest spread remained high over the review period, and banks were reluctant to lend, as non-performing loans averaged some 5% (Section 4.4.1.1); remittance costs also remained high, above 5% on average. According to the authorities, in the context of recurrent natural disasters and associated high risks, some public financial institutions have engaged in lending activities to assist with stimulating credit, mainly in agriculture, and to small and medium enterprises.

1.18. On the fiscal front, the Government pursued a prudent policy under the SDS 2012-2016. Tax revenue averaged some 23% of GDP over the review period.<sup>4</sup> Grants remained important, which reflects the reliance of Samoa's economy on foreign development aid (Table 1.2).

1.19. Total expenditure reached 35% of GDP in 2013/14, due to reconstruction efforts related to Cyclone Evan damage, a stimulus package to farmers, and preparations for the SIDS Conference. As a consequence, the overall fiscal deficit (as a percentage of GDP) worsened, from 3.8% in 2012/2013 to 5.3% in 2013/2014, before a steady improvement, which led to a slight surplus in 2017/2018 (Table 1.2). The Government has undertaken reviews to improve Samoa's taxation regime and procedures, with a view to broadening the tax base. According to the IMF, the review suggests removing various tax concessions, such as the tourism tax credit scheme, and duty concessions; and raising excise taxes for a list of items (Section 3.1.4).

1.20. Samoa's debt management strategy is anchored in a target ratio of 50% of GDP. However, the country faces challenges from recurrent natural disasters, which lead systematically to additional government expenditures. For example, the 2009 tsunami and Cyclone Evan increased the debt level by 10% and 5% of GDP, respectively. During most years of the review period, the debt ratio remained over the target level. Debt-to-GDP increased from 51.6% in 2012/13 to 55.3% in 2014/2015, before moderating slightly in 2016/2017 and 2017/2018. According to the IMF, Samoa is assessed to be at high risk of debt distress in the medium term, given the risk of natural disasters.<sup>5</sup>

1.21. The current account remained in deficit during most years of the review period, largely driven by the merchandise trade deficit (Table 1.3). The deficit worsened markedly in 2013/2014 due to high imports of capital goods for the reconstruction after Cyclone Evan damages, preparations for the UN SIDS Conference, and the upcoming sporting events. However, a noticeable improvement was registered over the following years, leading up to a surplus in 2017/2018, as exports of services firmed up. The surplus of the services account also increased further.

**Table 1.3 Balance of payments, 2012-18**

(USD million)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Current account	-13.9	-68.7	-21.4	-35.6	-14.7	20.3
Goods and services balance	-175.0	-201.5	-167.1	-149.0	-128.5	-127.4
Goods balance	-281.4	-309.5	-293.8	-270.3	-270.4	-292.7
Exports	27.4	24.9	27.8	36.9	38.0	36.3
Imports	308.9	334.3	321.6	307.3	308.4	328.9
Services balance	106.4	108.0	126.7	121.3	141.9	165.3
Exports	194.6	194.8	195.0	206.0	224.0	252.8
Transportation	8.9	7.7	6.3	6.2	11.8	12.9
Travel	138.4	136.2	142.8	147.4	150.9	180.0
Imports	88.3	86.8	68.4	84.7	82.1	87.5
Transportation	46.1	41.3	31.4	30.5	30.1	35.1
Travel	6.5	1.7	1.7	1.3	2.4	2.3
Primary income	-27.4	-29.8	-16.0	-18.6	-26.8	-29.5
Credit	15.9	17.5	13.0	7.6	7.2	4.8
Compensation of employees	10.4	11.2	7.2	3.5	4.0	4.8

<sup>4</sup> Customs duties represented 18% of total tax revenue in 2017/18.

<sup>5</sup> IMF online information. Viewed at

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Debit	43.3	47.3	29.0	26.2	34.0	34.3
Compensation of employees	5.6	6.5	2.6	4.3	5.2	2.1
Secondary income	188.6	162.6	161.7	132.0	140.6	177.2
Personal transfers, net	156.0	126.9	122.1	111.1	114.8	126.3
of which: workers' remittances, net	143.7	124.0	120.4	110.3	114.3	126.3
Credit	199.1	175.8	175.4	149.7	159.7	200.2
Debit	10.6	13.3	13.7	17.7	19.1	23.0
Capital account	16.0	60.5	35.7	27.2	43.2	29.8
Financial account	-15.0	-22.0	-28.1	-15.2	4.9	1.7
Direct investment	-9.8	-16.0	-27.1	-6.2	8.5	-15.2
Samoa's direct investment abroad	4.7	0.7	3.7	9.3	9.6	0.1
Direct investment into Samoa	14.5	16.7	30.9	15.5	1.0	15.3
Portfolio investment	10.8	0.4	8.5	0.2	5.6	0.4
Assets	10.8	0.4	0.0	0.0	0.0	-0.5
Liabilities	0.0	0.0	0.0	-0.1	0.0	0.0
Other investment	-16.0	-6.5	-9.5	-9.2	-9.2	16.4
Assets	6.0	43.7	17.0	-7.3	-19.0	-20.3
Liabilities	22.0	50.1	26.5	1.9	-9.8	-36.7
Net errors and omissions	-31.9	-30.2	-17.1	-23.0	-13.0	-6.1
Reserve assets	-14.8	-16.4	25.3	-16.3	10.5	42.4
<i>Memorandum:</i>						
WST/USD (fiscal year average)	2.288	2.325	2.433	2.613	2.537	2.519

Source: WTO calculations based on data taken from CBS online information; and data provided by the authorities.

1.22. IMF's medium-term projections are positive regarding Samoa's economic growth. GDP is expected to expand at a rate of 3.2% in 2018/19 and 5% in 2019/20. The good economic outlook over that period is dependent on the effective implementation of the SDS 2016/17-2019/20, as well as infrastructure spending, preparation for the Pacific Games that Samoa will host in July 2019, and new business operations at the former Yazaki plant.

1.23. Other risks to economic performance include the partial withdrawal of correspondent bank relationships by global banks, which may disrupt financial services, including trade finance, remittances, and cross-border money transfers. Weak growth in Samoa's major trading partners may also affect export and tourism receipts.

### 1.3 Developments in Trade and Investment

#### 1.3.1 Trends and patterns in merchandise and services trade

1.24. Samoa's international trade in goods and services (exports and imports) averaged some 78% of GDP over the review period.

1.25. Total merchandise exports declined markedly over the review period, from USD 76.1 million in 2012 to USD 44.4 million in 2017 (Table A1.1). The sharp reduction was mainly attributed to the closure of the Yazaki manufacturing plant in 2017. Merchandise imports increased from 2012 to 2014, mainly driven by imports of capital goods in the wake of reconstruction activities following the passage of Cyclone Evan. A downward trend was, however, noticeable in imports until 2016 (Table A1.2).

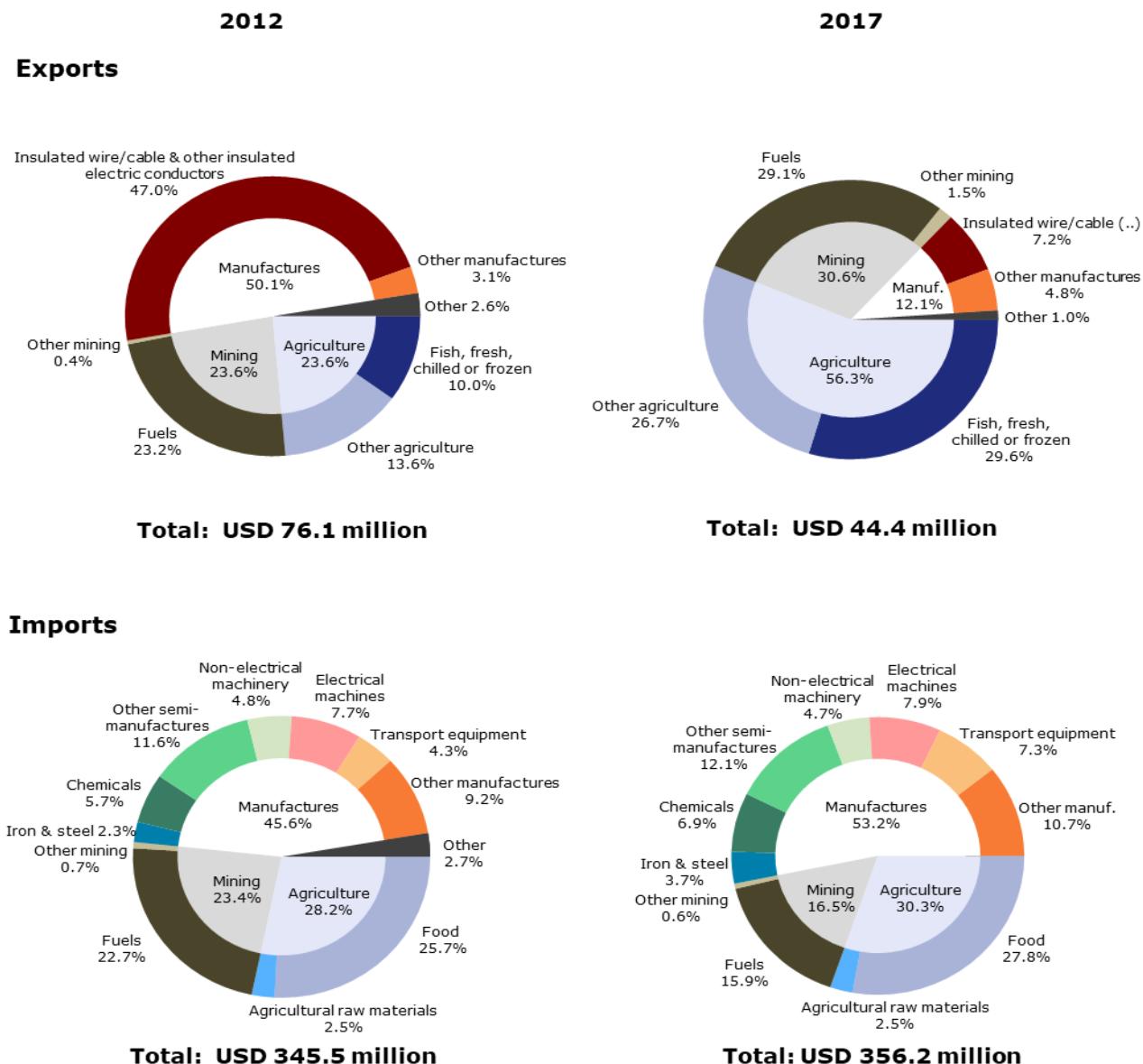
1.26. The composition of exports changed notably during the review period. Manufacture, which was the largest contributor to total exports in 2012 (50.1%), recorded a large decrease, following the closure of the Yazaki manufacturing plant, to stand at 12.1% of total exports (Chart 1.2). On the other hand, agriculture, dominated by fish, became the top export category, accounting for 56.3% in 2017. Other major agricultural exports include vegetable products, beer, and juice. Mining, driven by fuel items (mainly re-exports of fuel for aircrafts and vessels), is the second-largest contributor to Samoa's exports, accounting for 30.6% in 2017, up from 23.6% in 2012.

1.27. Over the same period, the composition of imports recorded a slight change. As fuel imports shrank (in value) from 22.7% in 2012 to 15.9% in 2017, owing to lower oil prices, the share of agricultural and manufactured products widened.

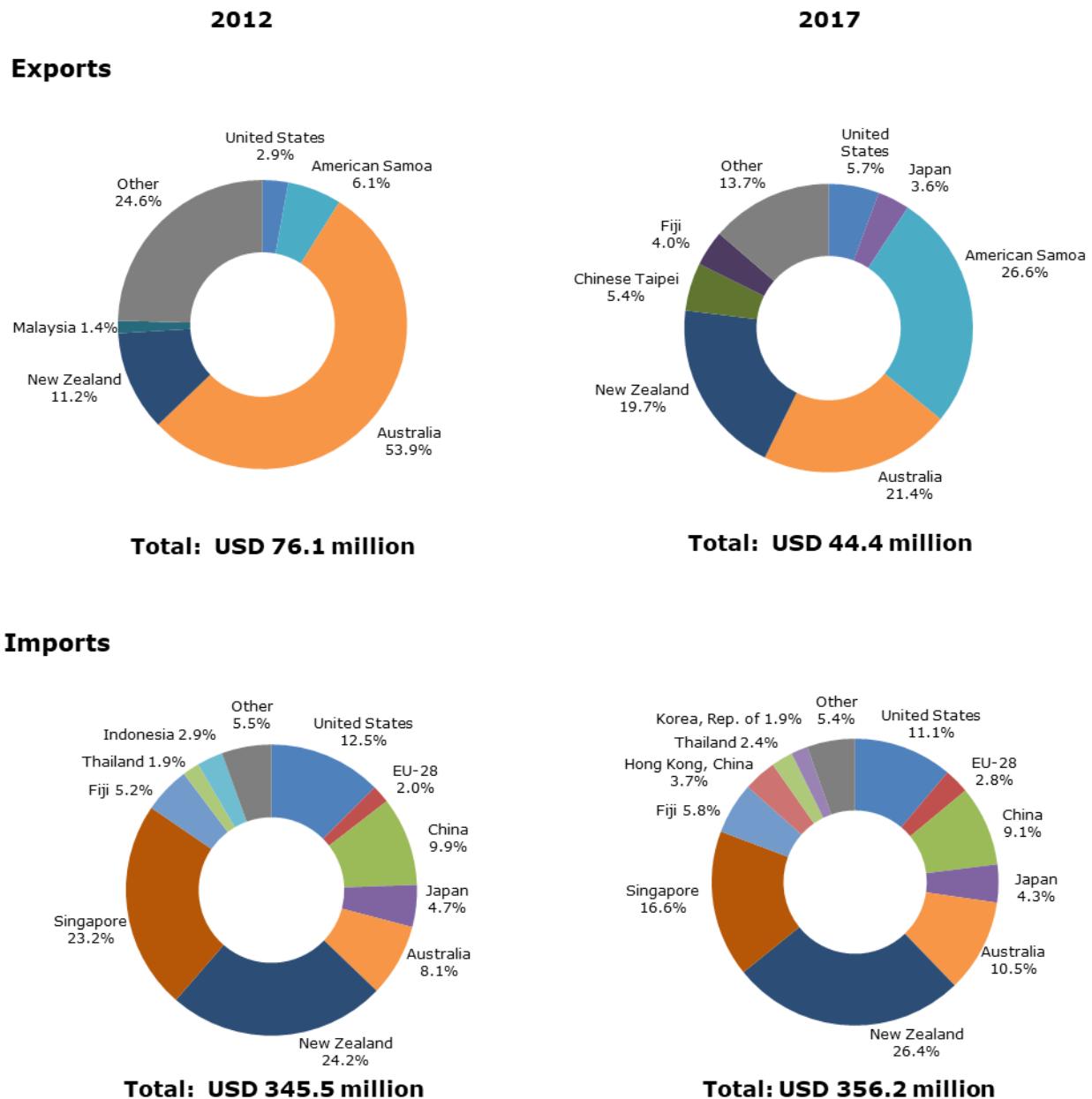
1.28. In 2017, American Samoa, Australia, and New Zealand were among Samoa's main export destinations. (Chart 1.3). Australia, which used to be the main destination of Yakazi's production and Samoa's top exports destination, registered a large slump of its export share, from 53.9% in 2012 to 21.4% in 2017.

1.29. Asia is the leading source of Samoa's imports. Its share in total imports rose from 84.4% in 2012 to 85.3% in 2017. New Zealand is the top source of Samoa's imports (26.4% in 2017), followed by Singapore (16.6%), and Australia (10.5%).

### Chart 1.2 Production composition of merchandise trade, 2012 and 2017



Source: WTO calculations, based on the UNSD Comtrade database (SITC Rev.3).

**Chart 1.3 Direction of merchandise trade 2012 and 2017**

Source: WTO calculations, based on the UNSD Comtrade database; and data provided by the authorities.

1.30. Samoa is a net exporter of services. The services trade surplus increased from USD 106.4 million in 2012/2013 to reach USD 165.3 million in 2017/2018 (Table 1.3). Services exports are dominated by travel services, while transportation accounts for the largest part of services imports (Table 1.4).

**Table 1.4 Trade in services, 2012-18**

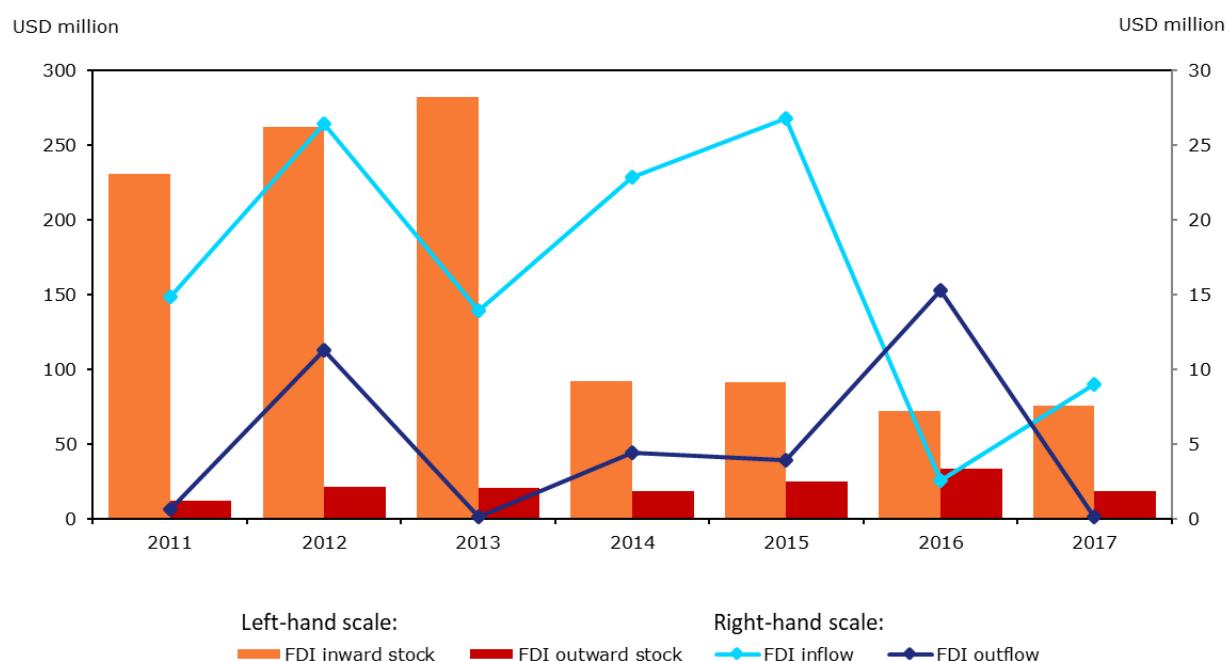
Total credit (USD million)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	194.6	194.8	195.0	206.0	224.0	252.8
	(% of total credit)					
Transportation	4.6	3.9	3.2	3.0	5.3	5.1
Passenger	0.3	0.6	0.3	0.2	0.5	0.2
Freight	0.7	1.6	1.0	0.4	0.7	0.2
Other	3.6	1.7	2.0	2.4	4.1	4.7
Postal and courier services	0.4	0.5	0.6	0.6	0.9	0.8
Travel	71.1	69.9	73.2	71.5	67.4	71.2
Telecommunication	2.9	2.1	5.3	6.9	8.0	7.3
Computer and information	0.3	0.4	0.2	0.2	1.0	1.5
Other	20.8	23.1	17.5	17.7	17.5	14.1
<b>Total debit (USD million)</b>	<b>88.3</b>	<b>86.8</b>	<b>68.4</b>	<b>84.7</b>	<b>82.1</b>	<b>87.5</b>
	(% of total debit)					
Transportation	52.2	47.5	45.9	36.0	36.7	40.1
Passenger	12.5	9.3	1.8	1.1	0.8	0.5
Freight	33.1	33.5	38.1	29.5	30.6	30.6
Other	6.6	4.7	6.1	5.4	5.3	8.9
Postal and courier services	0.9	0.1	1.5	1.3	1.7	0.4
Travel	7.4	1.9	2.4	1.6	3.0	2.6
Telecommunication	2.9	3.0	3.7	6.9	11.4	13.0
Computer and information	1.2	1.0	1.0	2.0	2.6	1.1
Other	35.5	46.4	45.4	52.3	44.6	42.8

Source: WTO calculations, based on data taken from CBS online information; and data provided by the authorities.

### 1.3.2 Trends and patterns in foreign direct investment (FDI)

1.31. The stock of FDI in Samoa totalled a record high of some USD 282.8 million in 2013, before its reduction to USD 75 million in 2017, reflecting the closure of the Yakazi plant (Chart 1.4). FDI inflows were volatile during the review period, with a sharp decrease between 2015 and 2016.

1.32. FDI has taken place in, *inter alia*, manufacturing, retailing, tourism, telecommunications, and aviation.

**Chart 1.4 FDI, 2011-17**

Source: UNCTAD, World Investment Report 2018 online information.

## 2 TRADE AND INVESTMENT REGIMES

### 2.1 General Framework

2.1. An independent state since 1 January 1962, Samoa is a parliamentary democracy with a unicameral legislature, a Prime Minister and a Head of State. Under the Constitution, the Head of State is elected by the Legislative Assembly for a five-year term. The Head of State appoints the Prime Minister to exercise executive functions and preside over a Cabinet of 12 members of Parliament.<sup>1</sup>

2.2. The Legislative Assembly consists of 49 members, representing the 43 districts of Samoa, including two urban districts.<sup>2</sup> All members of Parliament must be "*matais*" (chiefly titleholders). The Parliament is elected through universal suffrage every five years. Legislative proposals are initiated by government officials, following consultations with stakeholders, and are submitted to a sponsoring minister for consideration. The proposal is then transmitted to the Attorney General's Office for drafting. Once endorsed by the sponsoring minister, the draft bill is sent to the Cabinet, along with reports from the MoF and the Attorney General's Office outlining the fiscal and legal implications of the measure and is then tabled in Parliament. A bill requires three readings in Parliament and the assent of the Head of State, acting on the advice of the Prime Minister, in order to become law (Act of Parliament).

2.3. Samoa has a dual legal system, where international treaties usually require domestication; domestication may take the form of direct application of the international law. The legal hierarchy consists of the Constitution as the supreme law, followed by Acts of Parliament; subsidiary legislation (i.e. regulations, ordinances, rules, orders, and notices); English Common Law and Equity not excluded by any other law; and customary law, which has acquired the status of law under an act or judgement of court. Laws are authentic in English and Samoan. Constitutional amendments require a two-thirds majority by Parliament at its third reading (Art. 109).<sup>3</sup>

2.4. The judiciary consists of the Supreme Court; the Court of Appeal; district courts; Fa'amasono Fesoasoani<sup>4</sup>; and courts of special jurisdiction dealing with youth, family, drug and alcohol matters. The Land and Titles Court deals with matters relating to Samoan custom and usage, customary land ownership and *matai* (chiefly) titles. Foreign companies may engage in civil proceedings before the Supreme Court or district court, and lodge appeals with the Court of Appeal.

2.5. Local government authority is exercised by the (360) Village Councils on matters of village law and order, and health and social issues, as provided for in the Village Fono Act, 1990 (as amended in 2017). The village chiefs (*matais*) are elected for life.

### 2.2 Trade Policy Formulation and Objectives

2.6. The Trade Division of the Ministry of Foreign Affairs and Trade (MFAT) is responsible for trade policy formulation, trade negotiations, and export facilitation and promotion. As the current Prime Minister is the Minister of Foreign Affairs and Trade, responsibility for trade negotiations has been delegated to the Minister of Commerce, Industry and Labour (MCIL). The MCIL has a broad mandate, including industry development and investment promotion, registration of companies, intellectual

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<sup>1</sup> Samoa has 15 government ministries: the Ministry of the Prime Minister; the MoF; the Ministry for Revenue; the Ministry of Foreign Affairs and Trade; the MCIL; the Ministry for Public Enterprises; the Ministry of Agriculture and Fisheries; the Ministry of Communications and Information Technology; the Ministry of Education, Sports and Culture; the Ministry of Health; the Ministry of Justice and Courts Administration; the Ministry of Natural Resources and Environment; the Ministry of Police, Prison and Fire Service; the Ministry of Works, Transportation and Infrastructure; and the Ministry of Women, Community and Social Development. See Ministerial and Departmental Arrangements Act, 2003.

<sup>2</sup> As per the Constituencies Act, 1963, six constituencies have two representatives each, and all others have one.

<sup>3</sup> The only exception relates to a provision concerning the alienation of customary land, for which amendments are subject to a referendum.

<sup>4</sup> Civil jurisdiction: claims not exceeding WST 2,000 which are also under the jurisdiction of the district court; and criminal jurisdiction: offences whose maximum penalties do not exceed one year of imprisonment or a fine of WST 500, or theft where the value of property stolen does not exceed WST 500 (District Courts Act, 2016).

property protection, technical regulations, fair trading and consumer protection, industrial relations and employment conditions, and labour market information collection and dissemination.

2.7. The National Working Committee on Trade Arrangements (NWCTA) meets at least four times annually, to advise the Cabinet on trade policy matters and potential trade arrangements beneficial for Samoa. It is convened at senior management level, comprising the Chief Executive Officers (CEOs) of the key government agencies, as well as stakeholders and civil society, and is chaired by the MFAT. The committee's terms of reference cover WTO matters, including trade facilitation, in which case the committee is convened as National Trade Facilitation Committee.

2.8. Samoa is in the process of implementing the "Strategy for the Development of Samoa (SDS) 2016/17-2019/20.<sup>5</sup> It is Samoa's eighth overarching development plan, which sets out the Government's priorities and objectives in four areas (economic, social, infrastructure and environment), which are implemented through 14 sector plans.<sup>6</sup> The Trade, Commerce and Manufacturing Sector Plan (TCMSP) plays a central role with regard to the direction of Samoa's trade policy and reforms.

2.9. The initial TCMSP 2012-16 established a road map, aimed at diversifying the production base and putting in place an inter-governmental coordination mechanism for implementation. Its successor, TCMSP 2017/18-2020/21, captures the work anticipated by the Government for the key outcomes of the SDS (i.e. improved export performance and enhanced participation of the private sector in development). The current TCMSP and its predecessor are based upon the Diagnostic Trade Integration Studies (DTISs) of 2010 and 2016.<sup>7</sup> The objectives of the current TCMSP have been developed under four pillars. Pillars 1 and 2 aim to improve the industrial supply and productivity of the main industries and increase processing activities and value-addition of locally manufactured goods. Under Pillar 3, the Government aims to reduce the cost of doing business, improve access to private sector support schemes, improve the trade balance, and increase labour mobility in foreign markets. Pillar 4 seeks to strengthen institutional capacity and coordination. The Plan lists a range of actions (93), including reforms of the regulatory framework that affect trade and investment.<sup>8</sup> This includes, for example, a review of the national tariff structure, to reduce tariffs on inputs and capital goods for local production processes.

## **2.3 Trade Agreements and Arrangements**

### **2.3.1 WTO**

2.10. Samoa became the 155<sup>th</sup> Member of the WTO on 10 May 2012. It grants at least MFN treatment to all its trading partners. Its participation is facilitated by the Pacific Island Forum Secretariat (PIFS) Office in Geneva. Samoa participates in, and supports the positions of, the following groupings in the WTO: African, Caribbean and Pacific countries (ACP), G-90, Small Vulnerable Economies (SVEs), and the Pacific Group. At the Ministerial Conference in Buenos Aires in 2017, Samoa made a statement on behalf of the Pacific Group.<sup>9</sup>

2.11. According to the authorities, Samoa continues to implement its WTO accession commitments within the time-frame of 2013-21, in line with the Working Party Report on the accession of Samoa to the WTO.<sup>10</sup> Samoa has provided 10 notifications since its accession (Table A2.2). A WTO notification workshop was held in Samoa in 2017. While the Government has prioritized the implementation and notifications related to the Trade Facilitation Agreement, it has outstanding notification obligations in areas such as domestic support and export subsidies in agriculture and import licensing procedures. Also, it has not notified any of its recent TBT and SPS measures

<sup>5</sup> MoF online information. Viewed at: [https://www.mof.gov.ws/Portals/195/EPPD/SDS%201617-1920\\_Eng.pdf](https://www.mof.gov.ws/Portals/195/EPPD/SDS%201617-1920_Eng.pdf).

<sup>6</sup> MoF online information. Viewed at: <https://www.mof.gov.ws/Services/Economy/SectorPlans/tabid/5811/Default.aspx>.

<sup>7</sup> MCIL online information. Viewed at: [https://www.mcil.gov.ws/?media\\_dl=3653](https://www.mcil.gov.ws/?media_dl=3653).

<sup>8</sup> MCIL online information. Viewed at: [https://www.mcil.gov.ws/tcmsp-201718-202021\\_master-document\\_web/](https://www.mcil.gov.ws/tcmsp-201718-202021_master-document_web/).

<sup>9</sup> WTO document WT/MIN(17)/ST/97, 4 January 2018.

<sup>10</sup> WTO documents WT/ACC/SAM/30 and WT/MIN(11)1, dated 1 November 2011.

(Section 3.3.2). Samoa has never been a party to, or a third party in, any WTO dispute settlement procedures.

### **2.3.2 Regional and preferential agreements**

#### **2.3.2.1 Pacific Island Countries Trade Agreement (PICTA)**

2.12. The PICTA is a regional trade agreement (RTA) among the 14 Forum Island Countries.<sup>11</sup> It was originally a trade in goods agreement, with the aim of removing tariffs on most goods by 2021, excluding alcohol and tobacco products. The Agreement was signed by Samoa on 18 August 2001 and entered into force in Samoa on 13 April 2003. It was notified to the WTO in September 2008 under the provisions of the Enabling Clause.<sup>12</sup> As at December 2018, eligible Samoan exports (that meet the rules of origin criteria) were accorded preferential duties in Cook Islands, Fiji, Niue, Solomon Islands, and Tuvalu. The remaining signatory countries have yet to ratify the PICTA or to announce their readiness to trade under it. The parties have adopted a negative list approach for preferential tariffs. Samoa has excluded five tariff lines (HS 3208.0000, HS 3209.0000, HS 2201.1010, HS 0407.0000 and HS 6810.1100) from duty-free preferential treatment.<sup>13</sup> The Agreement also contains provisions on safeguards, anti-dumping and countervailing duties, and dispute settlement, amongst others.<sup>14</sup>

2.13. Negotiations of a PICTA trade in services protocol were concluded in 2012. The protocol has been signed by 10 Forum Island Countries, with four ratifications completed to date, by Samoa, Tuvalu, Republic of Marshall Islands, and Nauru. It will enter into force once six countries have ratified the Agreement. Samoa's services commitments cover the following sectors: professional services, financial services, telecommunications, construction, education, environmental services, transport services and tourism. A labour mobility framework for the temporary movement of natural persons is to be negotiated.

2.14. Samoa's total trade with PICTA countries is small in comparison with its global merchandise trade (Table 2.1). Imports from PICTA partners far outstrip Samoa's exports to them, averaging only about USD 2 million annually in recent years. Trade with Fiji, Samoa's main PICTA trading partner and sixth largest trading partner overall, has grown strongly. However, there has been a decline in merchandise trade with Papua New Guinea, Solomon Islands, and Tonga.

**Table 2.1 Samoa's merchandise trade with PICTA and SPARTECA partners, 2012-17**

USD '000

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Total exports</b>	76,101.6	62,108.6	50,921.6	58,927.6	56,040.5	44,401.8
PICTA	170.2	735.7	1,669.0	1,917.8	2,000.8	1,952.4
Cook Islands	9.5	20.0	71.9	151.7	145.9	127.8
Fiji	87.9	197.3	1,540.1	1,708.5	1,783.6	1,779.1
Kiribati	0.1	42.8	0.0	0.0	5.4	5.9
Micronesia	0.0	2.2	0.0	0.0	0.0	0.0
Nauru	0.0	0.0	0.0	18.9	0.4	0.046
Niue	0.2	0.3	0.2	0.0	1.0	0.2
Papua New Guinea	59.0	338.5	0.0	20.9	4.1	0.6
Solomon Islands	3.6	52.0	2.1	16.4	6.2	8.2
Tonga	9.4	81.8	54.6	1.3	42.8	29.6
Tuvalu	0.4	0.9	0.0	0.0	0.009	0.1
Vanuatu	0.2	0.004	0.2	0.1	11.4	0.9
SPARTECA	45,931.7	33,655.2	39,204.2	33,627.8	26,821.9	18,251.8
Australia	38,580.0	28,155.0	29,462.5	24,816.6	20,124.2	9,516.7
New Zealand	7,351.7	5,500.3	9,741.8	8,811.3	6,697.7	8,735.1
<b>Total imports</b>	345,515.2	366,588.3	388,023.9	370,582.4	349,840.6	356,189.8
PICTA	18,214.8	22,614.8	18,302.3	23,760.8	23,616.3	21,175.6
Cook Islands	7.4	50.9	2.5	5.6	13.1	4.3
Fiji	17,851.4	21,039.8	17,401.6	22,856.3	22,867.7	20,729.7

<sup>11</sup> Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Samoa. The Republic of the Marshall Islands and Palau have not yet signed the PICTA.

<sup>12</sup> WTO document WT/COMTD/N/29, 17 September 2008.

<sup>13</sup> DTIS 2016, p.26.

<sup>14</sup> WTO notification WT/COMTD/N/29, 17 September 2008.

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Kiribati	0.0	0.0	0.0	2.2	0.0	0.0
Micronesia	0.0	0.0	55.7	0.0	0.0	0.0
Nauru	0.0	0.0	1.4	0.0	0.0	0.6
Niue	0.0	0.0	0.2	0.3	88.1	70.0
Papua New Guinea	113.9	1,031.5	417.4	545.8	276.4	262.6
Solomon Islands	11.7	81.3	10.0	89.7	11.5	22.2
Tonga	230.4	411.0	400.2	246.2	176.8	73.8
Tuvalu	0.0	0.0	0.0	0.0	0.0	0.0
Vanuatu	0.0	0.1	13.3	14.6	182.7	12.4
SPARTECA	111,549.2	135,988.7	127,675.1	132,626.1	119,805.8	131,470.0
Australia	27,870.5	26,418.0	30,683.8	36,401.4	36,129.5	37,395.2
New Zealand	83,678.8	109,570.7	96,991.3	96,224.7	83,676.4	94,074.8

Source: UNSD Comtrade database.

### **2.3.2.2 Pacific Agreement on Closer Economic Relations (PACER) Plus**

2.15. Negotiations for an RTA between the Forum Island Countries and Australia and New Zealand (PACER Plus) were launched in 2009 and concluded on 20 April 2017. PACER Plus builds on the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) and the original PACER Agreement (2001), a framework agreement for trade relations without substantive trade liberalization. By December 2018, PACER Plus had been signed by Australia, New Zealand and nine Forum Island Countries, including Samoa.<sup>15</sup> It will enter into force once eight parties have completed their internal procedures.

2.16. PACER Plus covers trade in goods, services and investment; it contains, amongst others, chapters on customs matters and rules of origin, TBT and SPS measures, and an arrangement for labour mobility. Australia and New Zealand have committed to keep their preferential tariffs at zero on all products. Samoa is to reduce most of its tariffs to zero over an implementation period of 25 years; there are exceptions, notably for agricultural products. Depending on the product, Samoa's agricultural tariffs are to remain at rates of up to 20%; specific or alternate duties are to apply (e.g. on alcoholic beverages and tobacco products); or products are to be exempt from reduction commitments ("unbound").<sup>16</sup>

### **2.3.3 Preferential agreements**

#### **2.3.3.1 South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)**

2.17. SPARTECA is a non-reciprocal preferential agreement, in force since 1981, under which Australia and New Zealand provide duty-free and quota-free (DFQF) access to all eligible products from the Forum Island Countries (with the exception of sugar imports into Australia). In general, the rules of origin require that at least 50% of the product's total factory cost be from SPARTECA parties.

#### **2.3.3.2 General System of Preferences (GSP)**

2.18. On 1 January 2014, Samoa graduated from LDC status. As a consequence, Samoa lost its status as a beneficiary country under the LDC-specific GSP schemes of China, the European Union, India, the Republic of Korea, and Japan. China granted an extension/transition period until 1 January 2017; and the European Union until 1 January 2019 for continued access to its Everything But Arms initiative. Samoa remains eligible to utilize other GSP schemes, such as those of Armenia, Australia, Canada, the European Union (GSP +), Iceland, Japan, Kazakhstan, New Zealand, the Russian Federation, Switzerland, Turkey and the United States.<sup>17</sup>

#### **2.3.3.3 European Union**

2.19. On 21 December 2018, Samoa deposited an instrument of accession to the Interim Partnership Agreement between the European Union, Fiji and Papua New Guinea. According to the

<sup>15</sup> Cook Islands, Kiribati, Nauru, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

<sup>16</sup> Viewed at: <http://dfat.gov.au/trade/agreements/not-yet-in-force/pacer/Documents/schedule-of-commitments-on-tariffs-for-samoa-hs2012-part-i.pdf>.

<sup>17</sup> WTO online information. Viewed at: <http://ptadb.wto.org/Country.aspx?code=882>.

authorities, Samoa has excluded from liberalisation under this agreement about 20% of its trade with the EU, based on health, production, environmental, development and revenue interests.

## **2.4 Investment Regime**

2.20. Samoa's foreign investment regime is governed by the Foreign Investment Act, 2000, as amended by the Foreign Investment Amendment Acts, 2011 and 2015; and its implementing regulations, the Foreign Investment Regulations, 2011. The legal framework does not apply to the offshore financial services sector, which is overseen by the Samoa International Finance Authority (SIFA).

2.21. Certain activities are subject to foreign investment prohibitions or restrictions (Table A2.1). "Reserved activities" may only be carried out by Samoan nationals, and include public transportation buses, taxis, rental cars, retail trade, saw mills, and traditional elei garment design and printing. "Restricted activities" cover certain services, and the processing of coconut oil and nonu fruit (used as a traditional herbal medicine); for these activities, joint venture/incorporation requirements apply. Commercial fishing activities are subject to a 40% foreign-ownership cap. The Regulations (Article 3) stipulate the types of restrictions that may be imposed: foreign-ownership caps as determined by the Minister of the MCIL; maximum limits on foreign investment, as determined by the Minister of the MCIL; employment and training of Samoans; and the use of 50% overseas investment capital. Additional conditions may apply.<sup>18</sup>

2.22. The Regulations also set out the criteria and procedures for changing the lists of restricted or reserved activities.<sup>19</sup> Requests for the modification of the lists are to be submitted to the CEO of the MCIL, the analysis of which is based on economic criteria and benchmarks, which determine whether the activity at issue is considered to be adequately catered for by local businesses.<sup>20</sup> A proposal by the CEO to amend the lists is then considered by the Foreign Investment Advisory Committee, which is composed of representatives from government ministries and stakeholders.<sup>21</sup> Changes to the lists require Cabinet approval. The lists were last amended in 2011, with the addition of coconut oil processing (restricted) and traditional elei garment design and printing (prohibited).<sup>22</sup> According to the authorities, the Cabinet has approved the amendment of the reserved list to include beach fales (traditional Samoan thatched-roof, open beach houses) and budget accommodations.

2.23. Furthermore, the following business activities are prohibited under the Business Licence Act, 1998, for domestic and foreign enterprises alike: nuclear and toxic waste disposal or storage; the export of products prohibited by law; prostitution; the processing and export of endangered species; and the production of weapons of war.

2.24. Foreign investors are subject to the same rules and regulations as domestic investors, except for land-related matters (see below). No restrictions are imposed on foreign investors regarding repatriation of profits, provided they present the required supporting documents and tax clearance. Samoa has a double taxation agreement with New Zealand. It is not a party to any investment treaty.

2.25. Foreign investors require a foreign investment certificate, issued by the Industry Development and Investment Promotion Division of the MCIL. Applications are normally processed within three to five working days. A total of 66 new foreign investment certificates were received and approved in FY 2017/18, mainly in the professional services and non-food retail sectors. Certificates are valid for

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<sup>18</sup> Under Samoa's GATS commitments, the supply of certain business services (accounting review services, compilation of financial statements; other accounting services (CPC 86219); and bookkeeping services, except tax returns) is conditioned by the mandatory establishment of a joint venture with Samoan nationals; and the supply of engineering services and construction services requires incorporation in Samoa. See WTO document WT/ACC/SAM/30/Add.2 - WT/MIN(11)/1/Add.2, 1 November 2011.

<sup>19</sup> Article 4.

<sup>20</sup> Schedule 1 of the Foreign Investment Regulations, 2011.

<sup>21</sup> The MCIL (Chair); the MoF; the Ministry of Revenue; the Ministry of Agriculture and Fisheries; the Ministry of the Prime Minister; the MFAT; the CBS; the Attorney General's Office; the Samoa Tourism Authority; the Samoa Chamber of Commerce and Industry Incorporated; and the Samoa Association of Manufacturers and Exporters.

<sup>22</sup> Foreign Investment Amendment Act, 2011.

one year (WST 50), renewable, and may be cancelled if operations do not start within two years from the date of issue.

2.26. With regard to investment promotion, the MCIL has developed a National Investment Policy Statement and an Investment Guide, which set out the government policies affecting investment.<sup>23</sup> Samoa is a member of the World Association of Investment Promotion Agency (WAIPA). On the World Bank's Ease of Doing Business Index, Samoa ranked 87<sup>th</sup> in 2018, down from 60<sup>th</sup> in 2012.

2.27. In 2016, Samoa adopted the new Citizen Investment Act, that offers Samoan citizenship as an incentive for foreign investment. Qualifying investments must be in the area of: leasing and developing of government lands; processing or manufacturing of agricultural produce; processing or manufacturing of fishery products; tourism; information or communication technology (ICT); renewable energy generation; investment in a government development fund for the purposes of national development or investment in a prescribed charitable trust; or any other services not included in the Reserved List under the Foreign Investment Act, 2000. Leases of public land are permitted under the Act. Eligible investors must have a minimum net worth of WST 2.5 million, and the minimum investment is WST 4 million. The Act and its Regulation of 2016 are administered by the MCIL.

2.28. The Business Licence Act requires any natural or legal person carrying out an authorized business in Samoa to hold a business licence (valid for one year). Licence fees amount to WST 220 per business activity for individual traders and WST 500 for companies. Foreign investors require a Foreign Investment Certificate prior to application for a business licence. A business licence is sufficient to become an importer. In addition, activity licences are required for businesses and importers engaged in certain activities (Section 3.3.1). The MCIL maintains an online company registry (<https://www.businessregistries.gov.ws/>)

2.29. With regard to land, three types of property are recognized under the Constitution (Article 101): public land, freehold land and customary land. Only Samoan citizens are permitted to own land, with some exceptions. The Ministry of Natural Resources and Environment maintains a central public registry of customary, freehold and public land (farm, urban and commercial/industrial land) and of land that is available for lease.

2.30. Public land, i.e. government land available for disposal, is regulated by the Lands, Surveys and Environment Act, 1989. Any person of 21 years or more may lease government land for a period of up to 20 years, renewable for a maximum of 40 years. The law was amended in 2015, giving authority to the Land Board to accept 99-year leases (maximum of 10 acres) for a hotel, resort, serviced apartment or any other tourism-related development approved by the Board, subject to a minimum investment of WST 10 million.<sup>24</sup> Lease applications can only be refused if they run counter to the public interest, and refusals must be justified in writing.

2.31. The Samoa Trust Estates Corporation, a state-owned enterprise (SOE), has about 1,000 acres for lease purposes. It also runs its own agricultural operations (Section 3.3.5.2). The state-owned Samoa Land Corporation was established in 1990, following a debt restructuring of the Samoa Trust Estates Corporation.<sup>25</sup> The restructuring resulted in the Government settling all of the Corporation's debt, and part of its land (24,000 acres) was transferred to the Government and subsequently to the Samoa Land Corporation. The mandate of the Corporation is to sell, lease or develop its assets on a commercial basis, to assist in the promotion of socio-economic development opportunities for the people of Samoa, and generate revenue for the Government. Leases can have terms of up to 30 years (renewable), depending on the type of use. Under its articles of association, the Samoa Land Corporation is allowed to invest its landholding in any form, except directly involving itself in agricultural activities. The Corporation's assets amounted to WST 116 million in 2017.<sup>26</sup>

2.32. The sale or lease of freehold land to non-residents and overseas corporations (i.e. corporations with more than 25% of shares or voting power held by non-residents) is regulated by

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<sup>23</sup> Viewed at: [www.mcil.gov.ws](http://www.mcil.gov.ws).

<sup>24</sup> Land, Surveys and Environment Amendment Act, 2016.

<sup>25</sup> Samoa Trust Estates Corporation Reconstruction Act, 1990.

<sup>26</sup> Samoa Land Corporation online information. Viewed at:

<http://www.samoaland.gov.ws/Portals/183/Corporate%20Plan%202017%20-%202020%2011072016%20FINAL.pdf>.

the Alienation of Freehold Land Act, 1972. Under the Act, alienation of freehold land, without the written consent of the Head of State, is prohibited.

2.33. Customary land is land held in accordance with Samoan customs and usage. Pursuant to the Alienation of Customary Land Act, 1965, the Minister of Natural Resources and Environment may lease or licence customary land for any "authorized purpose" (i.e. public, industrial, commercial or religious purposes) for a period of 30 years (renewable once) in the case of land leased or licensed for industrial purposes or for a hotel; or for a period of 20 years (renewable once) in other cases. Land leased for forestry purposes is subject to the provisions of the Forest Act, 1967.

### **3 TRADE POLICIES AND PRACTICES BY MEASURE**

#### **3.1 Measures Directly Affecting Imports**

##### **3.1.1 Customs procedures, valuation, and requirements**

3.1. As with any natural or legal person carrying out business in Samoa, importers must obtain a business licence from the Ministry for Revenue (Business Licence Act, 1998). Applications must include the registration documents from the Registry of Companies in the MCIL (Section 2.4). Overseas registered businesses must attach a Certificate of Incorporation to their application, and Samoan companies with foreign shareholding, a Foreign Investment Certificate (FIC). Importers are required to register with the Ministry for Revenue ("Application for Registration of Importers and Exporters"). Registration applies also to importers of goods not deemed to be personal effects, which must be cleared under the same regime applicable to commercial importers. In addition, activity licences are required for importers of liquor (administered by the Liquor Board), narcotics and tobacco (Ministry of Health), plastic bags and refrigerants (Ministry of Natural Resources and Environment), pesticides (Ministry of Agriculture and Fisheries (MAF)), and energy-efficiency goods (Ministry of Finance). Imports of the products concerned are automatically routed to Customs' red channel.

3.2. Customs procedures are regulated, *inter alia*, by the Customs Regulations, 2015, under the Customs Act, 2014.<sup>1</sup> Documents required for customs declarations include the invoice, the cargo release order, the bill of lading, the import declaration form, the insurance certificate, the packaging list, and the certificate of origin. Revised fees for customs procedures apply since March 2015.<sup>2</sup> Samoa has implemented ASYCUDA World as a customs and risk management tool, using five selectivity lanes for customs clearance: green (low risk); yellow (document check); red (physical examination); blue (post-clearance audit); and purple (query lane).

3.3. According to the World Bank's Doing Business report, Samoa was ranked 148<sup>th</sup> in 2018 out of 190 economies in terms of ease of trading across borders. On average, it takes 84 hours altogether to obtain, prepare and submit documents during port or border handling, customs clearance and inspection procedures.<sup>3</sup> According to a time release study conducted in 2015 on behalf of the Ministry for Revenue, it took on average 10 hours under the ASYCUDA World system from the registration of the Single Administrative Document to cargo release, compared with 30 hours under the ASYCUDA++ system in 2014.<sup>4</sup>

3.4. The WTO Agreement on Trade Facilitation was accepted by Samoa on 21 April 2016, and two notifications regarding its Category A, B and C commitments have been submitted (Section 2.3.1). Since 2016, use of a customs broker upon importation is no longer required. Samoa has not yet established a single window. A pilot Authorized Economic Operator project is to start in 2019. Samoa does not apply pre-shipment inspection. There are customs regimes for temporary imports and duty drawbacks, as provided for in the Customs Act, 2014.

3.5. Samoa has yet to make a notification to the Committee on Customs Valuation regarding the Agreement on Implementation the Article VII of the GATT 1994. Customs valuation matters are regulated by the following legislation:<sup>5</sup>

- a. Customs Valuation Regulations, 2011.<sup>6</sup> According to these Regulations, which have been in force since 4 October 2011, the customs valuation system is based on the WTO Customs Valuation Agreement, with the transaction value as the primary basis of valuation (Art. 3). Samoa Customs maintains a valuation database for internal investigation purposes, especially for food and construction material. The 2011 Regulations revise and supersede

<sup>1</sup> The Customs Act, 2014 repeals the Customs Act, 1977. The latter (old Act) still applies, for example, where regulations made under the old Act are yet to be replaced or repealed.

<sup>2</sup> See Samoa Customs online information at:

[http://www.revenue.gov.ws/images/FACT\\_SHEET\\_Public\\_V1.pdf](http://www.revenue.gov.ws/images/FACT_SHEET_Public_V1.pdf).

<sup>3</sup> World Bank online information. Viewed at:

<http://www.doingbusiness.org/data/exploreeconomies/samoa#trading-across-borders>.

<sup>4</sup> Ministry for Revenue (2015), Samoa Customs Time Release Study May 2015.

<sup>5</sup> Viewed at: <http://www.revenue.gov.ws/legislations>.

<sup>6</sup> Viewed at: [https://www.wto.org/english/thewto\\_e/acc\\_e/sam\\_e/WTACCSAM26\\_LEG\\_1.pdf](https://www.wto.org/english/thewto_e/acc_e/sam_e/WTACCSAM26_LEG_1.pdf).

the Customs Valuation Regulations, 1998 and the Customs Valuation Amendment Regulation, 2009, which were the subject of examination in the course of Samoa's accession to the WTO.<sup>7</sup> Although the Customs Act, 2014 repeals the Customs Valuation Regulations, 2011, "the provisions of those regulations that are not inconsistent with the provisions of this Act continue in force as if they are made under this Act until those provisions are replaced or repealed under this Act". (Art. 344).

- b. Customs Act, 2014. The Act covers four matters related to valuation (importer must specify customs value on entry; amendment of valuation assessment; currency and exchange rate; and the State's right of compulsory acquisitions). Section 95 allows an amendment to the valuation assessment "If the Comptroller is satisfied, whether as the result of an investigation carried out under section 178, or as the result of an audit or examination carried out under section 182, or for any other reason, that an assessment made under section 94(1) in respect of goods is: (a) inconsistent with Regulations made under this Act prescribing the valuation of goods for the purposes of the Tariff; or (b) for any other reason, incorrect, the Comptroller may amend that assessment, and that amended assessment is the Customs value for the purposes of this Act." Notice in writing must be given to the importer with regard to the basis of the amended assessment.

3.6. The Customs Act, 2014 provides for a system of advance rulings; Customs has not yet received a request for an advance ruling. The Ministry for Revenue issued procedures in April 2018 for appealing decisions by Customs.<sup>8</sup> Any initial appeal must be lodged with the Comptroller of Customs within 20 working days; following which the Comptroller must issue a final ruling in writing within 39 working days, depending on the complexity of the matter. The ruling may be appealed before a Customs Appeal Authority (to be established).

### **3.1.2 Rules of origin**

3.7. Samoa has no non-preferential rules of origin.

3.8. Preferential rules of origin exist for Samoa's trade with PICTA partners (Section 2.3.2.1). A PICTA Rules of Origin Regulation, incorporating PICTA rules of origin into Samoan law, entered into force on 25 July 2006. Eligible imports must meet, *inter alia*, the following rules of origin criteria: they must be wholly produced or obtained in the PICTA exporting country; or the final process must take place in the PICTA exporting country and total expenditures on originating materials, overheads and labour cost must not be less than 40% of the overall total expenditure for the good.

### **3.1.3 Tariffs**

#### **3.1.3.1 Applied MFN tariffs**

3.9. The average applied MFN tariff was 11.5% in 2018, virtually unchanged since the WTO accession of Samoa in 2012 (Table 3.1). Samoa has a four-band customs tariff (duty-free; 5%; 8%; and 20%), with a few exceptions of rates higher than 35% (Chart 3.1). Almost all tariffs are *ad valorem* (99%). Two thirds of the tariff lines are set at 8%. The share of duty-free lines is small (3.5% of all tariff lines). There are no "nuisance tariffs" at or below 2%.

3.10. The applied MFN tariffs on agricultural products (WTO definition) averaged 15.4% in 2018, ranging from zero to 300%. The peak tariff of 300% is levied on turkey tails. By sector, the highest import duties are levied on "beverages, spirits and tobacco" (WTO definition), with an average of 31.2% (Table A3.1). Non-*ad valorem* tariffs (53 tariff lines) are imposed on products within the product group of beverages, spirits and tobacco. MFN tariffs on non-agricultural products averaged 10.7% in 2018, ranging from zero to 50%. The highest rate (50%) applies to kerosene. Tariff protection is highest for clothing, where a flat rate of 20% applies across all products (Table A3.1).

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<sup>7</sup> Paras 110-117 of WTO document WT/ACC/SAM/30, 1 November 2011.

<sup>8</sup> Ministry for Revenue online information at:

[http://www.revenue.gov.ws/images/2015/Business\\_Forms/New\\_2018/Website\\_Photos\\_2018/GEN009---Initial-Appeal-SOP-.pdf](http://www.revenue.gov.ws/images/2015/Business_Forms/New_2018/Website_Photos_2018/GEN009---Initial-Appeal-SOP-.pdf).

3.11. The 2018 customs tariff is based on the HS 2012 nomenclature at the eight-digit level. Samoa is in the process of transposition to the HS 2017 nomenclature, with implementation expected by April 2019, according to the authorities.

**Table 3.1 Structure of the tariff schedule, 2012 and 2018**

	MFN applied		Current bound <sup>a</sup>
	2012	2018	
Simple average rate (%)	11.4	11.5	21.5
WTO agricultural products	14.7	15.4	26.4
WTO non-agricultural products	10.8	10.7	20.6
Duty-free tariff lines (% of all tariff lines)	3.2	3.5	0.0
Simple average of dutiable lines only	11.8	11.9	21.5
Tariff quotas (% of all tariff lines)	0.0	0.0	0.0
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	1.0	1.0	1.0
Domestic tariff "peaks" (% of all tariff lines) <sup>b</sup>	0.2	0.3	0.1
International tariff "peaks" (% of all tariff lines) <sup>c</sup>	29.5	29.3	55.9
Nuisance applied rates (% of all tariff lines) <sup>d</sup>	0.02	0.0	0.0
Overall standard deviation	6.5	8.5	8.1
Total number of tariff lines	5,478	5,483	5,483
<i>Ad valorem</i> rates	5,424	5,430	5,429
of which: duty-free rates	173	191	0
Specific rates	8	7	7
Alternate rates	46	46	47

a Based on the 2018 tariff schedule. All but 12 tariff lines have reached the final bound rates; for the remaining 12, the final bound rates will be reached in 2022.

b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.

c International tariff peaks are defined as those exceeding 15%.

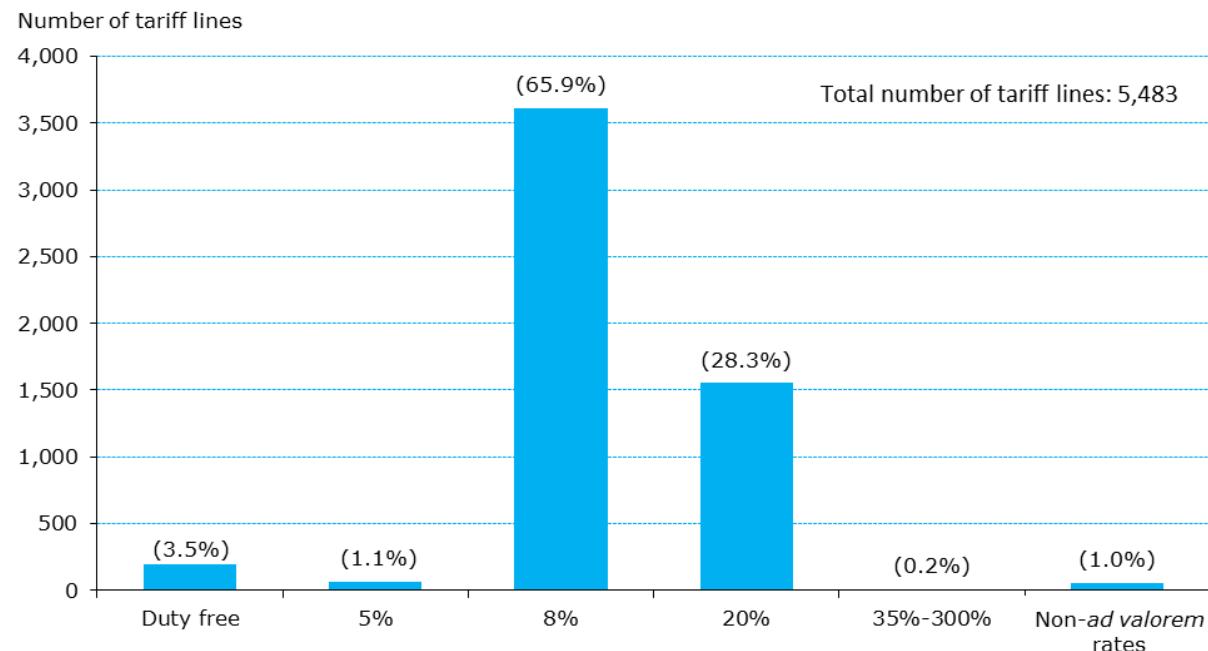
d Nuisance rates are those greater than zero, but less than or equal to 2%.

Note: Excluding specific rates and including the *ad valorem* part of alternate rates.

The 2012 and 2018 tariff schedules are based on the HS12 nomenclature at the 8-digit level.

Source: WTO Secretariat calculations, based on data provided by the authorities.

**Chart 3.1 Distribution of MFN tariff rates, 2018**



Note: Figures in parentheses denote the share of total lines.

Source: WTO Secretariat, based on data provided by the authorities.

### 3.1.3.2 Tariff bindings

3.12. All tariffs are bound as a result of Samoa's accession to the WTO. The average bound rate is 21.5%, with 26.4% for agricultural products (WTO definition) and 20.6% for non-agricultural products (Table 3.1). The implementation period for tariff reductions ends in 2022: 12 tariff lines are subject to further reduction of the bound rates (Table 3.2).

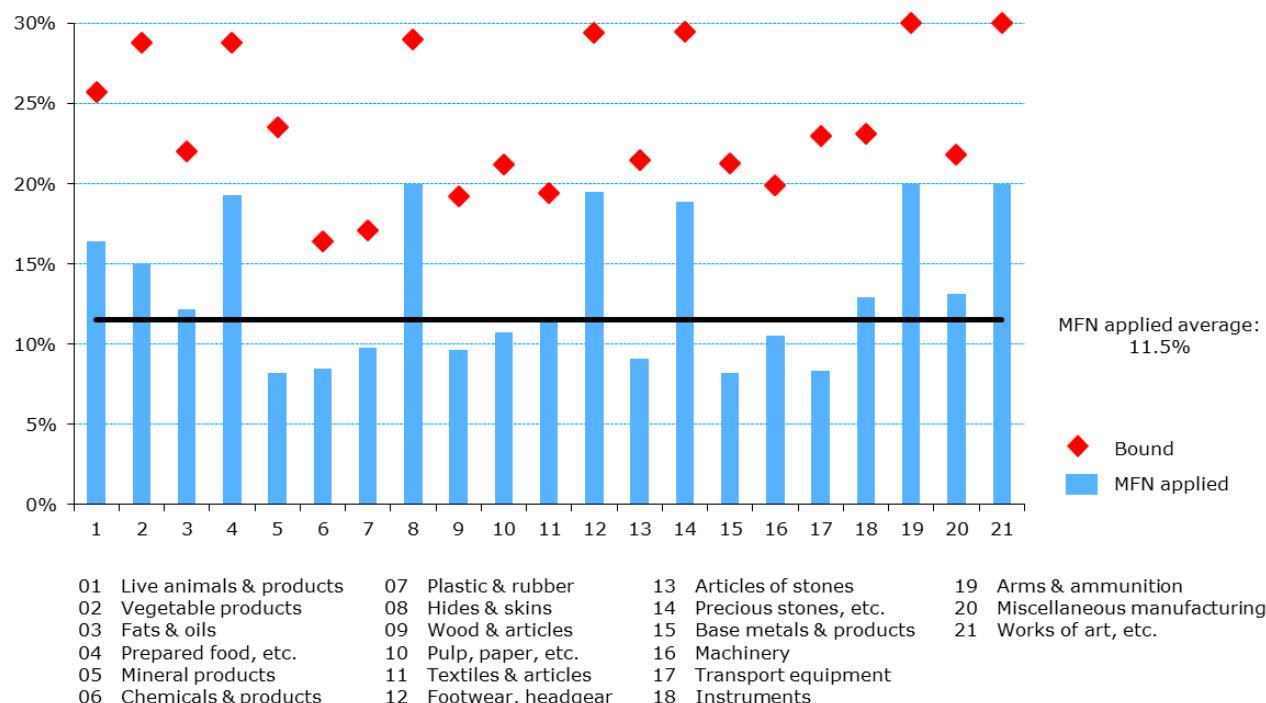
**Table 3.2 Further reduction of the bound tariffs until 2022**

HS code	Description	Current bound rate (2018) in %	Final bound rate (2022) in %
10011100	Wheat and meslin	12.5	10
10011900	Wheat and meslin	12.5	10
10019100	Wheat and meslin	12.5	10
10019900	Wheat and meslin	12.5	10
10031000	Barley	16	10
10039000	Barley	16	10
10059000	Maize, other than seed	16	10
15121100	Sunflower-seed or safflower oil and fractions thereof	19	15
15121900	Sunflower-seed or safflower oil and fractions thereof	15	10
17041000	Sugar confectionery, not containing cocoa	29	25
17049000	Sugar confectionery, not containing cocoa	29	25
83023000	Base metal mountings suitable for motor vehicles	15.8	13

Source: WTO Secretariat, based on data provided by the authorities.

3.13. There is a gap between the bound rates and the applied tariffs across the board for all product groups (Chart 3.2). However, the applied MFN rates of 20 tariff lines exceed their respective bound rates in 2018 (Table 3.3). This includes 9 tariff lines that were increased with effect from 3 April 2018, pursuant to the Customs Tariff Amendment Act, 2018. Although the Act reduced the import duty for fresh/chilled turkey tails (HS 02072610) from 300% to 20%, the amended rate remains higher than the corresponding tariff binding. The applied tariff on imports of frozen turkey tails (HS 0272710) remained unchanged, at 300%.

**Chart 3.2 Average tariff rates by HS section, 2018**



Note: Calculations of averages include the *ad valorem* part of alternate rates and exclude specific rates.

Source: WTO Secretariat calculations, based on data provided by the authorities.

**Table 3.3 Applied MFN tariffs and bound tariffs**

Rates in %

HS code		Applied MFN rate, 1 January – 30 March 2018	Applied MFN rate as of 3 April 2018	Bound rate 2018
02041000	Carcasses of lamb, fresh or chilled	0	20	10
02042100	Other meat of sheep, fresh or chilled	0	20	10
02042200	Other meat of sheep, fresh or chilled	0	20	10
02042300	Other meat of sheep, fresh or chilled	0	20	10
02043000	Carcasses of lamb, frozen	0	20	10
02044100	Other meat of sheep, frozen	0	20	10
02044200	Other meat of sheep, frozen	0	20	10
02044300	Other meat of sheep, frozen	0	20	10
02071410	Frozen chicken cuts	0	10	5
02072610	Meat and edible offal of turkey, cuts and offal, fresh or chilled: tails	300	20	10
02072710	Meat and edible offal of turkey, cuts and offal, frozen: tails	300	300	100
12071000	Oil seeds and oleaginous fruit: palm nuts and kernels	20	20	10
12073000	Oil seeds and oleaginous fruit: castor oil seeds	20	20	10
15121100	Crude oil of sunflower-seed or safflower oil	20	20	19
83023000	Base metal mountings suitable for motor vehicles	20	20	15.8
84861000	Machines for the manufacture of boules or wafers	20	20	10
84862000	Machines for the manufacture of semiconductor devices or electronic integrated circuits	20	20	10
84863000	Machines for the manufacture of flat panel displays	20	20	10
84864000	Other machines	20	20	10
84869000	Parts and accessories	20	20	10

Source: WTO calculations, based on data provided by the authorities.

### 3.1.3.3 Preferential tariffs

3.14. Under the PICTA, Samoa grants duty-free preferential treatment, subject to certain exceptions, to Fiji, Cook Islands, Vanuatu, Solomon Islands, Niue and Tuvalu (see Section 2.3.2.1).

### 3.1.3.4 Tariff exemptions

3.15. Samoa grants tariff exemptions mainly under various provisions and regulations of the Customs Act, including the following:

- Under the Duty Concession Scheme (DCS) and Code 121 of the Customs Tariff, Samoa provides industry-specific tariff incentives (see Section 3.3.1);
- Code 113 of the Customs Tariff (Second Schedule) provides for duty-free imports of fishing equipment by eligible commercial fishing enterprises;
- Code 120 of the Customs Act (Second Schedule) provides for imports of "miscellaneous items" at 5% import duty. Eligible goods include flavoured milk beverages; chocolate-based beverages; chicken meat, nuggets and patties; French fries and potato wedges; and bread concentrates and pre-mixes (bread improvers);
- Code 120 of the Customs Act (Second Schedule) provides for duty-free imports of "energy saving devices". Eligible goods include equipment, machinery and vehicles using alternative energy sources, as determined by the Minister for Revenue.<sup>9</sup>

### 3.1.4 Other charges affecting imports

3.16. Internal taxes affecting imports include the Value-Added Goods and Services Tax (VAGST), and the excise tax.

<sup>9</sup> Customs Tariff Amendment Act, 2017, No. 15.

3.17. Imported and domestically-produced goods and services are subject to the VAGST at a standard rate of 15%, as set out in the Value-Added Goods and Services Tax Act, 2015. Under the Third Schedule of the Act, zero-rated items include exports of goods and services. For domestically-produced goods and services, the VAGST is applied on the sales price. For imports, the taxable value is the sum of the customs value; customs duties (irrespective of whether a remission of the duty has been granted); and the amount of the excise tax, or any other applicable levies, fees, or charges. The Act removed an exemption previously granted to primary production. In addition, the it increased the VAGST threshold from annual sales of WST 78,000 to WST 130,000; this aimed to benefit small local producers.

3.18. Domestically-produced or imported goods and services that are exempt from the VAGST are specified in the First and Second Schedules of the Act. Exempted imports comprise, notably, certain imports by passengers or crew members of ships or aircraft, notably low-value non-commercial goods; goods under an international aid project, subject to an MoU. Exempted services include financial services, and interconnection fees between resident suppliers of telecommunication services.

3.19. Samoa levies excise taxes in accordance with the Excise Tax (Domestic Administration) Act, 1984, the Excise Tax Rates Act, 1984, and the Excise Tax (Import Administration) Act, 1984. Products subject to excise taxes include: tobacco; alcohol; motor spirits; aviation gasoline; jet fuel and aviation kerosene; other kerosene and white spirit; distillate fuel; residual fuel oils; and vehicles with a cylinder capacity of more than 2,000cc. Tax rates are specific or *ad valorem* (Table 3.4). The *ad valorem* rates are applied on the ex-factory price for domestic goods, and the c.i.f. price plus any duty on imported goods. The excise tax rates are identical for imported and domestically-produced goods.

3.20. In the most recent amendment of the Excise Tax Rates Act in 2018, the excise tax base was further widened to include a number of previously exempted items; rates were increased on high-sugar items, tobacco, soft drinks and alcohol, and high-fat items. According to the authorities, the purpose was to encourage healthier eating, leading to savings in health costs for both individuals and the Government.

3.21. Samoa has bound other duties and charges (ODCs) at zero in its Schedule of concessions. No ODCs are imposed on imports.

**Table 3.4 Imported and domestic products subject to excise tax**

Tariff item	Description	Rate of excise
0207.2610	Turkey tails	10%
2201.1010	Natural mineral or spa water	Free
2201.1090	Other mineral waters and spa water	Free
2201.9000	Other waters: ice and snow	Free
2202.1010	Waters, including mineral waters and aerated waters, containing added sugar	52.5 sene per litre
2202.1020	Waters, including mineral waters and aerated waters, containing added sweetening matter	52.5 sene per litre
2202.1090	Other waters, flavoured	52.5 sene per litre
2202.9000	Other waters	52.5 sene per litre
2203.0010	Beer not exceeding 3% by volume of alcohol	WST 3.08 per litre
2203.1090	Other beer	WST 3.08 per litre
2204.1010	Sparkling wine of an alcohol strength of 15% or less	WST 5.44 per litre
2204.1090	Other sparkling wine	WST 7.48 per litre
	Other wine: grape must with fermentation prevented or arrested by the addition of alcohol:	
	In containers holding 2 litres or less	
2204.2110	Of an alcohol strength by volume of 15% or less	WST 5.44 per litre
2204.2190	Other	WST 6.60 per litre
<b>Other</b>		
2204.2910	Of an alcohol strength by volume of 15% or less	WST 5.44 per litre
2204.2990	Other	WST 9.06 per litre
2204.3000	Other grade must	WST 5.44 per litre
<b>In containers holding 2 litres or less</b>		
2205.1010	Sacramental wines	Free
2205.1020	Of an alcohol strength by volume of 15% or less	WST 5.44 per litre
2205.1090	Other	WST 9.06 per litre

<b>Tariff item</b>	<b>Description</b>	<b>Rate of excise</b>
<b>Other</b>		
2205.9010	Sacramental wine	Free
2205.9020	Of an alcohol strength by volume of 15% or less	WST 5.28 per litre
2205.9090	Other	WST 9.06 per litre
2206.0010	Of an alcohol strength by volume of 15% or less	WST 46.86 per litre
2206.0090	Other	WST 46.86 per litre
<b>Spirits obtained by distilling grape or grape marc</b>		
2208.2010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Whiskies</b>		
2208.3010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Rum and Tafia</b>		
2208.4010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Gin and Geneva</b>		
2208.5010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Vodka</b>		
2208.6010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Liqueurs and cordials</b>		
<i>Liqueurs</i>		
2208.7010	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<i>Cordials</i>		
2208.7021	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
<b>Other</b>		
2208.9099	Of an alcohol strength by volume of 40% or less	WST 38.60 per litre
2208.2020	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.2090	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2208.3020	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.3090	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2208.4020	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.4090	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2208.5020	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.5090	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2208.6020	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.6090	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2208.7012	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 19.96 per litre
2208.7019	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 39.33 per litre
2208.7022	Of an alcohol strength by volume exceeding 57.12%	WST 19.96 per litre
2208.7029	Of an alcohol strength by volume exceeding 30% but less than 57.12%	WST 39.33 per litre
2208.9021	Of an alcohol strength by volume exceeding 57.12%	WST 19.96 per litre
2208.9099	Of an alcohol strength by volume exceeding 57.12%	WST 39.33 per litre
2402.1000	Cigars, cheroots and cigarillos containing tobacco	WST 244.31 per 1,000 sticks
2402.2000	Cigarettes containing tobacco	WST 244.31 per 1,000 sticks
2402.9000	Other cigarettes	WST 244.31 per 1,000 sticks
2403.1910	Twist or stick tobacco	WST 260.12 per kg
2403.1090	Other tobacco	WST 260.12 per kg
2719.0010	Motor spirits	55 sene/litre
2710.1120	Aviation gasoline	Free
2710.0030	Jet fuel/aviation kerosene	Free
2710.1140	Other kerosene and white spirit	Free
2710.1250	Distillate fuels	54 sene/litre
2710.1160	Residual fuel oils	52 sene/litre
8701	Tractors	20%
8701.1010	Agricultural tractors	8%
8701.9010	Agricultural tractors	8%
8702	Motor vehicles for the transport of ten or more persons, including the driver	20%
8702.0020	Public service type motor vehicles for the transport of 15 persons or more (including the driver)	8%
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of 8702), including station wagons and racing cars (for example, passenger motor cars, four-wheel drive "off road" passenger vehicles and the like)	
8703.0010	Vehicles specially designed for travelling on snow; golf cars and similar vehicles	20%
<b>Other vehicles</b>		
8703.0021	Of a cylinder capacity not exceeding 1,000 cm <sup>3</sup>	10%
8703.0022	Of a cylinder capacity exceeding 1,000 cm <sup>3</sup> but not exceeding 1,300 cm <sup>3</sup>	13%
8703.0023	Of a cylinder capacity exceeding 1,300 cm <sup>3</sup> but not exceeding 1,800 cm <sup>3</sup>	18%
8703.0024	Of a cylinder capacity exceeding 1,800 cm <sup>3</sup> but not exceeding 2,000 cm <sup>3</sup>	20%
8703.0025	Of a cylinder capacity exceeding 2,000 cm <sup>3</sup> but not exceeding 2,500 cm <sup>3</sup>	25%
8703.0026	Of a cylinder capacity exceeding 2,500 cm <sup>3</sup> but not exceeding 3,000 cm <sup>3</sup>	30%
8703.0027	Of a cylinder capacity exceeding 3,000 cm <sup>3</sup> but not exceeding 4,000 cm <sup>3</sup>	35%

<b>Tariff item</b>	<b>Description</b>	<b>Rate of excise</b>
8703.0028	Of a cylinder capacity exceeding 4,000 cm <sup>3</sup> but not exceeding 5,000 cm <sup>3</sup>	45%
8703.0029	Of a cylinder capacity exceeding 5,000 cm <sup>3</sup>	50%
8704	Motor vehicles for the transport of (all items) goods	20%
8705	Special purpose vehicles (all items)	8%
8706.0020	For motor vehicles falling under 8703.0010	20%
8706.0021	For motor vehicles falling under 8703.0021	10%
8706.0022	For motor vehicles falling under 8703.0022	13%
8706.0023	For motor vehicles falling under 8703.0023	18%
8706.0024	For motor vehicles falling under 8703.0024	20%
8706.0025	For motor vehicles falling under 8703.0025	25%
8706.0026	For motor vehicles falling under 8703.0026	30%
8706.0027	For motor vehicles falling under 8703.0027	35%
8706.0028	For motor vehicles falling under 8703.0028	45%
8706.0029	For motor vehicles falling under 8703.0029	50%
17011200	For raw sugar containing added flavouring or colouring matter – beet sugar	5%
<b>Sugar</b>		
17011300	Cane sugar specified in subheading Note 2 to Chapter 17 of the Customs Tariff Act, 1975	5%
17011400	Other cane sugar	5%
17019100	Other, containing added flavouring or colouring matter	8%
17019900	Other	8%
17021100	Lactose and lactose syrup containing by weight 99% or more lactose expressed as an anhydrous lactose, calculated on the dry matter	8%
17021900	Lactose and lactose syrup – other	8%
17022000	Maple sugar and maple syrup	8%
17023000	Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose	8%
17024000	Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by weight of fructose, excluding invert sugar	8%
17025000	Chemically pure fructose	8%
17026000	Other fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose excluding invert sugar	8%
17029000	Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50% by weight of fructose	8%
17031000	Cane molasses resulting from the extraction or refining of sugar	8%
17039000	Other molasses resulting from the extraction or refining of sugar	8%
17041000	Chewing gum, whether or not sugar-coated	8%
17049000	Other sugar confectionery (including white chocolate), not containing cocoa	8%
18040000	Cocoa butter, fat and oil	8%
18061000	Cocoa powder, containing added sugar or other sweetening matter	8%
18062000	Other preparation in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings of content exceeding 2 kg	8%
18063100	Other, in blocks and bars, filled (Samoaan cocoa pounded)	8%
18063200	Not filled	8%
18069000	Other	8%
19021120	Instant noodles	8%
19021920	Instant noodles	8%
19051000	Crispbread	8%
19052000	Gingerbread and the like, sweet biscuits, waffles and wafers	8%
19053110	Sweet biscuits containing cream or chocolate	8%
19053190	Other	8%
19053220	Containing cream or chocolate	8%
19053290	Other	8%
19054000	Rusks, toasted bread and similar toasted products	8%
19059010	Pastries, cakes and pancakes	8%
19059020	Pizza	Free
19059030	Crisp savoury food products (snacks, chrissy twisties, banana chips)	8%
19059040	Ordinary bread	Free
19059090	Other	8%
25010010	Iodized salt (including table salt and denatured salt)	5%
25010090	Other salt excluding iodized salt	8%

One Sene: Equal to 1/100 of one WST.

Source: Excise Tax Rates Act, 1984, as amended in 2018.

### 3.1.5 Import prohibitions, restrictions, and licensing

3.22. In general, Samoa's imports prohibitions and restrictions regime seeks to address health, environmental, and safety concerns.

3.23. Under the Customs Act, 2014, Samoa prohibits the importation of counterfeit coins and bank notes, to prevent counterfeiting; and pornographic articles, publications, films, and videos, to protect public morals. Under the Act, the Minister responsible for customs issues, on the advice of the Comptroller, may issue an order prohibiting imports of any specified goods or class of goods for the sake of public interest.

3.24. Pursuant to the Customs (Prohibited Imports) Amendment Order (No. 3), prohibitions apply to motor vehicles older than 10 years (previously 12 years), for environmental and safety purposes; and left-hand drive vehicles, to ensure traffic safety. However, exemptions are granted monthly to the importation of 100 private vehicles, pick-up trucks, and some special purpose vehicles.

3.25. In addition, Samoa prohibits the importation of 48-can sized cartons of tinned fish. In accordance with the Bee and Bee Products Prohibition Order, 1999, an import prohibition applies to bees and bee products; according to the authorities, the purpose of the prohibition is to maintain the current bee health situation of the country. The importation of some plants and food stuffs is prohibited under Samoa's SPS regulations (Section 3.3.3). An import ban on parrots is in place, to protect endangered species, based on the CITES and the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

3.26. According to the authorities, the production and importation of liquor with a strength by volume higher than 40% is prohibited since July 2018.

3.27. Samoa maintains restrictions on the importation of arms and ammunition, chemicals and pesticides<sup>10</sup>, and ozone-depleting substances<sup>11</sup>; to be imported, they require licences issued by designated public bodies. Under the Plastic Bag Prohibition on Importation Regulations, 2006, imports of non-biodegradable plastic bags are restricted, with a view to protecting the environment.<sup>12</sup>

3.28. There are also restrictions on the importation of certain narcotics and liquors. Pursuant to the Narcotics Act, 1967, only holders of a specific activity licence may import narcotics; the licensing requirement was introduced to control and monitor trade in these products. Regarding liquor, the authorities maintain that activity licensing was introduced to protect human health. All applications for a liquor licence are submitted to the Liquor Control Board. The Board reviews each application on the basis of reports, prepared by the Ministries of Police, Environment, Health and Revenue.

3.29. In 2014, Samoa notified to the WTO that information on its import licensing procedures are published in its Official Gazette (Savali).<sup>13</sup>

3.30. According to the authorities, after its enactment, the Trade in Endangered Species Bill, 2013 will regulate the export and import of endangered species and any product derived from those species. Under the Bill, the Minister of Natural Resources and Environment issues permits for export, import, and re-export of endangered, threatened, or exploited species.

3.31. Reflecting health-related concerns associated with high fat content, Samoa imposed an import ban on turkey tails and turkey tail products (HS 02072610, 02072710) in 2007 (Prohibition Order on the Importation of Turkey Tails of 14 August 2007). In 2011, a prohibition on the domestic sales of turkey tails and products was passed (Sale of Turkey Tails Prohibition Order, 2011). Following Samoa's accession in 2012, the regime for turkey tail imports has seen a number of developments:

- a. Customs (Turkey Tails) Prohibition Order, 2013 – the import ban was repealed in 2013, in line with Samoa's WTO accession commitments<sup>14</sup>, and imports of turkey tails for private or personal (not commercial) consumption were allowed. On 10 May 2013, the excise rate

<sup>10</sup> Pesticides Regulations, 1990 (Pesticides Regulations, 2011).

<sup>11</sup> Protection of the Ozone Layer Regulations, 2006.

<sup>12</sup> According to the Regulations, the importation of plastic products is prohibited unless: the person importing the plastic products is the holder of a licence to import those plastic products granted by the CEO or an authorized person; and where that licence specifies conditions, and those conditions are complied with.

<sup>13</sup> WTO document G/LIC/N/1/WSM/1, 30 September 2014.

<sup>14</sup> WTO documents WT/ACC/SAM/30 and WT/MIN(11)/1, 1 November 2011, paragraph 106.

on turkey tails was set at 300%, to act as a deterrent, since the authorities remained concerned about the negative effect of turkey tails on the health of the population.

- b. In 2015, the Ministry of Health commissioned a study entitled "Replacing the turkey tail ban: WTO compliant nutrition policy of Samoa". According to the study, the majority of the adult population is overweight or obese in Samoa, and diabetes and heart disease are the main causes of death. The main issue was to develop "evidence-based and non-discriminatory" policy options for controlling nutrition-related health problems after the lifting of the turkey tail import ban. The recommendations include the following: an increase to 20% of the excise tax for food items that exceed certain thresholds in the nutrient profiling system<sup>15</sup> (confectionary, sweet beverages, savoury snacks, processed meats, oils high in saturated fat, fatty meat cuts (e.g. turkey tails, mutton flaps); the elimination of tariffs on healthier oils and imported fruits and vegetables not grown in Samoa, in order to increase the affordability of healthy foods relative to less healthy ones; the implementation of policies to increase fruit and vegetable availability (increased investment; pilot school fruit programme; and a trial e-voucher programme for fruit and vegetable purchases for 'at risk' households). The study's recommendations have been approved by Cabinet.
- c. Customs Tariff Amendment Act, 2018 – with effect from 3 April 2018, the excise rate on fresh/chilled turkey tails (HS 02072610) was reduced to 10%, and the import duty was set at 20% (plus 15% VAGST).<sup>16</sup> The rates for frozen turkey tails (HS 02072710) were not affected by the amendment.

### **3.1.6 Anti-dumping, countervailing, and safeguard measures**

3.32. Samoa has never used anti-dumping, countervailing, or safeguard measures. Provisions concerning the imposition of anti-dumping measures in Samoa exist in Section 9 of the Customs Tariff Act, 1975. Samoa has no specific legislation providing for the imposition of countervailing or safeguard measures and has never used such measures.

### **3.1.7 Other measures affecting imports**

3.33. Samoa does not maintain any local content requirements for the purposes of according advantages or incentives to promote the consumption or use of local goods and services.

## **3.2 Measures Directly Affecting Exports**

### **3.2.1 Registration, customs procedures and requirements**

3.34. In general, registration formalities for exports of goods for commercial purposes are similar to those for imports (Section 3.1.1). Exporters must hold a business licence and report the f.o.b. value of their exports to the CBS for statistical and exchange control purposes. Under the Exchange Control Regulations, 1999, export revenue must be repatriated to Samoa within the specified timeframe.

### **3.2.2 Taxes, charges, and levies**

3.35. Samoa does not levy export taxes on any product.

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<sup>15</sup> A nutrient profiling system is to be implemented under the new Food (Safety and Quality) Regulations, 2017 (Section SPS).

<sup>16</sup> Viewed at:

[http://www.revenue.gov.ws/images/2015/Legislations/Amendments\\_Principal\\_Legislation/Customs-Tariff-Amendment-Act-2018.pdf](http://www.revenue.gov.ws/images/2015/Legislations/Amendments_Principal_Legislation/Customs-Tariff-Amendment-Act-2018.pdf).

### **3.2.3 Export prohibitions, restrictions, and licensing**

3.36. Export prohibitions, restrictions, and licensing may apply in accordance with the Customs Act, 2014. Under the Act, the Minister of Finance, on the advice of the Comptroller, may issue an order prohibiting exports of any specified goods or class of goods for the sake of public interest.

3.37. Export prohibitions apply to logs and timber under the Order Prohibiting the Export of Logs, 1990. The authorities state that the measure is necessary for the conservation of the country's forest areas and reforestation. The export of any species of sea cucumbers is also prohibited.<sup>17</sup>

3.38. The Land, Surveys and Environment Act, 1989 prohibits the export of live coral. The measure is aimed at preventing further destruction of coral resources, and at ensuring the long-term sustainability of Samoa's fishery resources. Consent may be granted for the export of coral for scientific research, but not for commercial purposes.

3.39. In addition, export restrictions apply to Samoan antiquities and birds. Pursuant to the Samoan Antiquities Ordinance, 1954, the export of Samoan antiquities must be approved by the Head of State, who may acquire them subject to the payment of adequate compensation.

3.40. The export of birds is restricted, for environmental reasons, and is subject to authorization by the Minister of Agriculture and Fisheries, in accordance with the Wild Animals Regulations, 1993.

### **3.2.4 Export support and promotion**

3.41. Samoa is preparing an Export Development Scheme (EDS), which aims to assist potential businesses in growing sectors, such as manufacturing and agriculture, to develop quality and value-added goods for export. The Scheme offers credit guarantees by the Government (Export Finance Guarantees) to exporters wishing to obtain short-term finance (12 months) from local banks, to cover specific expenses, such as the purchase of labelling and packaging materials needed for the export products, and the payment of shipment and other costs incurred while transporting the products.

3.42. No public agency or authority was set up specifically to assist exporters in promoting and selling products abroad. However, export promotion remains part of the mandates of the MCIL (Investment Promotion and Industry Development Division) and the MFAT (Trade Division). In addition, the Samoa Association of Manufacturers and Exporters (SAME) provides, *inter alia*, promotion and coordination services for Samoa's manufacturers and exporters, such as organizing trade fairs and export promotions, as well as skills development and marketing enhancement.

3.43. The Duty Concession Scheme (DCS), and Code 121 provide support for Samoan export activities (Section 3.3.1). Samoa does not have any Export Processing Zones (EPZs).

### **3.2.5 Export finance, insurance, and guarantees**

3.44. Samoa does not maintain any public export finance, insurance or guarantee schemes. Export finance and insurance is provided by private companies, whose prices are market-determined

## **3.3 Measures Affecting Production and Trade**

### **3.3.1 Incentives**

3.45. The authorities seek to foster private sector development through incentives, which are aimed at encouraging businesses and industries in the processes of production and export. Incentives granted generally come in the form of duty concessions on capital goods used for various investment projects, and, in principle, they are governed by the Customs Amendment Act, 2007. The main incentives schemes consist of: the DCS, Code 121, and the Aviation Transport Development Scheme.<sup>18</sup> These schemes support qualifying projects by providing one-off duty concessions on

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<sup>17</sup> Order of Prohibited Exports (Sea Cucumber), 2010 – Section 73, Customs Act, 1977.

<sup>18</sup> MCIL online information. Viewed at: <https://www.mcil.gov.ws/services/investment-promotion-and-industry-development/industry-development>.

approved goods or materials. Data provided by the authorities indicate that, between 2014 and 2017, revenue foregone from various duty concessions granted amounted to some WST 46 million.

3.46. Under the MCIL, the Industry Development and Investment Promotion Division administers the incentive schemes. The Division provides policy and other advice on investment promotions, and industry development.

3.47. Incentives under the DCS are made available to the manufacturing, aviation, and tourism industries. The Scheme aims to support the aviation industry, local manufacturers and property developers (hotels, motels and beach resorts), through the import of materials on a duty-free basis under the Provision of the Customs Amendment Act, 2007, the Customs (Tourism and Manufacturing) Amendment Regulation, 2010, and the Customs (Aviation Transport Development) Regulations, 2012. In order to acquire the status of "qualifying project", applications must be submitted to the MCIL for review by the Investment Committee, before submission to the Cabinet for consideration. The exemption of customs duty is granted only for a list of goods to be approved by the Ministry of Finance. Guidelines on the eligibility criteria and procedures are published on the website of the MCIL.<sup>19</sup>

3.48. The Code 121 scheme was designed with a view to providing support to domestic businesses, including: poultry farmers, manufacturers of agricultural products, handicraft manufacturers and certain indigenous (elei) garment manufacturers, by exempting duty, from 20% or 8% to zero, for imported raw materials and certain materials imported by businesses approved under the Customs Tariff Amendment Act, 2008. To be eligible, a business must: be holder of a licence; provide evidence of overseas suppliers of raw materials; and provide evidence of export markets (for exporters).<sup>20</sup> Under the Code 120 scheme, further incentives are in place for "goods for economic, social, cultural or other purposes", as determined by the Minister for Revenue.

3.49. Apart from the three schemes above, the Small Business Enterprise Centre (SBEC) also maintains the Small Business Loan Guarantee Scheme. The Scheme provides a loan guarantee for local businesses. The guarantee fund is about WST 8.5 million. A 100% guarantee is provided for loans up to WST 10,000, and an 80% guarantee for loans between WST 10,000 and WST 50,000. Beneficiaries must: be Samoan citizens, complete Start Your Business (SYB) training, have an existing business, and preferably be aged between 21 and 50 years old. Businesses supported must comply with national requirements regarding environment, labour and cyber security. According to the authorities, the Scheme has an export promotion component.

3.50. In addition, pursuant to the Yazaki Samoa Enterprise Act, the authorities provided an incentive package to the automotive parts company, Yazaki, up until its closure in August 2017. The package provided exemptions on VAGST and income tax.

### **3.3.2 Standards and other technical requirements**

3.51. The Competition and Consumer Act, 2016, the Food Act, 2015, and the Metrology Act, 2015 are the main pieces of legislation governing Samoa's TBT regime. Its TBT enquiry point is the Fair Trading, Codex Alimentarius, Consumer Protection and Metrology Division of the MCIL. Samoa provided a notification regarding the implementation and administration of the TBT Agreement (Article 15.2).<sup>21</sup>

3.52. There is no single standardization body in Samoa. The development and implementation of technical regulations falls under the portfolios of various ministries and agencies, such as the MCIL and the Office of the Regulator for the telecommunications, electricity, broadcasting and postal sectors. According to the authorities, the regulatory and standard-setting bodies pursue policies based on international standards, and the Government is committed to making use of standards, guidelines and recommendations developed by international standard-setting bodies as the basis for its national technical regulations.<sup>22</sup> Samoa does not have formal conformity assessment procedures.

<sup>19</sup> Viewed at: [https://www.mcil.gov.ws/wp-content/uploads/2017/08/Duty\\_Concession\\_Guidelines\\_2017.pdf](https://www.mcil.gov.ws/wp-content/uploads/2017/08/Duty_Concession_Guidelines_2017.pdf).

<sup>20</sup> Viewed at: [https://www.mcil.gov.ws/wp-content/uploads/2017/08/CODE\\_121\\_Guideline\\_2017\\_Edited\\_V.1.2.pdf](https://www.mcil.gov.ws/wp-content/uploads/2017/08/CODE_121_Guideline_2017_Edited_V.1.2.pdf).

<sup>21</sup> WTO document G/TBT/2/Add.124, dated 14 July 2017.

<sup>22</sup> WTO document G/TBT/2/Add.124, dated 14 July 2017.

The Scientific Research Organisation of Samoa (SROS) is the accredited laboratory for food testing (bottled water, cocoa-based products etc).

3.53. The Competition and Consumer Act, 2016<sup>23</sup> confers powers to the Minister of Commerce, Industry and Labour to prescribe product safety or quality standards by regulation for any kind of goods, including performance, testing and labelling requirements, in relation to preventing or reducing the risk of injury to persons (Section 88). To date, Samoa has one technical regulation (mandatory standard), which is implemented under the Competition and Consumer Act, 2016, namely the Fair Trading (Toy Approved Standards) Regulations, 2013.

3.54. The development of technical regulations or mandatory standards is subject to the following procedures (as for all legislation): first draft; consultations; second draft; approval by ministry and minister; Attorney General's certificate; Cabinet approval; and assent by the Head of State. A technical regulation comes into force on its publication in the Official Gazette (Savali). All technical regulations are posted on the Parliament website ([www.palemene.ws](http://www.palemene.ws)) for public information.

3.55. As far as (non-food) labelling requirements are concerned, regulations exist for the following products:

- a. Pesticides - pesticides are subject to import restrictions. Imports, storage and use of pesticides are regulated by the MAF, pursuant to the Agriculture, Forests and Fisheries Amendment Act, 1989 and the Pesticides Regulations, 2011.<sup>24</sup> Pesticides must be registered before an import licence is issued, to which a copy of the pesticide label is attached. Articles 22 and 23 of the Regulations set out the labelling requirements.
- b. Equipment subject to mandatory energy efficiency standards – a technical regulation on energy-efficiency standards entered into force on 5 March 2018 (not notified to the WTO).<sup>25</sup> It was adopted pursuant to the Energy Efficiency Act, 2017, and concerns mainly the registration and labelling of certain household appliances (refrigerators and freezers; air conditioners; and light bulbs). Samoa accepts models that have been registered in Australia, Fiji and New Zealand. This regulation is implemented by the Energy Division of the Ministry of Finance.

### **3.3.3 Sanitary and phytosanitary requirements**

3.56. The MAF is Samoa's SPS enquiry point. To date, Samoa has not submitted any SPS notifications.

#### **3.3.3.1 Food safety**

3.57. The food safety legislation comprises, *inter alia*, the Health Ordinance, 1959, the Food Act, 2015, and the Slaughter and Meat Supply Act, 2015.

3.58. The Health Ordinance is the overarching legal framework for public health and food safety. It authorizes the CEO of the Ministry of Health to conduct *ad hoc* inspections (Art. 51). Samoa currently has five food safety inspectors. Environmental Health Officers are responsible for inspecting food premises in relation to sanitation, water supply, and occupational health and safety.

3.59. The Food Act, 2015 conveys powers on the Minister of Health to ensure that food is safe and suitable for human consumption; to improve nutrition; to prevent misleading sale of food; and to comply with Samoa's international obligations. The Act regulates, *inter alia*, the handling of food; labelling; food businesses; and food imports, exports, and inspection. The Ministry may prepare regulations, orders, standards, codes of practice and notices under the Act (Section 17). An advisory

<sup>23</sup> The Fair Trading Act, 1998 was repealed.

<sup>24</sup> WTO online information. Viewed at:

[https://www.wto.org/english/thewto\\_e/acc\\_e/sam\\_e/WTACCSAM31\\_LEG\\_2.pdf](https://www.wto.org/english/thewto_e/acc_e/sam_e/WTACCSAM31_LEG_2.pdf).

<sup>25</sup> Energy Efficiency (Approved Energy Using Products Standards) Regulations, 2018.

committee (the Food and Nutrition Policy Committee), comprising various ministries and a consumer representative, has been established.<sup>26</sup>

3.60. Under the Food Act, Samoa adopted the Food (Safety and Quality) Regulations, 2017. These set out labelling requirements, prohibited claims, and a table of conditions for nutrient content claims. A 12-month transition period for enforcing the new labelling rules ended in 2018. The Regulations comprise mandatory standards, which, according to the authorities, are based on Codex standards. They are applicable to: eggs; fish and fisheries products; cereals and cereal products; salt; fruit drinks; fruit and vegetables; noni juice; infant formula; meat and meat products; and sugar. The Regulations also include standards in terms of maximum permitted levels of chemical contaminants, and maximum limits on microbiological contaminants in food. Furthermore, they foresee the development of a list of "high-risk foods and foods of regulatory interest" requiring prior notice/approval before importation (Art. 54).

3.61. The mandatory standard for eggs, whereby eggs must be labelled with a "sell-by date", is enhanced by the Prohibition Order on the Importations of Eggs Without Sell-By Date (Or Best Before Date or Expiration Date), 2010.

3.62. On 25 May 2018, a new standard and regulation for kava ('ava in Samoan) entered into force. Ava plays an important role in ceremonies and in the Samoan way of life (fa'asamoa), as well as in trade. The voluntary standard and the regulation aim to improve the quality of 'Ava, from production, handling, and processing to sale and export, and to ensure that the product is safe for human consumption. The Food ('Ava) Regulations were adopted pursuant to the Food Act, 2015.

3.63. The Slaughter and Meat Supply Act, 2015 complements the Food Act, 2015 with regard to food safety and hygiene matters in meat establishments and slaughterhouses.<sup>27</sup> The promulgation of implementing regulations under this Act is pending. The first regulated abattoir, a mobile slaughtering unit, opened in 2016, and a static slaughter unit is due to open.

3.64. Samoa is a member of the FAO Codex Alimentarius. Its National Codex Committee comprises nine members (the MCIL as chair; the Ministry of Health; the MAF; the Ministry of Natural Resources and Environment; the Samoa Water Authority; the Samoa Association of Manufacturers and Exporters; the Samoa Chamber of Commerce; the Samoa Consumers Association; and Women in Business Development Inc.) and two observer organizations (FAO, and WHO). Harmonization and other initiatives by the Committee are guided by a Strategic Plan for 2017-21.<sup>28</sup> Samoa is also a member of the International Food Safety Authorities Network (INFOSAN).

### **3.3.3.2 Veterinary and phytosanitary measures**

3.65. Samoa is a member of the International Plant Protection Convention (IPPC), the Pacific Plant Protection Organization, and the South Pacific Community (SPC), and is in the process of joining the World Organization for Animal Health (OIE). The Ministry of Agriculture functions as the National Plant Protection Organization (NPPO) and contact point for the IPPC.

3.66. In addition to the above, the legal framework for veterinary and phytosanitary measures comprises the following acts and regulations:

- a. Agriculture, Forests and Fisheries Ordinance, 1959 – this constitutes the overarching legal framework for the responsibilities of the MAF;
- b. Quarantine (Biosecurity) Act, 2005 – the Samoa Quarantine Services of the MAF are responsible for the implementation of SPS measures under the Biosecurity Act. The Act consolidates legislation with regard to imports of (SPS) regulated products and is currently under review. Following the enactment (pending) of the Animal Health Bill, the Plant

<sup>26</sup> The Food and Drugs Act, 1967 was amended to regulate pharmaceuticals only (henceforth, the Drugs Act, 1967).

<sup>27</sup> The Slaughter and Meat Supply Act, 2015 repeals the Meat Act, 1997.

<sup>28</sup> MCIL online information. Viewed at: [https://www.mcil.gov.ws/wp-content/uploads/2017/11/SAMOA\\_FOOD\\_SAFETY\\_CONSUMER\\_PROTECTION\\_STRATEGIC\\_PLAN-2017%80%902021.pdf](https://www.mcil.gov.ws/wp-content/uploads/2017/11/SAMOA_FOOD_SAFETY_CONSUMER_PROTECTION_STRATEGIC_PLAN-2017%80%902021.pdf).

Protection Bill, and the Quarantine Bill, the Biosecurity Act is to be repealed. The Quarantine Bill incorporates import and export measures regarding biosecurity risks;

- c. Plants and Soils Importation (Disease Control) Ordinance, 1950 and Regulations, 1951 – the Ordinance is to be repealed after the passage of the Plant Protection Bill; and
- d. Produce Export Ordinance, 1961<sup>29</sup> - the CEO of the MAF is given authority under this Ordinance to conduct *ad hoc* inspections of premises where primary products are grown and stored for export. The ability to conduct *ad hoc* inspections is to ensure that the export of produce from Samoa adheres to the agreements with importing countries of the agreed export standards. Furthermore, the Head of State, acting on the advice of the Cabinet, "may at any time restrict or prohibit during any specified period the export of any class of produce if, in his or her opinion, such restriction or prohibition is expedient either to prevent a shortage of any necessity of life of the people of Samoa or to maintain the standard of the produce exported from Samoa" (Article 8).

3.67. Samoa maintains a "List of Approved Import Commodities" that is based on import risk analysis by the Samoa Quarantine Services, according to the authorities.<sup>30</sup> For approved import commodities, an import permit or international health/phytosanitary certificate is required.<sup>31</sup> Imports of products, or from countries, other than those listed, are prohibited. Beef imports, for example, are permitted only from Australia, New Zealand, American Samoa, the United States, Fiji and Vanuatu. The list also includes approved active ingredients of pesticides.

3.68. Import permits are granted by the MAF, following an import risk analysis (IRA) which evaluates the pest status of the country of origin, and with the recommendations of the Quarantine Export Advisory Committee (QEAC), which is composed of technical personnel, and the principal veterinarian. Import permits may be issued with or without conditions. According to the authorities, the IRA procedures are in line with the International Standards for Phytosanitary Measures (ISPM). Samoa recognizes pest-free areas within countries. Fees charged for import permits amount to WST 190 a year for commercial importers, and WST 10 per shipment for private importers. All imported plants and plant materials are subject to inspection. Information on import requirements is available on the Samoa Quarantine website ([www.samoaqarantine.gov.ws](http://www.samoaqarantine.gov.ws)), and the Secretariat of the South Pacific Community maintains a database of quarantine pests (<http://pld.spc.int/pld/>).

3.69. As regards veterinary measures, a specific import prohibition applies to honey and bees (Bee and Bee Products Prohibition Order, 1999), to contain the spread of American Foulbrood and other infectious honey bee diseases. Samoa is free of foot-and-mouth disease and Newcastle disease. All approved fresh and processed meat products and livestock require import permits from the MAF.

### **3.3.4 Competition policy and price controls**

#### **3.3.4.1 Competition policy**

3.70. Until 2017, Samoa's competition policies were stipulated mainly in the Fair Trading Act, 1998. It aimed to encourage competition and fair market behaviour by establishing a number of standards of conduct for traders. In addition, it controlled the mark-up of wholesalers and retailers for basic grocery products, to prevent distributors from taking advantage of their local position. The Act established the MCIL as the authority responsible for competition regulation.

3.71. The Competition and Consumer Act, 2016 regulates the current competition framework. The Act entered into force on 3 July 2018. It provides for the establishment of an autonomous competition authority, the Samoa Competition and Consumer Commission (SCCC), which administers and enforces the Competition and Consumer Act, 2016. It has the power to conduct investigations into legal breaches and take administrative enforcement actions. Decisions by the SCCC can be challenged before the judicial system.

<sup>29</sup> Viewed at: <http://extwprlegs1.fao.org/docs/pdf/sam88415.pdf>.

<sup>30</sup> The list can be viewed at: <http://www.samoaqarantine.gov.ws/images/ApprovedImports.pdf>

<sup>31</sup> For meat and meat products from Australia and New Zealand not exceeding 20 kg, an international health certificate is not required.

3.72. The Act applies to all companies established under any enactment, including those in which the State has a controlling interest. It regulates anti-competitive agreements, concerted practices and decisions of associations, bid-rigging, price fixing, market sharing and collective boycotts, abuse of market power, and acquisitions that substantially lessen competition. It also applies to the engaging in conduct outside Samoa by any person resident or carrying on business in Samoa.

3.73. The Act mandates the Commission to negotiate agreements with regulatory bodies (authorities in charge of sectoral regulation) in order to identify and establish procedures for the management of concurrent jurisdiction and ensure the consistent application of the principles of the Act, by developing and entering into MoUs. In September 2018, an MoU was signed by the Office of the Regulator (OoTR) and the SCCC, to promote effective communication between them in performing their functions and exercising their powers under their relevant legislation.

3.74. The Commission may, with the approval of the Minister of Commerce, Industry and Labour, enter into an arrangement (a co-operation arrangement) with an overseas agency. According to the authorities, the SCCC has included collaboration and cooperation with overseas competition authorities in its three-year plan.

3.75. In dealing with infringements, the Commission may investigate on its own initiative or upon receipt of information or a complaint from any person. The Act grants the Commission the power of entry and search of premises of firms suspected of infringement. Any violation of the Act may be subject to criminal or civil prosecution. Criminal enforcement may result in significant fines and penalties as well as prison sentences for convicted individuals. The level of penalty (both imprisonment and pecuniary) can only be determined by a court. According to the authorities, as at June 2018, the SCCC had not received any major cases. Infringements are punishable by a maximum fine of 200 penalty units (for individuals); if the penalty is imposed on a corporate body, 500 penalty units or 15% of the turnover of the corporate body and of its related corporate bodies, whichever is higher.<sup>32</sup> The Commission may issue warning or cease-and-desist notices to a person, if it has reasonable cause to believe that the person has engaged, is engaging, or proposes to engage, in conduct that contravenes the Act.

3.76. Exemptions from the Act are granted for, *inter alia*, avoiding conflicts with international obligations, collaborative activity, and vertical agreement.

### 3.3.4.2 Price controls

3.77. Pursuant to the Fair Trading Act, 1998, price controls continue to apply, on a transitional basis, in the forms of maximum price and a percentage mark-up applied to imported and domestically-produced basic food items. The price control was previously reviewed every three months, to cater for the fluctuation of prices due to factors such as foreign exchange rates, and different freight costs depending on the country of origin. Goods subject to price controls are listed in the General Price Orders. The most recent version was adopted in April 2018 (Table 3.5). According to the authorities, it will remain in force, pursuant to the transitional clauses of the Competition and Consumer Act, until July 2019.

**Table 3.5 Products covered by the General Price Order, 2018**

WST

Description (imports)	Wholesale		Retail	
	Upolu	Savai'i	Upolu	Savai'i Manono Apolima
<b>Sugar</b>				
Brown 50 kg	142.00	149.60	3.40	3.70
Brown 25 kg	71.00	74.80	3.40	3.70
<b>Salt</b>				
Grade 27 fine 25 kg	24.80	26.10	1.20	1.30
<b>Rice</b>				
Island Sun 18 kg	55.60	58.60	3.70	4.00
Island Sun 9 kg	26.50	27.90	3.50	3.80
FRC Special Blend 18 kg	45.60	48.00	3.00	3.30

<sup>32</sup> 1 penalty unit equals WST 100.

Description (imports)	Wholesale		Retail	
	Upolu	Savai'i	Upolu	Savai'i Manono Apolima
FRC Special Blend 9 kg	23.00	24.20	3.00	3.30
Pacific Rice 18 kg	40.50	42.70	2.70	2.90
Golden Chef Calrose 18 kg	32.00	33.70	2.10	2.30
Summer Valley Calrose 18 kg	38.50	40.60	2.60	2.80
Summer Valley Calrose 9 kg	19.50	20.50	2.60	2.80
Japonica 18 kg	39.80	41.90	2.70	2.70
Japonica 9 kg	20.50	21.90	2.70	2.90
Golden grain 18 kg	34.50	36.30	2.30	2.50
Golden grain 9 kg	17.50	18.40	2.30	2.50
<b>Vermicelli 100*250 g flour</b>				
Normal flour 50 kg	88.50	93.20	2.10	2.30
Normal flour 25 kg	44.60	47.00	2.10	2.30
Wholemeal flour 25 kg	47.50	50.00	2.30	2.50
Bakers' flour 50 kg	99.20	104.50	2.40	2.60
Bakers' flour 25 kg	49.00	51.60	2.40	2.60
Punjas bakers' flour 25 kg	46.00	48.50	2.20	2.40
Punjas normal flour 25 kg	46.00	48.50	2.20	2.40
Tropical bakers' 25 kg	38.00	40.00	1.80	2.00
Tropical normal 25 kg	35.00	36.90	1.70	1.80
Kings choice bakers' 25 kg	32.40	34.10	1.60	1.70
<b>Milk products</b>				
Devondale UHT 10* 1 l	36.70	38.70	4.40	4.70
Devondale UHT 6* 2 l	40.00	42.10	8.00	8.60
Anchor regular 12*1 l	36.50	38.50	3.70	3.90
Anchor lite 12* 1 l	36.50	38.50	3.70	3.90
Paul's longlife 12* 1 l	36.00	37.90	3.36	3.90
Meadow fresh UHT 12* 1 l	41.80	44.00	4.20	4.50
Meadow fresh low fat 12* 1 l	40.00	42.10	4.00	4.30
<b>Butter</b>				
Anc G/PRF sal 20*454 g	213.60	225.00	12.80	13.80
Anc G/PRF sal 40*227 g	219.60	231.30	6.60	7.10
Anc foil sal 80*100 g	223.10	235.00	3.40	3.60
Westgold foil salted 20*400 g	169.00	178.00	10.20	10.90
Westgold foil salted 40*200 g	175.00	184.30	5.30	5.70
Westgold foil salted 80*100 g	194.30	204.70	2.90	3.10
<b>Mosquito coil</b>				
Zap 1*60	62.50	65.80	1.20	1.30
Tiger 1*60	56.50	59.50	1.10	1.20
Mortein 1*60	62.00	65.30	1.20	1.30
Knockout 1*60	61.00	64.30	1.20	1.30
RAD 1*60	20.30	21.40	1.00	1.10
<b>Tinned fish</b>				
Mackerel - mac n'oil 24*425 g	52.00	54.80	2.60	2.80
Ocean Queen - mac n'oil 24*425 g	103.90	109.40	5.20	5.60
Sardines - tomato sauce 24*425 g	42.90	45.20	2.10	2.30
Sea boat - tomato sauce 24*425 g	41.40	43.60	2.10	2.20
Soifua - mac n'oil 24*425 g	58.20	61.30	2.90	3.10
Soifua - tomato sauce 24*425 g	57.20	60.30	2.90	3.10
Taiyo 24*425 g	208.50	219.60	10.40	11.20
King pacific - mac n'oil 24*425 g	47.50	50.20	2.40	2.60
King pacific - tomato sauce 24*425 g	45.50	47.90	2.30	2.50
Three star - tomato sauce 24*425 g	45.50	47.90	2.30	2.50
Sea star - tomato sauce 24*425 g	45.80	48.20	2.40	2.50
Sea star - mac n'oil 24*425 g	49.20	51.80	2.50	2.70
Master - mac n'oil 24*425 g	57.30	60.40	2.90	3.10
South seas - tomato sauce 24*425 g	49.20	51.80	2.50	2.70
South seas - mac n'oil 24*425 g	45.00	47.40	2.30	2.40
Ocean king - mac n'oil 24*425 g	53.00	55.80	2.60	2.80
Tropical - tomato sauce 24*425 g	43.80	46.10	2.20	2.30
Tropical - mac n'oil 24*425 g	56.40	59.40	2.80	3.00
Aulelei - mac n'oil 24*425 g	43.90	46.20	2.20	2.40
Yummee - tomato sauce 24*425 g	43.00	45.30	2.20	2.30
Yummee - mac n'oil 24*425 g	46.80	49.30	2.30	2.50
Chefs choice - mac n'oil 24*425 g	76.00	80.00	3.80	4.00
Chefs choice - tomato sauce 24*425 g	45.60	48.00	2.30	2.50

<b>Description (imports)</b>	<b>Wholesale</b>		<b>Retail</b>	
	<b>Upolu</b>	<b>Savai'i</b>	<b>Upolu</b>	<b>Savai'i Manono Apolima</b>
Tasty - mac n'oil 24*425 g	43.90	46.20	2.20	2.40
Five star - tomato sauce 24*425 g	47.30	49.80	2.40	2.50
Five star - mac n'oil 24*425 g	49.00	51.60	2.50	2.60
Pacific chief - tomato sauce 24*425 g	45.00	47.40	2.20	2.40
KJ - tomato sauce 24*425 g	47.70	50.20	2.40	2.60
Ocean best - mac n'oil 24*425 g	52.20	55.00	2.60	2.80
Sea Ram - mac n'oil 24*425 g	54.50	57.40	2.70	2.90
Tasi Kingfish - mac n'oil 24*425 g	79.00	83.20	3.90	4.30
Nemo - mac n'oil 24*425 g	47.00	48.20	2.40	2.50
First choice - mac n'oil 24*425 g	45.80	48.20	2.30	2.50
<b>Corned beef</b>				
Palm 24*326 g	130.80	137.80	6.50	7.00
Palm 6*1.36 kg	261.00	274.90	52.20	56.10
Palm 24*425 g	331.40	349.10	16.60	17.80
Trachurus/Chefs choice 24*340 g	163.50	172.20	8.20	8.80
Oxford 6*1.36 kg	165.00	173.80	33.00	35.50
Oxford 24*454 g	196.20	206.70	9.80	10.60
Oxford 24*340 g	214.40	225.80	10.70	11.50
Pacific 6*1.36 kg	270.00	284.40	54.00	58.00
Pacific 24*453 g	302.00	318.10	15.10	16.20
Pacific 24*340 g	240.00	252.80	12.00	12.90
Salisbury 24*326 g	216.50	228.10	10.80	11.60
Salisbury 12*326 g	117.60	123.90	12.00	12.70
Salisbury 6*1.36 kg	226.30	238.40	45.30	48.70
Manaia 24*340 g	181.10	190.80	9.10	9.70
Tropical 24*340 g	137.40	144.70	6.90	7.40
<b>Freezer goods</b>				
Turkey wings 14 kg	49.00	51.60	4.20	4.60
Lamb neck slice 20 kg	186.30	196.00	11.20	12.30
Mutton flaps 20 kg	295.80	311.20	17.70	19.50
Pork trotter 20 kg	103.50	108.90	6.20	6.80
Chicken leg 15 kg	57.50	60.50	4.60	5.00

Source: Information provided by the authorities.

3.78. In principle, the Competition and Consumer Act, 2016 provides for prices to be determined by market forces. However, price controls can be re-introduced for specific goods if the Commission believes that there is no effective competition in the market for those goods.

3.79. Pursuant to the Electricity Act, 2010, the OoTR is responsible for setting, changing and reviewing all tariffs charged by electricity licensees in Samoa. Tariffs are also regulated for petroleum products and reserved postal services.

### **3.3.5 State trading, state-owned enterprises, and privatization**

#### **3.3.5.1 State trading enterprises**

3.80. Since its accession to the WTO, Samoa has never made any notification with respect to state-trading enterprises within the meaning of Article XVII of GATT 1994. According to the authorities, although the Samoa Trust Estate Corporation (STEC) is engaged in some trading activities, it has no exclusive rights, and its activities are not likely to influence imports or exports. The STEC's commercial activities cover exports of de-husked coconut, and cocoa. However, it has temporarily suspended its coconut exports, in order to service the local market first. In addition, the STEC sells its vanilla production to another producer, who then exports it.

3.81. Petroleum products are currently handled exclusively by Exxon Mobil (Section 4.2.2.2).

3.82. The authorities state that none of state-owned enterprises (SOEs) trading in goods are state-trading enterprises under the meaning of the Understanding on the Interpretation of Article XVII of the GATT 1994; and that none of Samoa's SOEs trading in goods had been granted a monopoly or any special privileges that would enable them to influence imports or exports. As to SOEs supplying

services, the authorities justified the *de facto* monopoly position enjoyed by some of them, with the small size of the domestic economy. Electricity transport and distribution are under Electric Power Corporation's (EPC) monopoly. In addition, the Samoa Ports Authority, the Samoa Airport Authority, the Samoa Water Authority, and the Samoa Shipping Corporation have *de facto* monopoly over their area of activities.

### 3.3.5.2 SOEs and privatization

3.83. The State owns shares in a number of enterprises operating in most economic sectors (Tables 3.6 and 3.7). Since August 2015, the Ministry for Public Enterprises has been in charge of SOEs. It ensures that SOEs (public bodies) comply with the Public Bodies (Performance and Accountability) Act, 2001. Public trading bodies have a legal mandate to operate as commercial businesses, and are engaged in a diverse range of activities, including transport, utilities, subsidized housing, postal services, banking, land development, and trustee services. They have a not-for-profit mandate.

**Table 3.6 Public trading bodies**

	<b>Percentage of Government shares</b>	<b>Business description</b>
Development Bank of Samoa	100	Small business/Agriculture development loans
Electric Power Corporation	100	Electric power generation, transmission distribution and sale of electricity
Gambling Control Authority	100	Management of gambling activities
Land Transport Authority	100	Management of roads and road users
Samoan Airways	100	Commercial inter-island airline. Air travel between Samoa and American Samoa
Public Trust Office	100	Will-making and administering of estates
Samoa Airport Authority	100	Airport management
Samoa Housing Corporation	100	Housing loans
Samoa Land Corporation	100	Sale/lease of former Western Samoan Trust Estates Corporation (WSTEC) land
Samoa Ports Authority	100	Management of ports and wharves
Samoa Post Limited	100	Postal services
Samoa Shipping Corporation	100	Ferry services. Provision of inter-island sea transport between Upolu and Savai'i.
Samoa Shipping Services	100	Contracting of crew for cargo vessels. Freight agency, seafarer/crew management services, and management of the MV Forum Samoa II vessel (currently chartered by the Pacific Forum Line)
Samoa Trust Estate Corporation	100	Cattle and copra production and property investment/land leases
Samoa Water Authority	100	Water supply. Harvest, treatment and reticulation of the water supply throughout Samoa
Unit Trust of Samoa (Management) Ltd	100	Management of the Trust for unit holders

Source: Information provided by the authorities.

**Table 3.7 Mutual and beneficial bodies (March 2017)**

	<b>Percentage of Government shares</b>	<b>Business description</b>
<b>Mutual bodies</b>		
Accident Compensation Corporation	Mutual <sup>a</sup>	Levy collection; compensation payments
Samoa Life Assurance Corporation	Mutual <sup>a</sup>	Life assurance; mortgage borrowing
Samoa National Provident Fund	Mutual <sup>a</sup>	Superannuation fund; business and home loans
<b>Public beneficial bodies</b>		
National Health Services of Samoa	100	Hospital and health services
National Kidney Foundation of Samoa	100	Kidney disease and disorders
National University of Samoa	100	Tertiary education
Samoa Fire and Emergencies Services Authority	100	Fire suppression and emergency services
Samoa Qualifications Authority	100	Education

	<b>Percentage of Government shares</b>	<b>Business description</b>
Scientific Research Organization of Samoa	100	Scientific and agricultural research
Samoa Sports Facilities Authority	100	Management of sports facilities and promotion of sports
Samoa Tourism Authority	100	Tourism
Samoa International Finance Authority	100	Offshore investments

- a These mutual entities are owned by policy holders/contributors to these entities. However, they are monitored and controlled by the Government under their empowering legislations and the Public Bodies (Performance and Accountability) Act, 2001.

Source: Information provided by the authorities.

3.84. According to the authorities, Samoa's policy aims at promoting economic growth through private-sector development and ensuring that partly or wholly SOEs operate on normal business considerations.

3.85. The Public Bodies (Performance and Accountability) Act aims to strengthen the performance and accountability of enterprises in which the Government retains a controlling interest, i.e. more than 50% of the total shares or the majority of the votes. It requires public trading bodies to prepare corporate plans to comply with financial reporting requirements and conduct performance audits on a regular basis. To ensure that public enterprises are competitive-neutral *vis-à-vis* the private sector, the Act provides for public trading bodies to register as companies under the Companies Act; they must also aim for the same profitability and efficiency as private businesses.

3.86. The Public Finance Management Act, 2001 requires public trading bodies to submit a Performance and Management Plan; to immediately notify the Government of any event that could affect their financial position; to keep proper accounts and records of their financial positions and transactions; and to submit performance and management reports, as well as financial statements.

3.87. Privatization and SOE reform have been implemented gradually since 2003. Under the Government's 2003 divestment policy, the privatization of the Samoa Broadcasting Corporation (SBC) was completed in 2008, and that of SamoaTel in 2011. A new divestment policy was adopted in 2015. Under it, the Agriculture Stores Corporation, the Public Trust Limited, the Samoa Housing Corporation, Samoa Post, and Samoa Shipping Services were identified for privatization, and the Agriculture Store Corporation was privatized in 2016. Greater private-sector participation is planned for some other SOEs.

3.88. The authorities state that the country is increasingly considering public private partnerships (PPPs), besides privatizations. In 2014, the Cabinet adopted a new PPP policy to serve as framework to all PPP-related procedures. It establishes guidelines for identifying and implementing PPPs, including within the SOE portfolio.

### **3.3.6 Government procurement**

3.89. Samoa's government procurement contracts accounted for some 10.35% of GDP in 2017.

3.90. The conduct of government procurement in Samoa is based on a policy framework, including the Public Finance Management Act, 2001 (Section XII); the Treasury Instructions Amended Part K, 2016; the amended procurement guidelines for goods, works and general services; and the procurement guidelines for consulting services.

3.91. The Act and the Treasury Instructions provided for the establishment of a Government Tenders Board in 2001, which is supported by the Procurement Division under the Ministry of Finance.<sup>33</sup> Within prescribed limits, the Board is responsible for, *inter alia*: opening, and awarding tenders for the purchase by the Government of real and personal property, goods and services, and construction works.

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<sup>33</sup> Ministry of Finance online information. Viewed at: <https://www.mof.gov.ws/Services/Procurement/tabid/5587/Default.aspx>.

3.92. The Board membership comprises: the Minister of Finance as the Chairperson; the Minister of Works as the Deputy Chairperson; the Financial Secretary; the Director of Works; the Attorney General; one representative from the private sector nominated by the Minister of Finance and approved by the Cabinet; and two other members appointed by the Minister of Finance acting on the advice of Cabinet, one of whom must be an officer of a department other than the Treasury.

3.93. In accordance with the Act, when the Board is in the process of considering a contract for the acquisition, disposal or management of goods, services or construction works, it may co-opt a representative of the department responsible for that activity who has detailed knowledge of the requirements of the department in relation to the proposed contract. The person so co-opted may participate in the process in an advisory capacity only.

3.94. The Treasury Instructions represent the Government's minimum standards of good practice for procurement planning, approaching the market, and contracting. They set out, *inter alia*, procurement principles, planning and preparation, procurement methods, requirements, and processes.

3.95. The application of the Instructions is mandatory for all procuring entities (ministries and public bodies) when performing any government procurement activity; and these entities may be audited for compliance with the Instructions by the Controller or Chief Auditor, under the Audit Office Ordinance, 1961.

3.96. Under Samoa's procurement legislation, open tendering is the preferred procurement method. In this case, the tender must be advertised in a widely-circulated newspaper, internationally where required by a donor or financier, or otherwise when advisable in the interest of maximizing competition. Where international competitive bidding is used, the notice must be placed in at least two English-language newspapers or other printed media with adequate circulation to attract foreign competition or on widely-read Internet websites.

3.97. With a view to promoting open competitive procurement practices, national preference is not allowed in general. However, when appropriate, and if effective in building local capacity or the utilization of local know-how and materials, the Tenders Board may approve, on a case-by-case basis, the use of a margin of preference for domestically manufactured goods or registered works contractors, as applicable. The percentage of preference in instructions or schemes issued by the Ministry of Finance must be between 5% and 10%. According to the authorities, the Tenders Board has never approved any domestic margin of preference. Foreign participation is traditionally significant in Samoa's government procurement. In fiscal-year 2017/18, for example, foreign companies were awarded 51.7% of procurement contracts for goods, 21.8% for works and 40.2% for consulting services.

3.98. The Procurement Guidelines encourage the Tenders Board to develop procedures for electronic procurement, including bid submission, advertisement and disclosure of information on procurement, rules, policies and practices.

3.99. The heads of procuring entities must appoint a bid evaluation committee. Under the Instructions, procurement must be conducted according to the following principles: open and fair competition, wide participation by eligible parties, transparency, accountability, responsiveness, consistency, effectiveness, efficiency, informed decision making, legality, and value for money. The contract must be awarded to the bidder having submitted the lowest evaluated and substantially responsive bid which meets the evaluation criteria as specified in the bidding documents. The full tender evaluation report with recommendation for award of contract must be submitted to the Tenders Board for approval, or recommendation to the Cabinet where appropriate.

3.100. The procuring entity is responsible for calling tenders, and they are opened by the appropriate authority based on the level of threshold. The Evaluation Committee comprises representatives from the procuring entity, the Ministry of Finance, and the Office of the Attorney General. In principle, the procedures to be followed depend on the thresholds established by the Board in its published B4 Schedule (Table 3.8). The splitting of a procurement contract is prohibited.

**Table 3.8 Public procurement methods and thresholds**

<b>Thresholds (WST)</b>	<b>Counter-signature when initiating payment</b>	<b>Authority to approve award</b>	<b>Method(s) of procurement to be used</b>	<b>1. Calling 2. Opening 3. Evaluating 4. Awarding</b>
<b>Above 500,000</b>	[F.K] Cabinet	Cabinet	Competitive Tender	1. Procuring entity 2. Tenders Board 3. Evaluation Committee 4. Cabinet
<b>200,001 to 500,000</b>	Minister of Finance	Tenders Board	Competitive Tender	1. Procuring entity 2. Tenders Board 3. Evaluation Committee 4. Tenders Board
<b>150,001 to 200,000</b>	Cabinet Minister/Financial Secretary	Tenders Board	Competitive Tender	1. Procuring entity 2. Tenders Board 3. Evaluation Committee 4. Tenders Board
<b>100,001 to 150,000</b>	N/A	Tenders Board	Request for Quotation for Works; Tender for Goods & Related Services & General Services; and Request for Proposal for Consulting Services	1. Procuring entity 2. Tenders Board 3. Evaluation Committee 4. Tenders Board
<b>50,001 to 100,000</b>	N/A	Tenders Board		1. Procuring entity 2. Tenders Board 3. Evaluation Committee 4. Tenders Board
<b>5,001 to 50,000</b>	N/A	CEO		1. Procuring entity 2. Procuring entity 3. Evaluation Committee 4. CEO procuring entity
<b>0 – 5,000 inclusive</b>	N/A	CEO		

N/A      Not applicable.

Source: Government of Samoa

3.101. Under some limited circumstances, procuring entities may be exempted from the requirement to openly advertise. The Tenders Board must approve the method of procurement to be applied in each case. Alternative procedures comprise: limited bidding, selective bidding, restricted bidding, requests for quotation, procedures for low-value procurements, and special procedures as described in the Procurement Guidelines.

3.102. When determining the alternative procurement method, the Board must take into account all relevant factors, including the complexity or potential cost of the contract; any specific requirements of donor-funded goods or works; the unique or highly-specialized nature of the goods or works; and the urgency of the need for the goods or works. According to the authorities, competitive tender is consistently the main procurement method. By value, it accounted for 67.44% of the total procurement in 2017-18, up from 58.29% in 2015-16. Direct procurements are marginal, and accounted for less than 5% of overall procurement in 2017-18.

3.103. Aggrieved suppliers can take their protests to the procuring agency. The agency must consider the complaint; respond promptly and impartially to it; try to resolve it in good faith; and deal with it in a way that does not prejudice the complainant's ongoing or future participation in procurement. If still dissatisfied, the supplier may appeal against the decision of the procuring entity to a competent authority. The annual number of complaints has increased in recent years, from three in 2014 to 15 in 2018. However, none of the cases reached the court. The authorities indicate that they are in the process of establishing an independent adjudicator in charge of procurement disputes.

3.104. Samoa is neither a member of, nor an observer to, the Plurilateral Agreement on Government Procurement. According to the authorities, the country is planning to become an observer to it.

### 3.3.7 Intellectual property rights

3.105. The institutional and legal framework for the protection of intellectual property rights (IPRs) has not substantially changed since Samoa's accession to the WTO in 2012. The authorities have adopted a paperless IPR Registry. In addition, they are in the process of connecting to international registry systems, such as the Madrid System, The Hague System, and the Patent Cooperation Treaty.

3.106. Responsibility for the formulation and implementation of intellectual property (IP) policy rests with the Registries of Companies and Intellectual Properties Division of the MCIL, in collaboration with relevant stakeholders. It receives applications from domestic and international applicants, and grants or denies IPRs. Registration fees for all IPRs are set by the MCIL. The current schedule was adopted in 2017. In general, application fees to register an IPR (except for designs)<sup>34</sup> amount to WST 300, plus other specific fees. Decisions taken by the Registrar, in particular regarding the grant of IPRs, or the refusal of an application for such a grant or registration, may be appealed by any interested party before the Supreme Court. IPRs in Samoa are protected under the Copyright Act, 1998; the Copyright Amendment Act, 2011; the IP Act, 2011; the IP Amendment Act, 2018; the IP Regulations, 2015; and the IP Amended Regulations, 2018 (as amended in 2011) (Table 3.9). These Acts have not yet been notified to the WTO, nor has Samoa's contact points on IP issues.

**Table 3.9 Summary of protection of IPRs, 2018**

Main legislation	Coverage	Duration	Selected exclusions and limitations
<b>Patents</b>			
IP Act	Two types of patents can be granted in Samoa: standard patents, and innovation patents (utility models).	20 years from the filing date of the patent application.	<p>Non-patentable inventions.</p> <p>The following, even if they are inventions, cannot be patented:</p> <ul style="list-style-type: none"> <li>• a discovery, scientific theory or mathematical method;</li> <li>• a scheme, rule or method for performing a mental act, playing a game or doing business;</li> <li>• diagnostic, therapeutic and surgical methods for the treatment of humans or animals;</li> <li>• inventions that are contrary to public order or morality;</li> <li>• plants and animals, other than micro-organisms;</li> <li>• biological processes for the production of plants or animals, other than non-biological and microbiological processes;</li> <li>• inventions that are likely to cause serious environmental harm; and</li> <li>• mere discovery: of a new form of a known substance which does not result in the enhancement of the known substance; or of the mere use of a known process, machine or apparatus unless such process results in a new product or employs at least one new reactant.</li> </ul>

<sup>34</sup> Application fees for designs registration amount to WST 30 for a single article and WST 50 for a set of articles.

Main legislation	Coverage	Duration	Selected exclusions and limitations
	An invention can be patented as a standard patent if it is: <ul style="list-style-type: none"> <li>• new;</li> <li>• involves an inventive step; and</li> <li>• is industrially applicable, i.e. useful and applicable in any industry.</li> </ul>		
<b>Utility models</b> (referred to as innovation patent in Samoa)			
IP Act	An invention qualifies for an innovation patent if it is: <ul style="list-style-type: none"> <li>• new; and</li> <li>• industrially applicable.</li> </ul> An innovation patent is a shorter-term right that can be used for a product with a short market life (e.g. technology that may be quickly superseded) or to protect each step in the development of new technology before the final product is completed.	An innovation patent expires, without the possibility of renewal, at the end of the seventh year after the date of the filing of the application.	
<b>Trademarks</b>			
IP Act	<p>Includes: any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound, scent or taste, or any combination of them, capable of being represented graphically; and capable of distinguishing the goods or services of one person from those of another in the course of trade.</p> <p>If an application is made for the registration of a collective mark, the registered owner must designate the mark as a collective mark and must provide a copy of the rules governing the use of the collective mark.</p>	10 years from the date of registration. The registration of a mark may, upon request, be renewed for consecutive periods of 10 years, upon the payment of the determined renewal fee.	A trade mark cannot be registered for various reasons, which include the following. The trade mark is: <ul style="list-style-type: none"> <li>• likely to deceive or cause confusion amongst consumers and traders;</li> <li>• identical to an already registered mark belonging to another proprietor;</li> <li>• considered to be contrary to public order or morality, i.e. considered offensive or violates commonly accepted norms; or</li> <li>• based on matai titles, names of persons or Samoan villages, or religious words or symbols.</li> </ul>
<b>Industrial designs</b>			
IP Act	The design of any aspect of the shape, pattern or configuration (whether internal or external) of the whole or part of an article, not including a method or principle of construction, or the features of shape or the configuration of an article which are dictated solely by the function which the article has to perform, or are dependent upon the appearance of another article of which the article is	Design rights expire 15 years from the end of the calendar year in which the design was first recorded in a design document or an article was first made to the design, whichever occurred first.	A design cannot be registered if: <ul style="list-style-type: none"> <li>• it is contrary to public order or morality;</li> <li>• it is based on matai titles, names of persons or Samoan villages, or religious words or symbols; or</li> <li>• it is identical to an armorial bearing, flag or other emblem, a name or abbreviation of the name, or a hallmark.</li> </ul>

Main legislation	Coverage	Duration	Selected exclusions and limitations
	intended by the designer to form an integral part.		
<b>Copyrights and related rights</b>			
Copyright Act, 1998 (last amended in 2011)	<p><b>Protected works include the following:</b></p> <p>Books, pamphlets, articles, computer programs, and other writings, speeches, lectures, addresses, sermons and other oral works, dramatic, dramatico-musical works, pantomimes, choreographic works and other works created for stage productions, stage productions of works and of expressions of folklore that are apt for such productions, musical works, with or without accompanying words, audiovisual works, works of architecture, works of drawing, painting, sculpture, engraving, lithography, tapestry and other works of fine art, photographic works, works of applied art, illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography architecture or science.</p> <p><b>Protection also applies to derivative works:</b></p> <p>translations, adaptations, arrangements and other transformations or modifications of works; and collections of works and collections of mere data (data bases), whether in machine readable or other form, provided that such collections are original by reason of the selection, coordination or arrangement of their contents.</p>	<p>Literary, artistic, musical works: author's life and 75 years after his/her death.</p> <p>Publisher's works: 75 years after first publication.</p> <p>Works of applied art: 25 years from the making of the work.</p> <p>Collective works: 75 years from the making of the work.</p> <p>Joint authorship: life of the author and 75 years after his/her death</p>	<p>No protection shall be extended under the Act to:</p> <ul style="list-style-type: none"> <li>• any idea, procedure, system, method of operation, concept, principle, discovery or mere data, even if expressed, described, explained, illustrated or embodied in a work; or</li> <li>• any official text of a legislative, administrative or legal nature, as well as any official translation thereof.</li> </ul>
<b>Geographical indications (GIs)</b>			
IP Act	Any natural or agricultural product or any product of handicraft or industry, if some quality, reputation or other characteristic of the product is essentially attributable to its geographical origin.	Registration does not provide any exclusive protection for the registered owner – producers in that area still have the right to use the GI for their products, as long as their product also has the quality, reputation or other characteristic of the registered GI.	

Main legislation	Coverage	Duration	Selected exclusions and limitations
<b>Plant breeders' rights</b>			
IP Act	<p>Any agricultural, forestry or aquatic plants meeting the following requirements:</p> <ol style="list-style-type: none"> <li>1. the variety is clearly distinguishable from any other variety;</li> <li>2. all of the plants of the variety at the same propagation stage are sufficiently uniform in their relevant characteristics;</li> <li>3. all of the expressions of the characteristics of the variety remain unchanged after repeated propagation; and</li> <li>4. propagated or harvested material of the variety has not been sold or otherwise disposed of to others, by, or with the consent of, the breeder, for purposes of exploitation of the variety: <ul style="list-style-type: none"> <li>• in Samoa, earlier than 1 year before the date of filing the application; and</li> <li>• in a territory other than Samoa, earlier than 4 years or, in the case of trees or of vines, earlier than 6 years before said date.</li> </ul> </li> </ol>	<p>Duration of breeders' rights of plants is 20 years. The owner may apply to the Registrar to extend the period of protection beyond 20 years.</p>	<p>The plant breeder's right shall not extend to:</p> <ul style="list-style-type: none"> <li>• acts done privately and for non-commercial purposes;</li> <li>• acts done for experimental purposes; or</li> <li>• acts done for the purpose of breeding other varieties.</li> </ul>
<b>Layout designs of integrated circuits</b>			
IP Act	Layout designs of integrated circuits are registrable to the extent that they are original.	Protection of a layout design expires at the end of the 10 <sup>th</sup> calendar year after the date of commencement of the protection.	No layout design or integrated circuit which has been commercially exploited, anywhere in the world, for more than two (2) years prior to the entry into force of this Act may be registered.

Source: WTO Secretariat, based on the IP Act, and the Copyright Act, 1998.

3.107. The IP Act provides for the granting and registration of patents, utility models, layout design of integrated circuits, plant breeders' rights, and industrial designs in Samoa. At the time of Samoa's accession to the WTO, the authorities stated that undisclosed information and trade secrets were protected under the common law actions relating to confidential information and trade secrets. According to the authorities, efforts are ongoing to adopt legislation on the protection of traditional knowledge and traditional cultural expressions, which has a trade secret protection component.

3.108. Except for trademarks, there have been few applications and registrations of patents, industrial designs and utility models (Table 3.10).

**Table 3.10 IPR applications and registrations**

Year	Applications (number)					Registrations (number)				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
<b>National and international patents</b>										
By residents	0	0	0	0	0	0	0	0	0	0
By non-residents	25	4	0	4	0	22	5	1	0	0
<b>Total</b>	<b>25</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>22</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Industrial designs</b>										
By residents	3	2	5	0	2	3	0	4	1	0
By non-residents	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>
<b>Utility models</b>										
By residents	0	0	0	0	0	0	0	0	0	0
By non-residents	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Trademarks</b>										
By residents	24	21	21	14	21	5	19	20	9	10
By non-residents	259	200	116	189	106	127	377	207	68	203
<b>Total</b>	<b>283</b>	<b>221</b>	<b>137</b>	<b>203</b>	<b>127</b>	<b>132</b>	<b>396</b>	<b>227</b>	<b>77</b>	<b>213</b>

Source: Information provided by the authorities.

3.109. The Act allows for compulsory licensing. The Minister of Commerce, Industry and Labour may grant a licence to a government agency or a third person, even without the consent of the owner of the patent, provided that: the public interest so requires; or the Minister has determined that the manner of exploitation by the owner of the patent or the licensee is anti-competitive; and the Minister is satisfied that the exploitation of the invention would remedy the practice. No compulsory licenses have ever been granted for patents in Samoa.

3.110. The Act also provides for the parallel importation of patented medicines. The Minister may decide, even without the consent of the owner of the patent, and after a notification to the WTO Council for TRIPS, to grant a government agency or a third person designated by the Minister the right to import, offer for sale, sell, stock or use a patented pharmaceutical product. However, Samoa has never experienced such situation.

3.111. Trademark protection is acquired by registration. However, a trademark may acquire distinctiveness through use, and, consequently, protection. Well-known marks are also protected.

3.112. Samoa does not have an established collective management organization. However, the authorities stated that discussions are ongoing.

3.113. Samoa has not notified its checklist of issues on the enforcement of IPRs. The IP Act contains provisions dealing with civil procedures and remedies; provisional measures; administrative procedures and remedies; and criminal penalties. The Act prohibits counterfeiting, and trade and all other dealings in counterfeit goods.

3.114. Courts are the primary authorities responsible for carrying out IPR enforcement. Any enforcement action undertaken to terminate the production of counterfeit goods, or to prevent IPR violation, or where it is imminent, may be initiated by the owner of an IPR or his licensee, if the licensee has requested the owner to institute court proceedings for specific relief and the owner has refused or failed to do so. The court may grant an injunction to prevent infringement, an imminent infringement, or an unlawful act, and may award damages and grant any other remedy provided for in the general law. A person who knowingly violates an IPR, wilfully or by gross negligence, and for

profit-making purposes, is liable to a fine of WST 100,000 and/or five years imprisonment. There are also means of administrative enforcement. Several enforcement actions have been taken since 2012.

3.115. Customs is responsible for border enforcement on the import, export and transit of infringing goods. Right holders may lodge an application with Customs to suspend the release of goods suspected of infringing IPRs. The Customs Act specifically refers to border protection measures for unlawfully imported goods or forfeited goods In April 2018, the Ministry for Revenue published procedures with respect to IPR enforcement: "Where the Comptroller has reasonable grounds to suspect that imported goods under the control of Customs contain infringing copyright material, infringing right material, an infringing sign or design, the Comptroller must send a written notice to the agent or rightful IP holder including the MCIL to inform them of suspected infringement against their products. Timeframe for submission of response is 7 working days."<sup>35</sup>

3.116. In 2012, Samoa adopted the National Intellectual Property Strategy, which aims to: modernize the country's IP legislative and administrative arrangements to comply with the standards set out in the TRIPS Agreement; provide better protection to Samoan traditional knowledge and traditional cultural expressions, consistent with existing international norms; strengthen the capacity of Samoan stakeholders regarding the strategic development of businesses; and improve the scope of copyright works through better compliance with IP protection norms. Several actions have been implemented, in line with the Strategy. These include the adoption of a paperless IP registry system, efforts to establish a collective management organization for copyrights issues and plans to adopt new legislation on traditional knowledge.

3.117. Samoa is a party to: the Paris Convention for the Protection of Industrial Property (21 September 2013), the Berne Convention for the Protection of Literary and Artistic Works (21 July 2006), and the Convention Establishing the World Intellectual Property Organization (11 October 1997). Achieving compliance with the Paris Convention formed a key part of the IP legislative review and modernization process, which led to the Industrial Property Act in 2011. During the process to accede to the WTO, Samoa recognized that cooperation with other Forum Group countries in the area of IP protection would be useful, as well as membership of the Patent Cooperation Treaty, the Madrid Protocol and The Hague Agreement. On 4 December 2018, the Government deposited its instrument of accession to the Madrid Protocol.

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<sup>35</sup> Ministry for Revenue online information. Viewed at:

[http://www.revenue.gov.ws/images/2015/Business\\_Forms/New\\_2018/Website\\_Photos\\_2018/GEN0010--Clearance-of-Trademark-and-Copyright-Goods-SOP.pdf](http://www.revenue.gov.ws/images/2015/Business_Forms/New_2018/Website_Photos_2018/GEN0010--Clearance-of-Trademark-and-Copyright-Goods-SOP.pdf).

## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture, Forestry, and Fisheries

#### 4.1.1 Agriculture

4.1. Agriculture contributed 7.7% to GDP in 2017/18 (Table 1.1).<sup>1</sup> The climate is tropical, rainfall is abundant, and the country has fertile volcanic soils; however, Samoa is particularly vulnerable to natural disasters. In 2009, it was struck by a devastating tsunami, causing loss of lives and great damage to the infrastructure. In December 2012, it was hit by category 5 Cyclone Evan, which caused damages and losses estimated at about 28% of GDP.<sup>2</sup> In February 2017, category 1 Cyclone Gita struck, and a state of emergency was declared. Water and electricity supply, buildings, and agriculture were affected.

4.2. According to the last agricultural census held in 2009, the agricultural area, including plantations, was approximately 29,642 ha, with 23,164 farms.<sup>3</sup> Samoa's agriculture is mainly subsistence production on customary land, although there are a few commercial plantations. The main crops are taro, coconuts, and bananas. Other staple and cash crops include root crops (taamu, cassava, yam, and sweet potatoes), breadfruit, fruit and vegetables, cocoa, and kava. Livestock production is small-scale and village-based. Samoa does not have a commercial dairy. Most of the meat and dairy products are imported, and the country is not self-sufficient in eggs.<sup>4</sup>

4.3. Samoa has become increasingly dependent on food imports, which increased from USD 82.4 million in 2012 to USD 92.9 million in 2017 (Table 4.1). The top import item, by far, is poultry meat. Imports far outstrip exports of agricultural products, which varied between USD 9.0 million and USD 12.1 million in the period 2012-17. Taro has emerged as the number one export product (USD 4.2 million in 2017), reflecting a significant increase in the harvested area in recent years. Coconut oil exports, on the other hand, fell in 2013, due to Cyclone Evan, and have not yet recovered.

**Table 4.1 Trade in agricultural products (WTO definition), 2012-17**

	2012	2013	2014	2015	2016	2017
Exports (USD '000)	10,195.8	10,462.5	9,027.8	12,152.7	9,789.8	11,826.0
% of total exports	13.4	16.8	17.7	20.6	17.5	26.6
Top five exports by HS 4-digit code (% of total agricultural exports)						
0714 - Taro and similar roots and tubers	3.8	6.1	11.9	19.0	37.7	35.5
2203 - Beer made from malt	25.6	46.9	28.0	21.1	14.7	16.3
2009 - Fruit and vegetable juices	3.1	13.7	16.3	24.9	32.6	14.3
1513 - Coconut, palm kernel or babassu oil	33.4	5.8	16.6	9.5	8.6	7.3
0801 - Coconuts, cashew/brazil nuts, fresh or dried	6.7	8.1	8.5	2.7	2.9	6.1
Imports (USD '000)	82,404.5	92,830.2	87,831.4	91,478.1	84,472.7	92,902.0
% of total imports	23.8	25.3	22.6	24.7	24.1	26.1
Top five imports by HS 4-digit code (% of total agricultural imports)						
0207 - Meat and edible offal of poultry	24.4	21.3	22.6	18.6	21.4	20.9
1701 - Cane or beet sugar	5.2	6.3	6.2	4.8	6.6	6.1
1905 - Bread, pastry and other bakers' wares	5.2	5.1	5.0	5.7	6.3	5.8
0204 - Meat of sheep or goats	5.0	4.5	3.7	3.9	4.6	4.8
1101 - Wheat or meslin flour	6.1	5.4	5.2	5.3	0.0	4.8

Source: UNSD Comtrade database.

<sup>1</sup> Subsistence production is included in the agricultural GDP.

<sup>2</sup> Global Facility for Disaster Reduction and Recovery online information. Viewed at:

[http://www.gfdrr.org/sites/gfdrr/files/SAMOA\\_PDNA\\_Cyclone\\_Evan\\_2012.pdf](http://www.gfdrr.org/sites/gfdrr/files/SAMOA_PDNA_Cyclone_Evan_2012.pdf).

<sup>3</sup> Samoa Bureau of Statistics (2009), *Agriculture Census Analytical Report 2009*. Viewed at:

<http://www.sbs.gov.ws/index.php/sector-statistics/sector-statistics-docs>.

<sup>4</sup> Samoa has laying flock of about 90,000 birds.

#### **4.1.1.1 Institutional and legal framework**

4.4. The MAF has the mandate to regulate the agriculture and fisheries sectors under the provisions of the Agriculture and Fisheries Ordinance, 1959. The main policy objectives are: food and income security; to encourage healthier diets; the sustainable use of natural resources; to enhance productivity, product quality, value-added and marketing; and to help farmers and fishermen strengthen resilience to natural disasters and climate change. The activities of the MAF are guided by the Agriculture Sector Plan 2016-20 (the successor of the 2011-15 plan). The MAF also has responsibility for fisheries and SPS measures.

#### **4.1.1.2 Domestic support**

4.5. Samoa has outstanding notifications in the areas of domestic support and export subsidies. To date, it has provided a notification on domestic support for the years 2012/13 and 2013/14.<sup>5</sup> The notification lists Green Box general services (research, pest and disease control, extension and advisory services, and inspection services), with expenditures totalling WST 600,365 in 2012/13 and WST 476,487 in 2013/14.

4.6. Following Cyclone Evan in 2012, the Government provided disaster relief to farmers under the Agriculture and Fishing Cyclone Recovery Programme (AFCRP), funded by the World Bank. This Programme provided electronic vouchers to affected farmers based on a survey of how badly they were affected by the cyclone, to enable them to purchase farm equipment and household tools.

4.7. In the state budget for fiscal year 2017/18, total appropriations for the MAF amounted to WST 14.1 million (of which, WST 2.25 million was earmarked for fisheries). The MAF budget provides funding for specific projects, including the Stimulus Package; the Agricultural Development Project; the Rhinoceros Beetle Control Program; the Breadfruit Propagation and Replanting Program; and the Replanting of Coconuts Program. The Stimulus Package is a government-funded scheme, which started in 2010, aimed at rehabilitating coconut, cocoa and coffee plantings. It targets 500 farmers. Registered farmers receive free planting material (50 coconut seedlings and 750 cocoa seedlings per two acres), subject to specific programme requirements.

4.8. Improved varieties of traditional crops (hybrid coconuts, coffee, cocoa, breadfruit, taro, cocoyam, and yam), fruit and vegetables, and livestock (cattle, breeding sheep, weaner pigs, and chicks) were also distributed, at concessional rates or free of charge, under MAF programmes or development projects, such as the Samoa Agriculture Competitiveness Enhancement Project (SACEP). This Project was implemented from 2012 to 2018, with funding by the World Bank of approximately USD 16.16 million, aimed at supporting fruit and vegetable growers and livestock producers to improve productivity and take advantage of market opportunities.<sup>6</sup> Also under the SACEP, the Development Bank of Samoa (DBS) provides, together with the Small Business Enterprise Centre (SBEC), matching grants and loan guaranties to farmers.

4.9. In terms of incentives, the Government offers tariff exemptions to commercial poultry farmers for imports of feed and packaging materials (the Code 121 incentive scheme). Tariff exemptions on imports of raw materials are also available to eligible manufacturers of agricultural products (Code 121) (Section 3.3.1).

#### **4.1.1.3 Export subsidies**

4.10. Samoa notified the Committee on Agriculture that no export subsidies were provided for agricultural products in 2012/13 and 2013/14.<sup>7</sup> No export subsidies are granted at present, according to the authorities.

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<sup>5</sup> WTO document G/AG/N/WSM/1, 25 November 2014.

<sup>6</sup> The SACEP is to be succeeded by the Samoa Agriculture and Fisheries Productivity and Marketing Project (SAFPROM).

<sup>7</sup> WTO document G/AG/N/WSM/2, 24 November 2014.

#### **4.1.1.4 State-owned enterprises (SOEs)**

4.11. The Samoa Trust Estates Corporation (STEC), established pursuant to the Samoa Trust Estates Corporation Act, 1977, disposes of 6,500 acres of land, of which 1,000 are for lease. It is also involved in agricultural production (Section 3.3.5.1).

4.12. The Agriculture Store Corporation (ASC) was privatized in April 2016. Prior to that, it operated as a supplier of agricultural tools, equipment, and inputs (feed, seeds, fertilizer, and pesticides), competing with private sector suppliers. It was also a producer of bananas, for both the local market and export.

#### **4.1.2 Forestry**

4.13. Of Samoa's total land area of 284,123 hectares, 165,049 ha are covered with forests, according to the last forest inventory of 2014.<sup>8</sup> According to the FAO, "several countries, especially in Asia (e.g. Samoa, Sri Lanka and Thailand), refrain completely or in large degree from harvesting their natural forests, deriving local timber from planted sources".<sup>9</sup> Forest plantations exist on public land/conservation areas, such as the Cornwall Estate in Masamasa and Falelima (Savai'i), and in Togitogiga (Upolu). There are also several plantations on customary land.

4.14. The Ministry of Natural Resources and Environment is responsible for forestry management, in accordance with the Forestry Management Act, 2011. Draft management regulations and a forestry plan (pursuant to Section 29 of the Act) are under preparation. Logging rights are administered by the Ministry. On plantations, a harvesting permit is required, subject to a natural resource fee of WST 2.59/m<sup>3</sup>. Logging of indigenous forests is subject to licensing and payment of the natural resource fee (WST 7.77/m<sup>3</sup> for native trees). Samoa's annual timber production is about 800 m<sup>3</sup>, according to the authorities.

4.15. Samoa maintains, for public interest reasons, a ban on the export of logs and timber, under the provisions of Section 73<sup>10</sup> of the Customs Act, 1977 (Order Prohibiting the Export of Logs, 1990). Imports are mainly semi-processed timber to meet construction needs (Table 4.2). Ownership and operation of saw mills constitutes an activity reserved for Samoans under the Foreign Investment Act, 2000. There are currently nine saw mills operating in Samoa.

**Table 4.2 Trade in forestry products, 2012-17**

USD

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Exports</b>						
Wood fuel, chips, particles and residues (HS 4401 and 4402)	153	143	0	0	0	1,200
Wood in the rough (HS4403)	0	0	0	80,809	44,942	1,030
Semi-processed wood (HS4406, 4407 and 4409)	13,249	4,273	38,149	11,924	9,340	24,710
Wood pulp (HS47)	0	43	0	170	173	1,463
Paper (HS48)	2,240	139,407	19,377	50,527	16,976	19,351
Printed books (HS49)	3,518	10,043	1,670	49,179	37,614	38,696

<sup>8</sup> Native forests, 123,864 ha; plantation forests, 5,043 ha; secondary forests, 36,142 ha; and non-native forests, 118,121 ha.

<sup>9</sup> FAO online information, page 190. Viewed at: <http://www.fao.org/3/a-i3825e.pdf>.

<sup>10</sup> Section 73 excerpt: "73. Prohibited exports - (1) The Head of State may from time to time, by Order, prohibit the exportation of any goods: ... (b) Being goods the prohibition of the exportation of which is, in the Head of State's opinion, necessary for the preservation of the flora and fauna of Samoa; ..."'

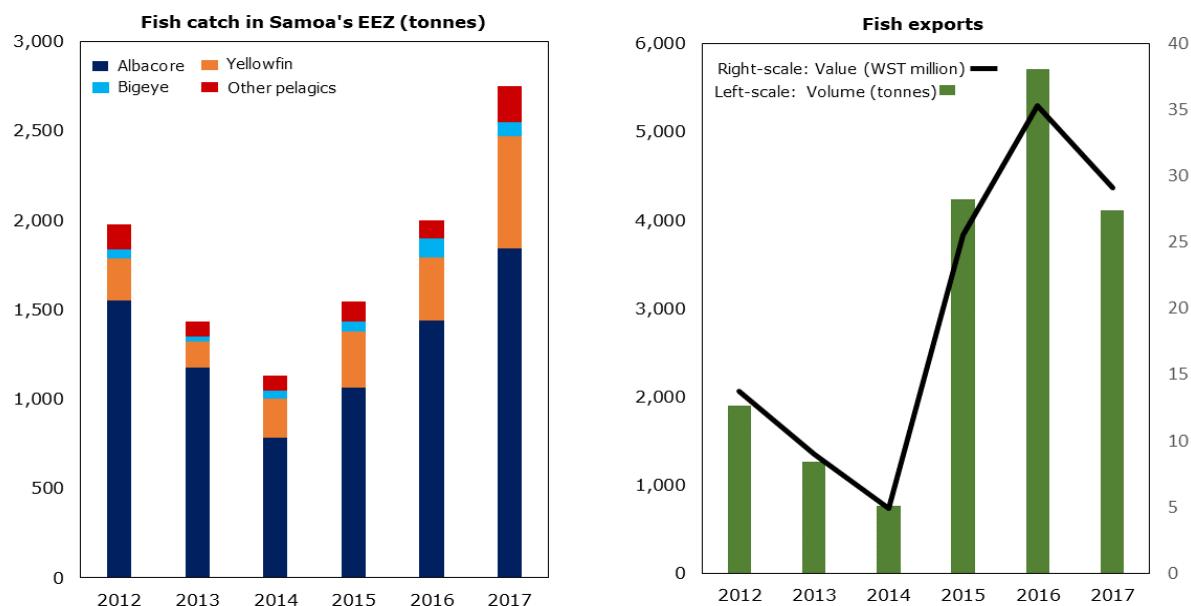
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Imports</b>						
Wood fuel, chips, particles and residues (HS 4401 and 4402)	242,117	53,859	83,432	45,104	36,304	4,091
Wood in the rough (HS4403)	798,050	1,291,973	779,528	819,183	650,644	471,555
Semi-processed wood (HS4406, 4407 and 4409)	6,994,511	8,148,105	8,162,196	5,834,396	5,993,396	7,712,800
Wood pulp (HS47)	0	191	3,295	1,678	2,267	685
Paper (HS48)	5,755,248	6,821,412	5,694,165	6,426,451	5,593,229	5,883,477
Printed books (HS49)	3,690,754	1,922,655	1,887,127	1,226,719	1,206,814	6,151,211

Source: UNSD Comtrade database

#### 4.1.3 Fisheries

4.16. The fishery sector is one of the pillars of the Samoan economy, contributing approximately 3% to GDP and close to 30% of merchandise exports in 2017/18. The main offshore fishery is tuna long-line fishery, which accounts for over 90% of fish exports by volume and value. Since 2015, Samoa's fish exports have increased considerably (Chart 4.1), mainly owing to catches by foreign fleets in the high seas and the Exclusive Economic Zones (EEZs) of other countries, which were landed in Apia, together with the catch in the Samoan EEZ (120,000 km<sup>2</sup>). Most of the albacore tuna catch is exported to, and processed in canneries in, American Samoa. Samoa is a member, *inter alia*, of the Pacific Island Forum Fishery Agency, and the Western and Central Pacific Fisheries Commission (WCPFC).

**Chart 4.1 Fish catch and exports of fish, 2012-17**



Source: Data provided by the authorities.

4.17. The Fisheries Division is responsible for the management, conservation, licensing, and development of Samoa's fisheries resources. The Commercial Fisheries Management Advisory Committee (CFMAC), composed of government and private representatives, meets quarterly to discuss, *inter alia*, sustainable management issues. Samoa adopted the Fisheries Management Act, 2016.<sup>11</sup> Implementing regulations are under development, according to the authorities. The fisheries legislation is supported by oceanic and coastal plans, setting out the rules and management measures applicable to commercial fishery. The Samoa Tuna Management and Development Plan for 2017-21 establishes a total allowable catch for albacore in the Samoan EEZ, of 4,820 tonnes per

<sup>11</sup> The Act repeals the Fisheries Act, 1988 and the Fisheries (Ban of Driftnet Fishing) Act, 1999.

year.<sup>12</sup> There is also a management arrangement for fishing vessels, with a 24-nautical mile zone from the coast allocated for smaller fishing vessels of 12.5 metres and below in length. The Community-based Fisheries Management Program empowers local coastal village communities to manage fisheries resources in their coastal areas.

4.18. Samoa's licensing regime provides for five classes of Samoa-flag fishing vessels, with a cap on each class, as established in the tuna management plan (Table 4.3).<sup>13</sup> Foreign investment in domestic fishing vessels is restricted to 40% equity (Table A2.1). Category F licences are designated for foreign-flagged fishing vessels.<sup>14</sup> Samoa has one fishing access agreement since 2015 with a foreign company. Under this bilateral agreement, foreign fishing vessels managed and operated by the company are allowed to fish in Samoa's EEZ. The agreement also established a facility to process and store the catches unloaded from their foreign fishing vessels for export.

**Table 4.3 Samoa's licensing regime for offshore tuna fishery**

Gross registered tonnage	Class	Vessel size	Licence cap 2010-14	Licence cap 2015-20	Licences used in 2018	Licence fees (WST)
0-10	A	<11m in length	100	100	44	200
	B	>11m <12.5m in length	10	10	0	500
10-50	C	>12.5m <15m in length	10	10	1	5,500
	D	>15m <20.5m in length	12	12	7	8,000
50-200	E	>20.5m in length	5	5	4	10,000
	F	Foreign-flagged vessels		Subject to access agreement	14	USD 15,000

Source: Information provided by the authorities.

4.19. The simple average applied MFN tariff on fish and fishery products (18.6% in 2018) is higher than Samoa's (overall) average applied MFN tariff of 11.5% (Table A3.1). In addition to tariff protection, commercial fishing enterprises with an annual turnover of least WST 78,000 benefit from tariff exemptions on fishing gear, bait, and marine safety, navigational and electronic equipment (Code 113 of the Customs Act).

## 4.2 Mining and Energy

### 4.2.1 Mining

4.20. The Ministry of Natural Resources and Environment is responsible for mining issues in Samoa. The country has few known mineral deposits. In the past, some deep-sea mineral investigations were undertaken to assess the potential for manganese nodules, phosphate, cobalt-rich crusts, and other deep-sea minerals. However, no tangible result has been achieved to date. The Government does not have specific policy, legislation or regulations for the governance of mining activities.

### 4.2.2 Energy

4.21. In 2015, 83% of Samoa's energy demand was met by petroleum products, 14% by biomass, and the remaining 3% by hydropower, solar, wind and other renewables.<sup>15</sup> Of the total primary energy supplied, about 22% was used for electricity generation.

<sup>12</sup> The Total allowable catch is allocated as follows: 482 tonnes for artisanal vessels, including Classes A and B; 2,410 tonnes for the domestic commercial fleet (Classes C, D and E); 964 tonnes for the foreign fleet (Class F), and 964 tonnes for domestic development.

<sup>13</sup> Samoa has an online portal for licence applications (foreign and domestic). Viewed at: <https://licensing.tklapp.com/ws/>.

<sup>14</sup> Foreign ships must be registered in the WCPFC record of fishing vessel (RFV) and the Pacific Island Forum Fisheries Agency register.

<sup>15</sup> Samoa Energy Review 2015, Government of Samoa.

4.22. The transport and residential sectors are the main energy consumers. In 2015, they accounted for 53% and 14%, respectively, of the total net energy supplied, while the combined commercial, industrial and government sectors accounted for 5.8%.

4.23. In 2012, Samoa adopted the Energy Sector Plan for 2012-16; the current version, which was issued in 2017, covers the period 2017-22. Its primary objective is to provide comprehensive guidance for the energy sector to deliver outcomes consistent with the overarching Strategy for the Development of Samoa (SDS) (Section 1). In 2017, the Energy Efficiency Act was adopted, with a view to, *inter alia*, setting up energy-efficiency standards, and promoting the use of products, brands and models that could facilitate the efficient use of energy.<sup>16</sup> According to the authorities, import duties are suspended for materials imported in the context of renewable energy projects.

4.24. The authorities state that the first Plan helped improve the institutional framework in the sector through better coordination among the stakeholders. While it sought to reduce the growth rate of the volume of imported fossil fuels by 10% by 2016, actual figures showed an increase of 13.5%.

4.25. The Energy Policy and Coordination Management Division (EPCMD), within the Ministry of Finance, is responsible for the planning, implementation and oversight of the national energy policy, including the Energy Sector Plan.

4.26. The National Energy Coordination Committee (NECC) serves as the umbrella institution in charge of overseeing the different ministries, corporations, and organizations that administer energy-related resources, projects and services at different levels. Its functions include: advising the Government on the energy governance framework; overseeing energy sector management to ensure better coordination; and recommending initiatives for efficient public actions in the sector. The NECC membership consists of representatives from key ministries and agencies.

#### **4.2.2.1 Electricity**

4.27. Electricity is generated primarily from diesel thermal plants on Upolu, Savai'i and Manono Islands. In addition, there is a hydro generation plant with one major dam-fed generator on the east of Upolu. In 2018, diesel thermal plants accounted for 51% of the total power supplied. The contribution of renewable energy sources was 49%, with 35% from hydroelectricity and the remainder coming from solar plants.

4.28. The electricity sector is regulated through the Electricity Act, 2010.<sup>17</sup> It provides for the establishment of the Electricity Regulator at the OoTR<sup>18</sup>, which is responsible for the development of energy policies, legislation and regulations, to guide the development of energy services. The Act also enables the Electricity Regulator to set tariffs and issue licences for new electricity generators (independent power producers - IPPs) or operators of independent electricity networks. The transmission and distribution segments are not open to private sector participation. A person wishing to generate electricity other than for their own use or wishing to provide electricity network services must apply in writing to the Regulator for a licence.

4.29. The Electric Power Corporation Act, 1980 regulates the functions, operations and other related matters of the Electric Power Corporation (EPC), including its role in the generation, supply and use of electricity. The EPC currently establishes and maintains all infrastructures for the transmission and distribution of electrical power. It purchases power in bulk from IPPs, through power purchasing agreements (PPAs) approved by the Regulator. Some consumers (households, businesses or communities), with installed generators (often solar panels), may provide electrical energy for their own use; the EPC has developed interconnection agreements with consumers, whereby their surplus electricity is fed into the EPC system. The EPC has a total installed capacity of 50 MW (megawatts)

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<sup>16</sup> Parliament of Samoa online information. Viewed at: <http://www.palemene.ws/new/wp-content/uploads/Energy-Efficiency-Act-2017-Eng.pdf>.

<sup>17</sup> OoTR online information. Viewed at: <https://www.regulator.gov.ws/images/Act/Electricity-Act--2010.pdf>.

<sup>18</sup> The OoTR is the Regulator for the telecommunications, electricity, broadcasting and postal sectors in Samoa.

from the main diesel generation station at Fiaga, hydropower plant operations and small solar projects. IPPs have a total installed capacity of 14 MW from solar farms.

4.30. The Electricity Regulator is responsible for setting, changing and reviewing all tariffs charged by electricity licensees in Samoa, after reviewing and considering stakeholders' input, through public consultations. The current tariff structure comprises three components: a debt charge, a usage charge, and an energy charge. Based on monthly fuel cost movements, the Regulator reviews and approves the energy charge on a monthly basis.

4.31. In 2015, the EPC submitted a multi-year tariff proposal to the OoTR, with proposed changes to electricity tariffs for the years 2015/2016, 2016/2017 and 2017/2018. The multi-year tariff was approved through the Order of the Regulator No. 2015/E29, which provided for a total reduction on end-use customer tariffs by the third regulated financial year 2017/2018. Table 4.4 shows the current electricity tariff rates. These rates have three components: the energy charge component, which covers the variable costs of electricity generation, mainly the fuel and lube oil costs of the diesel generators and the payments to IPPs; the debt charge component, which covers the repayments of loans contracted by the MoF for electricity development projects; and the usage charge component, which covers EPC's operating and capital costs.

**Table 4.4 Electricity tariff rates, 2018**

Domestic	Debt charge	Usage charge	Energy charge	Total
<b>Induction meters</b>	Sene <sup>a</sup> /unit	Sene/unit	Sene/unit	
All units	0.07	0.26	0.48	0.81
<b>Cash power meters</b>				
1-100	0.07	0.12	0.48	0.67
100 and over	0.07	0.26	0.48	0.81
<b>Non-domestic post-paid meters</b>				
All units	0.07	0.36	0.48	0.91
<b>Cash power meters</b>				
All units	0.07	0.26	0.48	0.81

a Equal to 1/100 of one WST.

Source: Information provided by the authorities.

#### 4.2.2.2 Petroleum

4.32. There is no upstream oil industry in Samoa; the country has no source of oil or gas, and it imports all its petroleum requirements, including biofuels.

4.33. The Petroleum Act, 1984 regulates the petroleum sector; it makes provision for the supply, transport and storage of petroleum. The MoF administers the Act, and oversees the issuance of petroleum licences, and the coordination and circulation of monthly fuel price notices.

4.34. The Government owns all the petroleum storage facilities and tenders out their operation to a supplier and distributor every five years. A tender process is carried out to select and award marketing rights of petrol, diesel, and jet fuel. Following a competitive tendering in 2018, imports of petroleum products are currently handled exclusively by Exxon Mobil. Petroleum Products Samoa (PPS), a local company, has the exclusive right to distribute petroleum fuels in Samoa. The Government maintains a minimum operational stock of 12 days of petroleum products, with a view to ensuring their short-term supply in case of disruption of supply. The stock is maintained by the PPS on behalf of the Government.

4.35. Samoa imports its petroleum products mainly from Singapore and the Republic of Korea. They are pumped from Apia Wharf via pipelines to the fuel storage tanks at the Wharf, and then to the Sogi fuel depot. The country's current storage capacity is 8,400 MT for diesel, 5,400 MT for petrol, and 2,400 MT for dual purpose kerosene (DPK). Savai'i's fuel requirements are delivered by barge from the Salelologa fuel depot. Distribution to end-users, service stations, the EPC, and commercial customers is undertaken by PPS's road tankers.

4.36. Health, safety, security and environmental standards are in place for petrol service stations, and monthly checks are carried out to ensure they comply with the requirements.

4.37. Petroleum price notices are published monthly by the MoF. Samoa applies no restrictions on foreign investments in the petroleum sector.

### **4.3 Manufacturing**

4.38. Samoa's manufacturing sector contributed less than 8% to GDP in 2017/18, down from 11% in 2012/13. The key sub-sectors include agro-processed food, beverages, tobacco, and clothing. The only substantial exports from the sector in recent years have been beer and automobile harnesses, directed mainly to American Samoa and Australia. In 2017, Yazaki, an automotive parts company (producing automobile harnesses), which had been Samoa's largest private employer, closed its operation. As a consequence, the total value of Samoa's exports dropped from USD 76.1 million in 2012 to USD 44.4 million in 2017 (Section 1). The sector faces high costs of doing business, arising from high freight costs, lack of economies of scale, infrastructure, and venture capital.

4.39. The lead agency for the sector is the MCIL. It provides policy support and regulates the sector via its different mandates and policies. In addition, the Samoa Association of Manufacturers and Exporters (SAME) assists its members for the development of an efficient, profitable, competitive, and quality-based expanding sector.

4.40. In 2012, the Government adopted the Trade, Commerce, and Manufacturing Sector Plan (TCMSP) 2012-16, followed, in 2017, by the second version for 2017/18-2020/21. The Plan is aimed at diversifying the country's production base and putting in place an inter-governmental coordination mechanism for its implementation, through increased structural transformation, value-addition activities, exports, and sector coordination. The TCMSP is the implementation plan sectoral translation of the SDS.

4.41. Government assistance schemes have been created to assist and encourage businesses and industries in the production and export of manufactured products (Section 3.3.1).

### **4.4 Services**

4.42. The services sector contributed to around 70% of GDP, and accounted for around 88% of Samoa's total employment, in 2017.

4.43. During Samoa's accession to the WTO, it made substantial commitments under the GATS. Its specific commitments cover some 70 subsectors.<sup>19</sup> Fully open and non-discriminatory regimes are bound in a range of services subsectors, mainly in the areas of business, communications, educational, and construction services. The full commitments are made without limitations on market access or national treatment, except for mode 4, which is governed by Samoa's horizontal commitments. In addition, Samoa has undertaken a number of "partial" commitments, in areas such as financial services, and tourism and travel-related services, where certain modes of supply are unbound or subject to other limitations.

4.44. Under its horizontal GATS commitments that apply to all service subsectors, Samoa has scheduled reservations with respect to land ownership by foreigners and the eligibility to receive subsidies. It has also reserved flexibility to regulate the entry and temporary stay of foreign nationals, except for certain categories (i.e. business visitors, independent professionals, and intra-corporate transferees), for which it has scheduled a maximum duration of stay.

4.45. Samoa has listed three MFN exemptions for audio-visual services, in order to allow for national treatment under (existing or future) bilateral or plurilateral agreements, aimed at promoting cultural links.<sup>20</sup>

#### **4.4.1 Financial services**

4.46. Samoa's financial services sector accounted for 4.5% of GDP in 2017, and employed around 1,000 people, accounting for some 4% of total employment. Total financial system assets accounted for some 130% of GDP in 2017/18. Samoa grants national treatment to the local branches and other

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<sup>19</sup> WTO document, GATS/SC/147, 5 June 2012.

<sup>20</sup> WTO document, GATS/EL/147, 5 June 2012.

operations of foreign financial institutions. All financial services subsectors are covered in Samoa's GATS Schedule. The country's market access and national treatment commitments cover mode 3 of direct insurance services, insurance intermediation, and services auxiliary to insurance; and modes 2 and 3 of banking and other financial services.<sup>21</sup>

4.47. As at June 2018, Samoa's financial system consisted of the following: the banking sector, which comprised four commercial banks (two locally incorporated foreign companies, and two local companies); the insurance sector, which was made up of one life insurance company, four general insurance companies, four brokers, and 17 insurance agents; the non-bank financial institutions, which included the Samoa National Provident Fund (SNPF), the Samoa Housing Corporation (SHC), the Development Bank of Samoa (DBS), the Unit Trust of Samoa (UTOS), and the Public Trust Office (PTO); and the foreign exchange industry, which included 12 money transfer operators and/or restricted foreign exchange dealers, and one money changer.<sup>22</sup>

4.48. The financial sector in Samoa is characterized by its small size and remains largely undiversified in terms of both volume of operations and number of sectoral players. Commercial banks account for more than half of financial sector assets; state-owned financial service providers account for a significant share of financial assets (Table 4.5).

4.49. The CBS is the main regulator of the financial services sector. Its Financial Supervision and Regulation Department administers relevant legislation that regulates the sector. These include: the Central Bank of Samoa Act, 2015; the Financial Institution Act, 1996; the Insurance Act, 2007; and the Money Laundering Prevention Act, 2007. The CBS has responsibility for the supervision and regulation of domestic commercial banks, securities brokers, securities dealers, insurance companies, other financial institutions such as money transfer operators, and any other entities in accordance with their relevant laws.

4.50. Financial inclusion remains a challenge. Nearly 50% of the adults do not have a bank account.<sup>23</sup> In addition, SMEs continue to face high credit costs, reflecting, *inter alia*: limitations regarding the use of certain types of assets (such as land) as collateral, lack of adequate financial infrastructure, social and cultural factors, and the significance of the subsistence economy. In 2010, the Central Bank Act was amended to place financial inclusion as one of the CBS's mandates. A separate unit under the CBS, the Financial System Development (FSD) Unit, was created in November 2012 to manage and implement activities related to financial inclusion and financial literacy. Its current activities consist of promoting financial awareness in the country. In addition, the National Financial Inclusion Taskforce (NFIT) is responsible for the implementation of the National Financial Inclusion Strategy (NFIS) 2017-20. Its operational actions consist of promoting suitable financial products for the population, developing digital payments, improving financial literacy, and proposing reforms for adequate policies and regulations. It also coordinates the actions of stakeholders involved in Samoa's financial inclusions efforts.

4.51. The authorities consider that microfinance is an opportunity to improve financial inclusion. Currently, the South Pacific Business Development (SPBD) and 13 credit unions are licensed by the MCIL. Microfinance organizations and credit unions hold their licenses under the Credit Union Act, 2015, which is administered by the MCIL.

<sup>21</sup> WTO documents WT/ACC/SAM/30/Add.2, and WT/MIN(11)/1/Add.2 of 1 November 2011.

<sup>22</sup> CBS online information. Viewed at: <https://www.cbs.gov.ws/index.php/banking-system/supervision-and-regulation>.

<sup>23</sup> Financial Sector Assessment for Samoa Online information. Viewed at: <https://www.cbs.gov.ws/index.php/banking-system/financial-system-development->.

**Table 4.5 Financial system structure**

(Percentage of total assets)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Commercial banks</b>	59.7	58.7	57.9	57.0	57.6	56.7	56.8	56.3
Australia New Zealand Bank (Samoa) Ltd	24.6	23.7	24.9	24.6	26.7	24.5	21.2	17.9
Bank South Pacific (Samoa) Limited <sup>a</sup>	14.7	15.8	13.7	11.9	11.8	13.4	15.4	17.6
National Bank of Samoa Limited	8.9	8.6	8.9	7.4	8.9	9.1	10.4	9.9
Samoa Commercial Bank Limited	11.5	10.7	10.5	13.1	10.2	9.7	9.9	10.9
<b>Non-monetary financial institutions</b>	<b>40.3</b>	<b>41.3</b>	<b>42.1</b>	<b>43.0</b>	<b>42.4</b>	<b>43.3</b>	<b>43.2</b>	<b>43.7</b>
National Provident Fund	25.4	26.1	26.9	24.4	23.7	23.8	23.8	24.6
Development Bank of Samoa	8.6	8.8	9.2	9.6	9.4	8.9	8.4	7.7
General insurance companies <sup>c</sup>	2.3	2.3	1.4	1.2	1.1	1.7	2.2	2.9
Samoa Life Assurance Corporation	1.9	2.0	2.0	1.7	1.7	1.6	1.7	1.7
PTO	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3
SHC	1.5	1.6	2.0	2.1	2.0	2.1	2.1	2.0
UTOS <sup>b</sup>	0.0	0.0	0.0	3.6	4.1	4.8	4.6	4.6
<b>Total financial system</b>	<b>100.0</b>							
Total financial system (% of GDP)	102.6	99.2	100.1	117.9	122.7	123.9	130.2	130.6
Commercial banks	61.2	58.3	58.0	67.2	70.6	70.2	74.0	73.5
Non-monetary financial institutions	41.3	40.9	42.1	50.7	52.1	53.7	56.2	57.1
Nominal GDP (WST million)	1,765.13	1,842.96	1,838.91	1,866.42	1,948.94	2,055.30	2,083.75	2,210.93

Note: Fiscal periods end in June.

a Bank South Pacific took over Westpac Samoa's operations in July 2015.

b The UTOS began reporting to the CBS in late 2013.

c New methodology was adopted in 2015 to extend the coverage to include general insurance companies (GICs).

Source: CBS.

4.52. The offshore segment has been on a declining trend. The total assets of the offshore banks stood at USD 54.4 million in 2014 (USD 112 million in 2005).<sup>24</sup>

4.53. The Samoa International Finance Authority Act, 2005 establishes the Samoa International Finance Authority (SIFA) as the sole regulator and supervisor for international (offshore) financial services. Under the Act, the SIFA is responsible for, *inter alia*: monitoring and supervising the conduct of international financial services provided within Samoa; promoting Samoa as a centre for international financial services; making recommendations for the creation and improvement of any facilities likely to enhance the attraction of Samoa as a centre for international financial services; and making recommendations for the introduction, amendment or replacement of legislation pertaining to international financial services, companies and other forms of business structures.

4.54. An international (offshore) bank must not transact any banking business other than that in accordance with its licence and the Act. In addition, it is not allowed to transact any banking business with residents unless it obtains permission to transact domestic banking business, for and in respect of residents of Samoa.<sup>25</sup>

<sup>24</sup> IMF online information. Viewed at:<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Samoa-Financial-Sector-Assessment-Program-Banking-Resolution-and-Crisis-Prevention-and-43186>.<sup>25</sup> SIFA online information. Viewed at: [https://www.sifa.ws/index.php/products/international\\_banks](https://www.sifa.ws/index.php/products/international_banks).

4.55. As at June 2016, international financial institutions licensed and registered with the SIFA consisted of 10 trustee companies, six international banks, four international fund managers and administrators, five private international mutual fund companies, two international insurance managers, 15 auditors, and 14 liquidators.<sup>26</sup>

#### 4.4.1.1 Banking

4.56. Two commercial banks that are subsidiaries of foreign banks, ANZ from Australia, and Bank South Pacific (BSP) from Papua New Guinea, are the largest banks in Samoa; these subsidiaries held 31.8% and 31.3% of total banking assets, respectively, in June 2018. Most assets consist of lending products, which are largely focused on the private sector (over 90% of total claims). Most of the lending goes to construction, trade, and professional and business services (Table 4.6).

**Table 4.6 Commercial bank loans to the private sector**

End of period	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
(% of total)								
Agriculture, forestry and fisheries	1.3	1.2	1.1	0.8	0.9	0.5	0.9	0.7
Manufacturing	5.4	6.3	5.1	5.8	4.8	3.8	3.0	3.0
Building, construction, installation and purchase of land	42.3	37.9	37.4	37.3	31.5	30.2	29.1	36.8
Electricity, gas and water	1.5	1.2	2.3	1.4	1.1	0.7	1.0	1.0
Trade	16.5	14.8	16.1	18.7	19.2	13.3	12.4	12.3
Transportation, storage and communication	6.2	5.7	6.2	5.6	4.9	4.9	6.9	6.2
Professional and business services	15.8	17.1	17.9	19.7	26.9	30.4	20.9	15.4
Other activities <sup>a</sup>	11.1	15.9	13.8	10.6	10.7	16.2	25.9	24.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total loans to the private sector (USD million)	684.29	697.47	705.86	727.68	819.88	933.64	1,017.22	1,010.20

a Including personal loans not classified elsewhere.

Source: CBS. Fiscal periods end in June.

4.57. Commercial banks are well capitalized, and earnings, profitability, and liquidity indicators are within historical norms (Table 4.7). Banks' non-performing loans (NPLs) decreased in recent years; they suddenly increased in the last quarter of 2017. Over the coming years, an improving trend is expected to continue.<sup>27</sup>

**Table 4.7 Financial soundness indicators, 2013/14 - December 2017**

	2013/14	2014/15	2015/16	2016/17	Sep 2017	Dec 2017
Capital adequacy						
Regulatory capital to risk-weighted assets, ratio	29.7	27.1	24.5	25.1	26.6	26.3
Regulatory Tier 1 capital to risk-weighted assets, ratio	25.4	22.9	19.9	20.4	20.4	21.6
NPLs, net of provisions to capital, ratio	15.1	15.6	9.0	4.5	5.8	8.9
Capital to assets, ratio	17.1	15.9	14.9	14.6	14.8	14.4
Asset quality						
NPLs to total gross loans, ratio	8.3	7.1	5.2	4.1	4.5	5.3
Provisions to NPLs	53.5	50.8	64.4	77.9	72.3	64.7
Large exposures to capital, ratio	23.9	27.8	98.2	106.4	95.8	95.4

<sup>26</sup> SIFA online information. Viewed at: <https://www.sifa.ws/images/uploads/AR%202016%20Eng.pdf>.

<sup>27</sup> IMF online information. Viewed at:

<http://www.imf.org/en/Publications/CR/Issues/2018/06/04/Samoa-2018-Article-IV-Consultation-Press-Release-Staff-Report-Staff-Statement-and-Statement-45934>.

	2013/14	2014/15	2015/16	2016/17	Sep 2017	Dec 2017
Earnings and profitability						
Return on assets, ratio <sup>a</sup>	1.9	1.8	4.2	4.2	3.8	1.8
Return on equity, ratio <sup>a</sup>	10.5	11.0	25.9	25.9	23.5	10.9
Liquidity ratios						
Liquid assets to total assets (Liquid Asset Ratio), ratio	13.1	14.5	8.1	9.7	12.7	10.8
Liquid assets to short-term liabilities, ratio	21.1	23.7	23.3	25.5	31.2	25.7
Total loans to total domestic deposits	89.0	116.0	106.8	103.9	93.6	91.6
Sensitivity to market risk						
Net open position in foreign exchange to capital, ratio	7.3	12.8	8.1	28.4	30.2	28.6
Other indicators						
Assets to total financial system assets, ratio	48.4	44.8	47.3	49.1	31.4	36.7
Assets to GDP, ratio	65.4	68.9	68.9	70.6	73.8	56.3

a Change in methodology in 2015/16.

Note: For fiscal year ending in June.

Source: CBS; Financial Soundness Indicators database; and IMF staff calculations.

4.58. According to the IMF, the main economic risks facing the banking sector reside in natural disasters and the impact of adverse global economic and financial developments on Australia and New Zealand. The interest rate spread continues to shrink but remains relatively high in the banking industry (averaging some 6.5% in 2016, against 8% in 2010). This may reflect limited competition and macroeconomic instability and uncertainty due to natural disasters.

4.59. Under the Financial Institutions Act, 1996, commercial banks must be licensed by the CBS. The Act was amended in 2001 to extend the CBS's oversight responsibility to certain non-bank financial institutions, mainly the Samoa National Provident Fund (SNPF), the SHC, the DBS, and the UTOS. The minimum amount of paid-up or assigned capital required for the issue of a licence stands at WST 1 million for locally-owned and foreign-owned banks, and for other credit institutions.

4.60. According to the authorities, the CBS has set up a two-tier system of minimum capital adequacy, requiring banks to maintain an appropriate risk-based capital adequacy ratio; the system requires all the banks to maintain, at all times, a minimum capital adequacy ratio of 15% in relation to the level of their risk-weighted exposure. As such, tier one capital (core capital) must be no less than 7.5% of total risk-weighted exposure, while tier two capital, or supplemental capital, must not exceed 100% of core capital. In addition, in the event of default or identified losses as a result of NPLs and other types of impaired assets, the bank must ensure that adequate provisions are maintained to cover potential or identified losses.

4.61. The authorities indicate that prudential standards, which are the same for foreign and domestic banks, are drawn up in line with the Basel Core Principles. (Table 4.8).

**Table 4.8 Supervisory prudential requirements by the CBS, 2018**

	<b>Minimum paid-up capital of WST 2 million Maximum shareholding – 20% of total paid-up capital</b>
1. Minimum capital requirement:	
• Capital adequacy ratio	- 15% of total risk-weighted exposure
• Tier 1 ratio	- 7.5% of total risk-weighted exposure not exceeding 100% of tier 1 ratio
2. Connected lending	- when credit is extended to individuals and to parties which are connected through ownership or control, such as a bank director, officer or shareholder (who may have authority to exercise power over, say 10%, or even more, of the bank's voting stock), including parent companies, subsidiaries and affiliated companies. Such lending should be under an arm's-length arrangement. Largest single borrower's limit applies.
3. Largest single borrower's limit	- 25% of total capital (tier 1 + tier 2)

	<b>Minimum paid-up capital of WST 2 million Maximum shareholding – 20% of total paid-up capital</b>
4. Liquidity requirements:	
• statutory reserve deposits (SRD)	- 4.5% of average total domestic deposit liabilities (monthly)
• supervisory monitoring benchmark	- 10% of total domestic deposit liabilities
5. Foreign currency exposure	- Applicable bank internal limits
6. Asset quality classification	- 90 days arrears is classified as non-performing
7. Business continuity management	- Financial institution to implement a whole-of-business approach to the business continuity plan and the management of risks that is appropriate to the size, risk and complexity of operations

Source: Information provided by the authorities.

4.62. In 2016, Samoa adopted a national strategy (for 2016-20), and a policy document on anti-money laundering, counter terrorist and proliferation financing. The Money Laundering Prevention Act, 2007 (MLPA) is the main piece of legislation addressing money laundering issues; the Governor of the CBS is the head of the Money Laundering Prevention Authority, appointed under the MLPA to implement and regulate the provisions of the Act. The strategy seeks to enhance the quality of information available, to inform Samoa's anti-money laundering and countering the financing of terrorist activities (AML/CFT) efforts; improve the legislation in place to address non-compliance; and engage the private sector both through liaison and targeted intelligence-driven sanctions.

4.63. Under the CBS, the Financial Intelligence Unit (FIU) is responsible for ensuring that financial institutions comply with the AML/CFT regime. The authorities continue to engage in efforts to strengthen AML/CFT frameworks, to ensure Samoa's access to correspondent bank relationships (CBRs). As an example, the country has introduced measures to enhance customer due diligence by financial institutions, cash transaction reporting, and tougher penalties for money laundering and non-compliance. According to the authorities, the magnitude of derisking has stabilized, in terms of number of money transfer operator (MTO) bank accounts that have been closed since it was first reported in 2013. Multilateral donors and partners are assisting Samoa meet and satisfy AML/CFT concerns of commercial banks in the sending countries.

4.64. Workers' remittances from abroad amount to more than 15% of GDP. Commercial banks operate about 13%-23% of all the remittances, and the rest is operated by non-banks, mainly by MTOs. Australia and New Zealand are the main source of remittances. Some 14 MTOs are officially active in the country. Money transfers are also effected by some major local operators. The Financial Supervision and Regulation Department of the CBS handles the licensing of MTOs, and the Financial Markets Department oversees and monitors exchange control regulations.

4.65. The CBS regulates MTOs through a number of laws and regulations, such as: the Financial Institutions Act, 1996; and the Exchange Control Regulations, 1999, which sets out the licensing conditions for MTOs and the regulating of outward remittances.<sup>28</sup> MTOs are also classified under the MLPA as financial institutions, and are subject to AML/CFT requirements and compliance.

4.66. The cost of money transfer seems to be significantly high, despite growing competition in the industry, and the availability of cost-saving technologies.<sup>29</sup> For example, for a cash-to-cash service, to send NZD 200, MTOs charge between 4.26% and 11.32%; whereas for a similar service, banks charge between 18.73% and 21.05%. Digital payment (online account-to-account) services offered by commercial banks are cheaper than cash-to-cash. For example, to send NZD 200, the ANZ online transfer costs 14% of the value sent, whereas cash-out service costs 19%. Similarly, KickEx's Pacific product, which uses Digicel's mobile money product in Samoa, costs 2.5% of the value. However, KickEx's services remain unattractive despite its affordable fees<sup>30</sup>, due to a lack of familiarity of using computer- and mobile-based software by Samoans.

<sup>28</sup> Its main pursued objective is to make sure that the country's foreign exchange reserves are maintained at a sustainable level.

<sup>29</sup> CBS online information. Viewed at: <https://www.cbs.gov.ws/index.php/banking-system/financial-system-development->.

<sup>30</sup> CBS online information. Viewed at: <https://www.cbs.gov.ws/index.php/banking-system/financial-system-development->.

#### **4.4.1.2 Insurance**

4.67. The insurance sector is small. As at June 2018, its total assets corresponded to about 2.2% of GDP, with premiums at 1.5% of GDP. Only 21% of adults in Samoa have any type of insurance.<sup>31</sup> There are five active licensed insurance companies: four non-life<sup>32</sup> and one life insurer. Non-life insurance accounts for 76.5% of the total insurance premiums; its premium per capita is estimated at around WST 130. Fire insurance is the main non-life business segment. Of the four non-life companies, only one (the National Pacific Insurance) has an international affiliation.<sup>33</sup>

4.68. Catastrophe hazard, mainly from tropical cyclones, is among the main risks in Samoa's insurance context. Insurers only cover properties compliant with the "cyclone standards" set out in the Building Code. Cyclone insurance is available as an extension to property policies, conditional to a certification of compliance with the prevailing requirements. The average premium rate for cyclone extension is 0.20% of the total insured value.

4.69. The Insurance Act, 2007 established the Office of Insurance Commissioner, under the Financial Supervision and Regulation Department of the CBS, with statutory power for regulating, licensing, and supervising the insurance industry. The authorities indicate that efforts to strengthen the insurance industry are ongoing; these include work by the CBS to improve the reporting system in the sector, a plan to adopt prudential guidelines, and the modernization of the Insurance Act. In principle, the CBS collects information to ensure that solvency margins are met. It also monitors accumulations for all classes, and requests information on reinsurance protection.

4.70. Pursuant to the Insurance Act, any person carrying on an insurance business is required to be licensed for a specific class of business (life or general insurance). Some commercial banks can be licensed as corporate insurance agents for general insurers, given their role in selling insurance products (e.g. household, fire, motor vehicle, etc.) to borrowers as part of their lending requirements. General insurers are required to maintain a minimum solvency ratio of no less than WST 1 million, or 20% of net premium, or 15% of the outstanding claims provision in the last 12 months, whichever is the greatest. Life insurers are required to maintain a minimum solvency ratio of at least WST 1 million, or 5% of net liabilities up to WST 50 million plus 2.5% of the amount that exceeds WST 50 million, whichever is the greatest. As at 2015, the CBS had not undertaken any on-site reviews of insurers.

4.71. According to the authorities, there is no compulsory insurance in Samoa. Commercial banks may include insurance cover as part of the terms and conditions of their lending agreements. Citizens are allowed to purchase insurance overseas.

4.72. According to the authorities, insurance premiums are market-determined.

#### **4.4.2 Communication services**

##### **4.4.2.1 Telecommunications**

4.73. Samoa's GATS schedule has no restrictions on modes 1, 2, and 3 of telecommunication services. There is no foreign ownership restriction in the applied regime over this sector. The main piece of legislation governing the sector is the Telecommunications Act, 2005.<sup>34</sup> Following the adoption of the Act, a second mobile services provider (Digicel) entered the market in 2006. Prior to that, Telecommunications Samoa Cellular (TSC) was the sole operator.<sup>35</sup> The state-owned

<sup>31</sup> CBS online information. Viewed at: <https://www.cbs.gov.ws/index.php/banking-system/supervision-and-regulation>.

<sup>32</sup> National Pacific Insurance, Federal Pacific Insurance, the Apia Insurance Company, and the Progressive Insurance Co.

<sup>33</sup> National Pacific Insurance is 71%-owned by Tower Insurance Limited, a New Zealand-registered company.

<sup>34</sup> OoTR online information. Viewed at: [https://www.regulator.gov.ws/images/Act/TELECOMMUNICATIONS\\_ACT\\_2005\\_-Eng.pdf](https://www.regulator.gov.ws/images/Act/TELECOMMUNICATIONS_ACT_2005_-Eng.pdf).

<sup>35</sup> TSC was bought by Digicel in September 2006.

SamoaTel was privatized in early 2011, as it was sold to Bluesky Communications, which is currently the sole fixed-line provider and one of the country's two mobile services providers.<sup>36</sup>

4.74. The ICT and e-commerce sector have been identified by the Government as a critical enabler of economic growth and development in the country.<sup>37</sup> The SDS, which sets out Samoa's national social and economic goals, recognizes ICT as an important tool for social development, economic growth and political progress. The Government's National ICT Policy, issued in July 2012, is intended to provide an overarching framework to harmonize and align the national ICT priorities of various industry sectors and ministries.<sup>38</sup> The Policy, established for the period 2012-17, aims to: achieve accessible and affordable communications for all; create an enabling environment for the development and adoption of ICTs, through policy reform and improvements in legal frameworks; strengthen human resources and increase human resource development opportunities through ICTs; facilitate social and economic improvement; and utilize ICT for good governance. The Policy is currently being reviewed, and a new version will cover 2017/18-2021/22. The Ministry of Communications and Information Technology (MCIT) implements Samoa's vision for communications development.

4.75. Regulatory functions, such as licensing and frequency management, are the responsibilities of the OoTR, an independent institution established in 2006 under the Telecommunications Act. All telecommunications providers must be licensed. In August 2018, the OoTR adopted new rules on licensing, which establish individual and class licences.<sup>39</sup> Applications for telecommunications services licences are evaluated according to a set of legal, financial, and technical criteria publicly detailed on the Regulator's website.<sup>40</sup> Related fees are set under the Telecommunication License Fee Regulations, 2007 (as amended).<sup>41</sup> According to the authorities, the current licensing regime is technologically neutral.

4.76. Interconnection arrangements are governed under Part IV of the Telecommunications Act. It requires the Regulator to provide for a transparent, efficient, and cost-oriented interconnection framework. According to the authorities, such a framework is established to ensure the non-discriminatory treatment of all players. It determines, *inter alia*, agreement principles; the process to be followed by parties; and the procedures for the submission, review and filing of agreements. Interconnection rates are negotiated by telecommunications service providers and approved by the Regulator.

4.77. Under the Telecommunications Act, the Regulator is also responsible for ensuring universal access to telecommunications. In accordance with the Act, a Universal Access Policy (UAP) was set out in 2010. The main targets for 2015 were to ensure that 95% of country population had access to all kinds of telecommunication services, achieving a tele-density of 15% in rural areas (fixed and/or mobile), 10% broadband penetration (nation-wide average), and preferably one tele-centre/broadband centre for at least every 3,000 people, in contract areas. According to the authorities, no outside funding has been required.

4.78. In 2015, the subscribers' penetration rate stood at 1.1% for fixed lines.<sup>42</sup> Since 2014, over 95% of the population has been covered by mobile networks, while mobile penetration reached 89% of the network-covered population. Samoa has two private mobile companies in the market.

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<sup>36</sup> SamoaTel had the exclusive right to provide fixed telephony for a period of ten years (1999 to 2009).

<sup>37</sup> UNCTAD online information. Viewed at:

[http://unctad.org/en/PublicationsLibrary/dtstict2017d10\\_en.pdf](http://unctad.org/en/PublicationsLibrary/dtstict2017d10_en.pdf).

<sup>38</sup> MCIT online information. Viewed at: <https://www.mcit.gov.ws/images/mcit/NICTPOLICY2012-2017.pdf>.

<sup>39</sup> OoTR online information. Viewed at:

[https://www.regulator.gov.ws/images/Telecommunications\\_Licensing\\_Rule/Telecommunications-Licensing-Rules.pdf](https://www.regulator.gov.ws/images/Telecommunications_Licensing_Rule/Telecommunications-Licensing-Rules.pdf).

<sup>40</sup> OoTR online information. Viewed at

[https://regulator.gov.ws/images/Number\\_request\\_forms/Criterion-for-Evaluation-of-Applications-for-Services-Licences.pdf](https://regulator.gov.ws/images/Number_request_forms/Criterion-for-Evaluation-of-Applications-for-Services-Licences.pdf).

<sup>41</sup> OoTR online information. Viewed at

<https://regulator.gov.ws/images/Regulations/Telecommunications-License-Fee-Regulation-2007.pdf>.

<sup>42</sup> ITU online information. Viewed at: [https://www.itu.int/en/ITU-D/Statistics/Documents/publications/lbd/LDB\\_ICT\\_2017.pdf](https://www.itu.int/en/ITU-D/Statistics/Documents/publications/lbd/LDB_ICT_2017.pdf).

4.79. Efforts are ongoing to promote e-commerce in Samoa; more than 95% of the population have Internet connection (fixed and mobile). The authorities consider that the growth of e-commerce will be further facilitated by improved Internet connectivity. Together with the National ICT Policy 2012-17, various policies and strategies have been developed to support the authorities' efforts to improve connectivity. These include: the Samoa National Cybersecurity Strategy 2016–21; the Samoa National Broadband Policy 2012; the Internet and Email Policy 2010; and the International Telecommunication and Gateway Policy 2008.

4.80. A number of Internet services providers (ISPs) offer a variety of services, including broadband (Table 4.9). Fixed Internet user penetration has reached over 30%, and most users access services via mobile broadband. Since 2009, Samoa is connected to the American Samoa-Hawaii submarine cable. The cable connects the country to American Samoa and onwards to Hawaii. Another submarine cable system (the Tui-Samoa cable) was launched in February 2018.

**Table 4.9 Telecommunications licensees, October 2018**

Telecommunications licensees
<u>Fixed licence</u>
Bluesky Samoa (then SamoaTel) Limited
<u>Mobile licences</u>
Digicel (Samoa) Limited
Bluesky Samoa Limited
<u>Retail Internet service provision licences</u>
Computer Services Limited
Lesa's Telephone Services Limited
Bluesky Samoa (then SamoaTel) Limited
Digicel Samoa Limited
NetVo Samoa Limited
<u>Wholesale Internet service provision</u>
Samoa Submarine Cable Company (Tui-Samoa)
<u>International gateway licences</u>
Digicel Samoa Limited
Bluesky Samoa (then SamoaTel) Limited
WiMax Samoa (CSL) Limited
Samoa Submarine Cable Company (Tui-Samoa)
<u>Submarine cable landing station licence</u>
Samoa American Samoa (SAS) Cable Limited
Samoa Submarine Cable Company (Tui-Samoa)

Source: Information provided by the authorities.

#### 4.4.2.2 Postal and courier services

4.81. Samoa has made no GATS commitments on postal services. The Postal Services Act, 2010 regulates the provision of postal services. It provides the definition of universal postal services, and commercial services, which includes courier services; it also provides details on Samoa Post Limited's (SPL) operations, the Regulator's power over operations, and offences. SPL, a public trading body for the purposes of the Public Bodies (Performance and Accountability) Act, 2001, provides postal and related services in 35 sub-post offices across the country.<sup>43</sup> It has a universal service obligation (providing services even though they are not commercially viable); the minister in charge of communications determines the pricing policy for universal postal services, following a consultation with the SPL. The SPL was granted exclusive rights and privileges on reserved postal services, i.e. the collection, transport and delivery of domestic and cross-border addressed mail to PO boxes in the following categories: addressed letters weighing not more than 100 g, small packages weighing up to 2 kg; the collection, transport and delivery to PO boxes of domestic and international postal parcels weighing up to 20 kg; the provision of PO boxes; and the issuing of postage stamps. Postal services, in general, are neither restricted nor reserved under the Foreign Investment Act, 2000.

4.82. The commercial postal services market, on the other hand, is served by various competitors. The SPL may provide commercial postal services in accordance with the Public Bodies (Performance and Accountability) Act, 2001, and such services have market-based tariffs. By law, it must ensure

<sup>43</sup> Ministry for Public Enterprises (MPE) online information. Viewed at: <http://www.mpe.gov.ws/links/public-bodies/trading/samoa-post-limited>.

that there is no cross-subsidization between reserved postal services and commercial postal services.

#### **4.4.3 Transport**

##### **4.4.3.1 Overview**

4.83. Transport, including air, sea, and land transport, accounted for about 5% of GDP in 2015/16. Given its size and remoteness from major international markets, Samoa's airports, road networks, and ports are essential to its economic and social development. The authorities overseeing the sector include: the Ministry of Works, Transport, and Infrastructure (MWI); the Land Transport Authority (LTA); the Samoa Port Authority (SPA); the Samoa Shipping Company (SSC); and the Samoa Airport Authority (SAA). Administrative issues, such as corporate plans and budget, are under the Ministry for Public Enterprises (MPE), while technical issues are under the responsibility of the MWI.

4.84. The objective of the Government in the transport sector is to provide a sustainable, safe, secure, and environmentally responsible transport network that supports Samoa's economic and social development. The SDS provides the overarching strategic goals for the sector. Its main priorities are translated into various sectoral plans. The National Infrastructure Strategic Plan outlines the Government's priorities and strategic directions for investments in economic infrastructure. The Transport Sector Plan 2013-18 (currently under review for the development of a new Plan) succeeded the 2008-11 version and sets out a strategic and policy framework for achieving the Government's aims in the sector.

##### **4.4.3.2 Maritime transport**

4.85. Maritime transport is regulated by the Shipping Act, 1998 and its Regulations. The Maritime Division of the MWI is responsible for ensuring, *inter alia*, the safety and security of maritime transport; environmental compliance of shipping activities; and Samoa's compliance with various international maritime conventions, protocols and codes. A vessel that is owned by a qualified person, and having a length of 15 metres or more, must be registered in accordance with the Act.

4.86. Under the Samoa Ports Authority Act, 1998, the Samoa Ports Authority (SPA), an SOE, currently operates five commercial ports, with Apia Port being the main port of entry for international trade and sea travel, and the only port with container handling facilities.<sup>44</sup> Commercial functions within the Port are open to private contractors. The services provided by private companies include stevedoring, container handling, and major maintenance. They are regulated by the SPA. Port cargo storage spaces may be leased by the SPA to private operators, who provide their own cargo handling equipment. In accordance with the Act, the SPA licenses and regulates commercial service providers in ports in Samoa.

4.87. Export container movements are not significant through Apia, due to weak merchandise exports. This situation results in a substantial empty back loading expense for shipping lines. The number of containers handled at Samoa's ports was up from 23,137 in 2013 to 27,719 in 2016, while the number of incoming vessels grew from 381 to 472 during the same period.<sup>45</sup>

4.88. According to a study undertaken by the SPA in 2013, some 95% of full import containers return empty from Apia and have aggravated the shipping lines' in-bound container freight charges. Current container services to Apia are operated from: North and East Asia, every 20 days; New Zealand (Consortium Lines), twice a month; New Zealand (Independent Line), monthly; the US West Coast, every 15 days; and the United States and China (operated by the Pacific Forum Line), every month.

4.89. Various maritime transport operators are in activity in Samoa. The Samoa Shipping Corporation (SSC) was set up by the Government to operate inter-island shipping services, which carry passengers and cargo between Upolu and Savai'i, and between Samoa and nearby countries. The Corporation provides scheduled and chartered passenger and cargo services from Samoa to

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<sup>44</sup> ILO online information. Viewed at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/102758/124334/F-1428545790/WSM102758.pdf>.

<sup>45</sup> MPE online information. Viewed at: <http://www.mpe.gov.ws/links/public-bodies/trading/samoa-ports-authority>.

destinations in the South Pacific region. The SSC's current business includes freight forwarding and a courier service between Upolu and Savai'i, as well as between Samoa and American Samoa. The SSC has four vessels. It has no direct competition. This may be explained by the small scale of its services scope.

4.90. Other maritime transport operators include the Samoa Shipping Services (SSS), which provides management and crewing services for some container vessels; and the Pacific Forum Line (PFL), a joint venture between the Government of Samoa and the Neptune Pacific Line (NPL).

4.91. The Marine Pollution Prevention Act, 2008 provides for the prevention of pollution to the marine environment, responses to marine pollution incidents emanating from vessels, and other matters related to the implementation of international marine pollution conventions. It gives effect to the collection of marine pollution levies on vessels operating in Samoa.

4.92. Samoa is a member of the International Maritime Organization.

#### **4.4.3.3 Air transport**

4.93. Aviation plays a vital economic and social role in Samoa's development. Reflecting its geographical conditions, most visitors, including tourists, rely predominantly on air transport for domestic and international travel. Air connectivity is also essential in meeting Samoa's effective regional integration with its Pacific neighbours. Efficient air services are necessary to reduce costs associated with its geographical distance from main markets, and to increase exports of products with low volume and high value that depend on fast delivery. In 2014, the World Bank approved a USD 25 million grant to the Government, to improve the operational safety and oversight of international air transport and the associated infrastructure, under the Aviation Investment Project. The ongoing Project seeks to implement a series of international airport infrastructure investments; strengthen policy and regulatory capacity and training; and further improve airport operations and management capacity.<sup>46</sup>

4.94. Samoa recorded an increasing trend in the transport of passengers and freight during the review period. While total passenger movement steadily grew from 277,990 travellers in 2013 to 319,642 in 2016, aircraft movements were volatile between 2013 (4,375), 2014 (3,790), and 2016 (4,078).<sup>47</sup>

4.95. Under its GATS commitments, Samoa fully bound market access and national treatment with respect to the selling and marketing of air transport services, computer reservation system services, and aircraft repair and maintenance services.<sup>48</sup>

4.96. The primary legislation governing civil aviation in Samoa is the Civil Aviation Act, 1998, and its Regulations. The Act designates the MWI as the Civil Aviation Authority (CAA). It has responsibility for the oversight of aviation stakeholders' compliance with Samoa's civil aviation legislation and the International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs).

4.97. The Civil Aviation Division of the MWI administers the Act, to approve, monitor and, if necessary, remove members of the aviation industry, mainly for the purpose of maintaining safety. It is responsible for granting licences for international and domestic scheduled and non-scheduled air service operations into and within Samoa. In addition, the Division is responsible for, *inter alia*, providing advice to the Secretary for Transport in the development and negotiation of air transport policies and air services agreements suitable for Samoa's developmental needs; and approvals for international non-scheduled flights requesting landing approval at Samoan airports.

4.98. Under the Samoa Airport Authority Act, 2012, the Samoa Airport Authority (SAA), an SOE, is in charge of managing and operating Samoa's airports. There is no restriction on private sector participation regarding operating airports. The SAA currently manages three airports: Faleolo International Airport; Maota Airport; and Asau Airport. Under the Civil Aviation Regulations, the SAA

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<sup>46</sup> World Bank online information. Viewed at: <http://projects.worldbank.org/P143408/samoa-aviation-investment-project?lang=en>.

<sup>47</sup> MPE online information. Viewed at: <http://www.mpe.gov.ws/links/public-bodies/trading/samoa-airport-authority>.

<sup>48</sup> WTO document GATS/SC/147, 5 June 2012.

operates air traffic services, aeronautical telecommunications, and aviation security. Petroleum Products Supplies Ltd., a local company, is authorized by the MWTI to supply aviation fuel to aircrafts in Samoa. Faleolo Airport and Fagali'i Airport are the two international airports in Samoa; both are located on Upolu. The country also has three smaller national airports: Asau Airport, Lalomalava Airport, and Maota Airport in Savai'i. The international network is served by Talofa Airways, and Samoa Airways (two national airlines); Air New Zealand; Fiji Airways; Real Tonga Airways; and Virgin Australia International.

4.99. In general, apart from technical requirements, the conditions for allocating air traffic rights to a company include the existence of a multilateral or bilateral agreement, and the designation of the company in question by the civil aviation authority of the country of origin. Samoa has signed several bilateral agreements with ICAO member States, including Australia, and China. Cabotage rights are not provided in any of the agreements.

4.100. Samoa is a signatory to the Pacific Islands Air Service Agreement (PIASA).<sup>49</sup> The Agreement provides for the establishment of a full single aviation market, whereby the designated airlines of all Parties to the Agreement may operate: scheduled 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> freedom services between all Parties to the Agreement; and to the extent that bilateral arrangements with States that are not a Party to the Agreement allow, scheduled beyond (5th freedom) services to and from those States. According to the authorities, the full single aviation market is operational; it is currently used by Real Tonga and Talofa Airways.

4.101. Since July 2002, Samoa has been a member of the Multilateral Agreement on the Liberalization of International Air Transportation (MALIAT), whose membership includes Brunei Darussalam, Chile, Mongolia, New Zealand, Singapore, Tonga, and the United States. The key features of the Agreement include: an open route schedule; an open traffic rights including 7<sup>th</sup> freedom cargo services, a multiple airline designation, and third-country code-sharing. The MALIAT has provisions on airport slot allocation. According to the authorities, Samoa submitted its instrument of withdrawal from the MALIAT on 9 March 2018; this will be effective 12 months after submission, on 9 March 2019.

4.102. Samoa is a member of several international civil aviation conventions, mainly: the ICAO, since 1996, the Chicago Convention on International Civil Aviation, since 1996; the Warsaw Convention for the Unification of Certain Rules relating to International Carriage by Air, since 1963; the Tokyo Convention on Offences and Certain Other Acts Committed on Board Aircraft, since 1998; and The Hague Convention for the Suppression of Unlawful Seizure of Aircraft.

#### **4.4.4 Tourism**

4.103. Tourism expenditure was estimated to be worth WST 425 million in 2017.<sup>50</sup> The total number of tourists to Samoa peaked at 157,515 in 2017. However, there was a decline in arrivals in 2013 to 124,673 (Table 4.10). New Zealand and Australia are the main countries of origin of tourists, for a range of purposes, mainly holidays, family visits, and sports (Table 4.11)

**Table 4.10 Arrivals, by purpose of visit, 2011-17**

<b>Year</b>	<b>Holiday</b>	<b>VFR<sup>a</sup></b>	<b>Business</b>	<b>Other</b>	<b>Sports</b>	<b>Total</b>
2011	44,049	56,157	11,392	14,270	1,735	<b>127,603</b>
2012	53,091	52,590	14,162	13,054	1,790	<b>134,687</b>
2013	45,321	44,897	11,677	20,402	2,376	<b>124,673</b>
2014	46,302	45,681	13,382	13,960	1,027	<b>131,719</b>
2015	52,136	44,564	11,665	16,815	2,468	<b>139,043</b>
2016	57,213	48,673	12,195	14,493	1,531	<b>145,769</b>
2017	63,694	50,775	14,340	15,252	2,260	<b>157,515</b>

a Visiting friends and relatives.

Source: Samoa Bureau of Statistics.

<sup>49</sup> The PIASA was signed by ten countries: Cook Islands, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

<sup>50</sup> Samoa has a range of tourist attractions which are primarily based on its unique environmental features and cultural products. The popular attractions include: the Lalomanu and Saleapaga Beach, the To Sua Trench, the Piula Cave Pool, the Papase'e Sliding Rocks, Robert Louis Stevenson's Grave, the Saleaula Lava Fields, Swimming with Turtles Satoalepai, the Robert Louis Stevenson Museum, and Togitogiga Falls.

**Table 4.11 Arrivals, by purpose of visit and source market, 2013**

(Percentages)

Purpose of visit by place of residence	Holiday	VFR <sup>a</sup>	Business	Sports	Other	Total
American Samoa	11.9	17.3	11.3	18.1	34.8	17.4
Australia	24.8	24.3	21.3	25.2	8.9	21.8
New Zealand	44.0	47.5	35.9	24.8	22.3	41.0
Other Pacific	2.0	2.8	13.9	22.7	12.6	5.4
North America	7.7	6.2	7.8	5.3	7.5	7.1
Europe	6.6	0.7	2.5	2.2	1.7	3.1
Rest of world	3.1	1.1	7.3	1.7	12.2	4.1

a Visiting friends and relatives.

Source: Samoa Tourism Sector Plan 2014-19.

4.104. Tourism accounts for about 20% of GDP, and the sector is the single largest commercial earner of foreign reserves.

4.105. The sector is highlighted as one of the priority sectors in the SDS, which translates into the Samoa Tourism Development Plan (STDP). The first generation of the STDP covered the period 2009-13. It was reviewed in 2013, and extended, with the STDP 2014-19.

4.106. The Tourism Development Act, 2012 is the main piece of legislation regulating tourism and related activities. It provides for sustainable development, and the promotion and management of the tourism sector. The legislation applies no discriminatory measures or limitations on investors or service providers, domestic or foreign, in the sector. Commercial presence of foreign hotels and restaurant operators is possible through incorporation. According to the authorities, there are no restrictions on foreign investment in tourism projects. However, the Cabinet has approved a submission to reserve beach fales (traditional Samoan thatched open beach houses) and budget accommodations for Samoan citizens. The submission is yet to be included in the Reserved List under the Foreign Investment Act, 2000.

4.107. The Samoa Tourism Authority (STA) is the lead agency for policy, planning, destination marketing, visitor information, market research and sector coordination. It is a semi-autonomous agency, which is funded by Government; it reports to an independent board and, in turn, to the Minister of Tourism. It administers the licensing regime for the sector. Applications are received by the Commissioner of Revenue, as per the Business Licences Act, 1998. The STA reviews applications, determines appropriate classifications for any tourism business which applies for a business licence; and licences are issued by the Ministry for Revenue. Any foreigner who wishes to invest in tourism activities, such as travel agents, tour guides, hotels and accommodation, is subject to apply for a Foreign Investment Certificate before obtaining a business licence, and must satisfy hotel standards required by the STA.

4.108. The Tourism Sector Committee (TSSC) has oversight for sector policy and is chaired by the Minister of Tourism. It is a public-private collaboration framework, established in 2011. It consists of a mix of public (the STA and various ministries) and private sector organizations that are involved in the management and development of the sector. The MCIL plays a key role in managing incentive schemes aimed at strengthening individual businesses and assisting with tourism product development (Section 3.3.1).

4.109. Private sector tourism organizations include: the Samoa Hotel Association, whose main role includes advocating for its members and others on government policy, regulations, standards, development proposals, legislation and sector issues, and identifying workplace training needs; and the Samoa Savai'i Tourism Association, which aims to facilitate workplace training for its members and influence improvements to visitor information, customer services, and access to Savai'i.

4.110. The main incentive scheme available regarding investment in tourism consists of duty exemption for imported materials required, for a list of items under the DCS (Section 3.3.1). A tax credit scheme for the tourism sector was in place until June 2018. Under the scheme, a person who invested at least WST 100,000 in an approved tourism development project was granted a tax credit equal to the amount of the investment.

## 5 APPENDIX TABLES

**Table A1.1 Merchandise exports by destination, 2012-17**

	2012	2013	2014	2015	2016	2017
Total exports (USD million)	76.1	62.1	50.9	58.9	56.0	44.4
(% of total exports)						
Americas	3.3	2.9	5.3	5.5	6.7	6.8
United States	2.9	2.9	3.8	5.3	6.7	5.7
Other America	0.4	0.0	1.5	0.2	0.0	1.1
Cayman Islands	0.0	0.0	0.0	0.0	0.0	0.8
Saint Kitts and Nevis	0.0	0.0	0.0	0.0	0.0	0.3
Europe	0.3	1.2	0.7	0.6	0.7	0.6
EU-28	0.3	1.2	0.6	0.5	0.7	0.6
United Kingdom	0.1	0.9	0.2	0.1	0.1	0.3
Germany	0.1	0.3	0.4	0.3	0.5	0.2
Middle East	0.0	0.0	0.0	0.1	0.1	0.6
United Arab Emirates	0.0	0.0	0.0	0.1	0.1	0.6
Asia	82.3	95.9	93.9	93.7	92.6	92.0
China	0.0	0.2	0.0	1.4	1.4	1.1
Japan	1.2	0.5	0.3	3.8	2.9	3.6
Other Asia	81.0	95.2	93.6	88.5	88.2	87.3
American Samoa	6.1	9.1	6.3	18.3	25.8	26.6
Australia	53.9	56.9	57.9	42.1	35.9	21.4
New Zealand	11.2	13.7	19.1	15.0	12.0	19.7
Tokelau	2.6	7.2	2.7	2.8	2.9	8.2
Chinese Taipei	0.9	0.4	0.4	4.2	5.3	5.4
Fiji	0.7	2.4	3.0	2.9	3.2	4.0
Singapore	0.6	2.0	3.5	1.6	1.1	0.9
Malaysia	1.4	1.4	0.2	0.2	1.4	0.4
Cook Islands	0.0	0.3	0.1	0.3	0.3	0.3
Indonesia	0.2	0.2	0.0	0.0	0.0	0.1
Korea, Republic of	0.0	0.0	0.1	0.0	0.0	0.1
Hong Kong, China	0.0	0.0	0.0	0.8	0.0	0.1
Tonga	0.0	0.1	0.1	0.0	0.1	0.1
New Caledonia	0.1	0.1	0.0	0.0	0.2	0.1
Other	14.2	0.0	0.1	0.0	0.0	0.0

Source: WTO Secretariat calculations, based on UNSD Comtrade database; and data provided by the authorities.

**Table A1.2 Merchandise imports by origin, 2012-17**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total imports (USD million)	345.5	366.6	388.0	370.6	349.8	356.2
				(% of total imports)		
Americas	13.1	12.5	10.6	10.3	11.0	11.5
United States	12.5	12.4	10.5	10.1	10.6	11.1
Other America	0.5	0.1	0.1	0.3	0.4	0.3
Brazil	0.2	0.1	0.0	0.1	0.1	0.3
Europe	2.1	0.4	1.4	0.8	1.8	3.2
EU-28	2.0	0.4	1.4	0.7	1.5	2.8
United Kingdom	1.1	0.1	0.1	0.1	0.3	1.1
France	0.0	0.0	0.6	0.1	0.0	0.6
Italy	0.1	0.0	0.1	0.1	0.1	0.3
Germany	0.1	0.0	0.1	0.2	0.6	0.3
Sweden	0.2	0.2	0.3	0.1	0.1	0.3
Other Europe	0.1	0.0	0.0	0.1	0.3	0.4
Turkey	0.1	0.0	0.0	0.1	0.3	0.4
Africa	0.4	0.0	0.0	0.0	0.0	0.0
Asia	84.4	87.0	87.9	88.8	87.1	85.3
China	9.9	8.1	12.6	14.8	14.1	9.1
Japan	4.7	3.7	3.9	5.2	5.2	4.3
Other Asia	69.9	75.2	71.3	68.8	67.8	72.0
New Zealand	24.2	29.9	25.0	26.0	23.9	26.4
Singapore	23.2	22.8	24.8	15.5	14.6	16.6
Australia	8.1	7.2	7.9	9.8	10.3	10.5
Fiji	5.2	5.7	4.5	6.2	6.5	5.8
Hong Kong, China	1.0	1.7	1.0	1.0	1.9	3.7
Thailand	1.9	2.3	2.5	2.8	3.3	2.4
Korea, Republic of	0.3	0.3	0.3	0.2	0.2	1.9
Viet Nam	0.5	0.2	0.4	1.1	1.0	1.3
Indonesia	2.9	1.6	1.8	2.0	1.7	1.2
Malaysia	1.3	1.6	1.4	2.9	2.4	0.8
Korea, Democratic People's Republic of	0.2	0.2	0.3	0.2	0.5	0.4
India	0.3	0.4	0.4	0.3	0.4	0.3
American Samoa	0.1	0.2	0.1	0.1	0.1	0.2

Source: WTO Secretariat calculations, based on UNSD Comtrade database; and data provided by the authorities.

**Table A1.3 Merchandise exports, by group of products, 2012-17**

	2012	2013	2014	2015	2016	2017
Total exports (USD million)	76.1	62.1	50.9	58.9	56.0	44.4
			(% of total exports)			
Total primary products	47.2	49.6	23.6	69.5	69.9	86.9
Agriculture	23.6	24.5	22.8	43.6	47.9	56.3
Food	23.5	24.2	22.7	43.4	47.7	56.0
0342 - Fish, frozen (excluding fillets and minced fish)	4.7	6.8	3.5	19.7	28.7	27.7
0548 - Vegetable products, roots and tubers, chiefly for human food, n.e.s., fresh or dried	0.5	1.0	2.1	3.9	4.4	9.5
1123 - Beer made from malt (including ale, stout and porter)	3.4	7.9	5.0	4.3	2.6	4.3
0599 - Juice of any single fruit (other than citrus) or vegetable, mixtures of fruit or vegetable juices	0.4	2.0	2.8	5.1	5.7	3.8
4223 - Coconut (copra) oil and its fractions	4.5	1.0	2.9	2.0	1.6	1.9
0577 - Edible nuts (excluding nuts chiefly used for the extraction of oil), fresh or dried, whether or not shelled or peeled	0.9	1.4	1.5	0.6	0.5	1.6
0341 - Fish, fresh (alive or dead) or chilled (excluding fillets and minced fish)	5.3	0.3	1.2	2.3	0.4	1.3
0813 - Oilcake and other solid residues (except dregs), whether or not ground or in the form of pellets, resulting from the extraction of fats or oils from oil-seeds, oleaginous fruits and germs of cereals	0.0	0.1	0.5	0.5	0.5	0.8
0345 - Fish fillets, fresh or chilled, and other fish meat (whether or not minced), fresh, chilled or frozen	0.0	0.0	0.2	0.7	1.2	0.6
0176 - Meat and offal (other than liver), of bovine animals, prepared or preserved, n.e.s.	0.0	0.1	0.1	0.0	0.1	0.5
0721 - Cocoa beans, whole or broken, raw or roasted	0.0	0.0	0.0	0.3	0.0	0.5
0484 - Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa in any proportion, communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice-paper and similar products	0.2	0.2	0.1	0.2	0.1	0.4
1222 - Cigarettes containing tobacco	2.2	0.8	0.4	0.4	0.4	0.4
0989 - Food preparations, n.e.s.	0.0	0.1	0.0	0.2	0.0	0.4
Agricultural raw material	0.1	0.3	0.1	0.2	0.2	0.3
Mining	23.6	25.1	0.9	25.9	22.1	30.6
Ores and other minerals	0.4	0.8	0.8	0.6	0.5	1.5
2892 - Waste and scrap of precious metals (other than gold) or of metals clad with precious metals (other than gold)	0.0	0.0	0.0	0.5	0.3	0.6
2823 - Other ferrous waste and scrap	0.2	0.2	0.3	0.1	0.1	0.4
Non-ferrous metals	0.0	0.0	0.1	0.0	0.0	0.0
Fuels	23.2	24.4	0.0	25.3	21.5	29.1
334 - Petroleum oils and oils obtained from bituminous minerals, other than crude	23.2	24.2	0.0	25.3	21.5	28.9
Manufactures	50.1	48.8	42.7	30.5	30.0	12.1
Iron and steel	0.0	0.0	0.1	0.2	0.1	0.1
Chemicals	0.2	0.6	0.1	0.2	0.2	0.6
Other semi-manufactures	0.8	0.9	0.1	0.4	0.5	1.0
Machinery and transport equipment	48.5	45.9	40.9	28.6	28.3	8.4
Power-generating machines	0.0	0.0	0.2	0.0	0.7	0.0
Other non-electrical machinery	0.1	0.3	0.4	0.3	0.2	0.3
Office machines and telecommunication equipment	0.1	0.1	0.4	0.2	0.1	0.1
Other electrical machines	47.9	44.8	38.2	27.8	27.0	7.8
7731 - Insulated (including enamelled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors, optical fibre cables made up of individually sheathed fibres	47.0	44.8	38.0	27.6	23.8	7.2
7732 - Electrical insulating equipment	0.0	0.0	0.0	0.0	0.0	0.5
Automotive products	0.1	0.5	0.1	0.2	0.2	0.1

	2012	2013	2014	2015	2016	2017
Other transport equipment	0.2	0.2	1.6	0.1	0.1	0.1
Textiles	0.0	0.1	0.1	0.0	0.0	0.1
Clothing	0.1	0.1	0.1	0.1	0.1	0.3
Other consumer goods	0.5	1.1	1.3	1.0	0.8	1.5
8939 - Articles of plastics, n.e.s.	0.0	0.0	0.0	0.0	0.1	0.6
Other	2.6	1.6	33.7	0.1	0.1	1.0

Source: WTO Secretariat calculations, based on UNSD Comtrade database (SITC Rev.3).

**Table A1.4 Merchandise imports, by group of products, 2012-17**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total imports (USD million)	345.5	366.6	388.0	370.6	349.8	356.2
				(% of total imports)		
Total primary products	51.7	52.9	51.5	44.3	44.5	46.8
Agriculture	28.2	30.0	26.8	28.8	30.4	30.3
Food	25.7	27.3	24.3	26.9	28.2	27.8
0123 - Meat and edible offal of poultry of subgroup 001.4, fresh, chilled or frozen	5.8	5.4	5.1	4.6	5.2	5.4
0484 - Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa in any proportion, communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice-paper and similar products	1.2	1.3	1.1	1.4	1.5	1.5
0611 - Sugars, beet or cane, raw, in solid form, not containing added flavouring or colouring matter	1.0	1.5	1.2	1.0	1.4	1.5
0371 - Fish, prepared or preserved, n.e.s., caviar and caviar substitutes prepared from fish eggs	1.7	1.7	1.5	1.7	1.3	1.4
0121 - Meat of sheep or goats, fresh, chilled or frozen	1.2	1.1	0.8	1.0	1.1	1.2
0461 - Flour of wheat or of meslin	1.5	1.4	1.2	1.3	0.0	1.2
0483 - Macaroni, spaghetti and similar products (pasta), uncooked, not stuffed or otherwise prepared	1.1	1.2	1.1	1.3	1.2	1.1
0221 - Milk (including skimmed milk) and cream, not concentrated or sweetened	0.9	1.2	1.1	1.2	1.2	1.1
0423 - Rice, semi-milled or wholly milled, whether or not polished, glazed, parboiled or converted (including broken rice)	1.5	1.6	1.0	1.4	0.0	1.1
Agricultural raw materials	2.5	2.7	2.5	2.0	2.1	2.5
2482 - Wood of coniferous species, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6 mm	1.0	1.5	1.5	1.1	1.3	1.7
Mining	23.4	22.9	24.7	15.4	14.1	16.5
Ores and other minerals	0.5	0.7	0.3	0.3	0.3	0.2
Non-ferrous metals	0.2	0.2	0.2	0.2	0.2	0.4
Fuels	22.7	22.0	24.2	14.8	13.6	15.9
334 - Petroleum oils and oils obtained from bituminous minerals, other than crude	22.1	21.4	23.3	14.1	12.9	15.2
Manufactures	45.6	46.1	48.2	55.7	55.5	53.2
Iron and steel	2.3	3.3	2.3	2.4	2.2	3.7
Chemicals	5.7	5.8	6.8	8.1	7.5	6.9
5429 - Medicaments, n.e.s.	0.7	0.7	1.1	1.3	1.0	1.0
5542 - Organic surface-active agents (other than soap), surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, n.e.s.	0.8	0.6	0.7	0.8	0.8	0.8
Other semi-manufactures	11.6	11.4	11.7	14.6	13.4	12.1
6612 - Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers	1.4	1.6	1.5	1.9	1.7	1.6
6429 - Articles of paper pulp, paper, paperboard or cellulose wadding, n.e.s.	0.6	1.0	1.0	1.1	1.2	1.1
6911 - Structures (excluding prefabricated buildings of group 811) and parts of structures (e.g., bridges and bridge sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, and shutters	1.0	0.4	0.7	0.5	1.0	1.0
Machinery and transport equipment	16.8	15.9	16.8	18.4	21.2	19.9
Power-generating machines	0.9	0.7	0.8	0.6	0.4	0.8
Other non-electrical machinery	3.9	4.3	3.4	4.1	4.1	3.9
Agricultural machinery and tractors	0.1	0.1	0.0	0.1	0.1	0.2
Office machines and telecommunication equipment	2.8	2.8	3.7	3.7	4.6	3.4
Other electrical machines	4.9	3.5	3.1	3.5	4.4	4.5

	2012	2013	2014	2015	2016	2017
7731 - Insulated (including enamelled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors, optical fibre cables made up of individually sheathed fibres	1.6	0.5	0.4	0.6	0.8	1.0
Automotive products	3.6	4.0	5.2	4.9	7.0	6.4
7812 - Motor vehicles for the transport of persons, n.e.s.	1.3	1.7	2.1	2.2	3.0	2.8
7821 - Motor vehicles for the transport of goods	1.4	1.5	1.4	1.7	2.5	2.1
Other transport equipment	0.7	0.6	0.5	1.6	0.8	0.9
Textiles	1.1	1.1	1.2	1.4	1.3	1.2
Clothing	0.7	0.8	1.0	1.2	1.1	1.3
Other consumer goods	7.4	7.6	8.4	9.7	8.8	8.2
8928 - Printed matter, n.e.s.	1.0	0.3	0.2	0.2	0.2	1.6
Other	2.7	1.0	0.3	0.0	0.0	0.0

Source: WTO Secretariat calculations, based on UNSD Comtrade database (SITC Rev.3).

**Table A2.1 Reserved and restricted activities in the foreign investment regime**

Schedule 1: Reserved List		
Activity	Description	Related activities excluded
Bus transport services for the general public	Urban, suburban and rural regularly scheduled multi-stop passenger transport on land. Services classified are motor-bus, and similar services generally rendered on a licence basis within the confines of a single area or group of contiguous villages. These services are provided over predetermined routes on a predetermined time schedule, may provide pick-up and discharge of passengers at any scheduled stop, and are open to any user.	Bus services for private schools, hotels and tours, airport shuttles and buses for private businesses for transporting shift workers. These services are provided over predetermined routes, and time schedules, and are restricted to a category of user.
Taxi transport	Motorized taxi-cab services, including urban, suburban and interurban. These services are generally rendered on a distance-travelled basis, for a limited duration of time, and to a specific destination.	
Rental vehicles	Renting, hiring or leasing services concerning private motor cars without driver, principally designed for the transport of persons.	Renting or hiring services of private cars with drivers such as rental services of passenger cars with driver.
Retail services	Retailing services of fresh, dried, frozen or canned fruits, nuts and vegetables. Retailing services of dairy products and eggs. Retailing services of meat, poultry and game, and meat products. Retailing services of fresh, prepared and preserved fish, and other seafoods. Retailing services of bread and other bakery products. Retailing services of sugar confectionery, e.g. fruit or nuts preserved by sugar. Retailing services of non-alcoholic or alcoholic beverages. Retailing services of tobacco products. Retailing services of food products not elsewhere classified, e.g. rice, edible oils and fats, salt, coffee, tea, sugar, cocoa and spices, and noodles and similar farinaceous products.	
Saw milling	Facilities where logs are cut into timber.	
Traditional elei garment designing and printing	Garment printing and designing using a carved board (Upeti).	

Schedule 2: Restricted List		
Economic sector	Economic subsector	Conditions
Fishing	Commercial fishing vessels – vessel categories A ( $\leq 11$ m in length), B ( $> 11$ m $\leq 12.5$ m in length), C ( $> 12.5$ m $\leq 15$ m in length), D ( $> 15$ m $\leq 20.5$ m in length) and E ( $\geq 20.5$ m in length), categorized by the Ministry responsible.	A foreign investor must have a maximum of 40% equity. A licence issued for commercial fishing vessels is limited in different categories listed by the Ministry responsible for fisheries, except for Category A, which has no limit.
Manufacturing	Nonu (known scientifically as <i>Morinda citrifolia</i> ), is a tropical fruit processed as juice for many folk remedy uses). Virgin coconut oil (coconut oil in its unrefined and natural form, without fragrance or other added preservatives, etc.)	A foreign investor must establish a joint venture with a local partner. A foreign investor must establish a joint venture with a local partner.
Services	Architectural Professional engineering General construction Sewage	A foreign investor must establish a joint venture with a local partner. A foreign investor must be incorporated in Samoa. Only through incorporation in Samoa. A foreign investor must establish a joint venture with a local partner.

<b>Schedule 2: Restricted List</b>		
<b>Economic sector</b>	<b>Economic subsector</b>	<b>Conditions</b>
	Refuse disposal	A foreign investor must establish a joint venture with a local partner.
	Sanitation and similar services	A foreign investor must establish a joint venture with a local partner.

Source: Foreign Investment Amendment Act, 2011.

**Table A2.2 WTO notifications, 2012-18**

<b>Products covered/subject</b>	<b>Description of notification</b>	<b>Document symbol</b>	<b>Date</b>
<b>Agreement on Agriculture (notification under Articles 10 and 18.2)</b>			
Domestic support	Covers 2012/13 and 2013/14	G/AG/N/WSM/1	25/11/2014
Export subsidies	No export subsidies in 2012/13 and 2013/14	G/AG/N/WSM/2	24/11/2014
<b>Agreement on Implementation of the Article VI of the GATT 1994 (Anti-Dumping) and Agreement on Subsidies and Countervailing Measures (notification under Article 16.4 and 25.12)</b>			
Competent authorities		G/ADP/N/14/Add.45 G/SCM/N/18/Add.45	18/04/2018
<b>Agreement on Import Licensing Procedures (notification under Articles 1.4 (a) and 8.2 (b))</b>			
Import licensing procedures	As published in the Official Gazette	G/LIC/N/1/WSM/1	30/09/2014
<b>Agreement on Pre shipment Inspection (notification under Article 5)</b>			
Laws or regulations on PSI	None	G/PSI/N/1/Rev.1/Add.3	18/07/2013
<b>Agreement on Rules of Origin (notification under Article 5 and Paragraph 4 of Annex II)</b>			
Non-preferential rules of origin	None	G/RO/N/97	02/08/2013
<b>Agreement on Technical Barriers to Trade (notification under Article 15.2)</b>			
Implementation and administration of the Agreement		G/TBT/2/Add.124	14/07/2017
<b>Agreement on Trade Facilitation (notification under Article X.3)</b>			
Category A commitments		WT/PCTF/N/SAM/1	02/11/2015
Category B and C commitments		WT/PCTF/N/WSM/1	28/08/2018
<b>General Agreement on Trade in Services (notification under Articles III:4 and IV:2)</b>			
Contact and enquiry points		S/ENQ/78/Rev.14	25/10/2013

Source: WTO Secretariat.

**Table A3.1 Tariff summary, 2018**

	<b>Number of lines</b>	<b>Average (%)</b>	<b>Range (%)</b>	<b>Standard deviation</b>	<b>Duty free (%)</b>
<b>Total</b>	<b>5,483 (7)</b>	<b>11.5</b>	<b>0-300</b>	<b>8.5</b>	<b>3.5</b>
HS 01-24	1,027 (7)	16.5	0-300	15.5	6.2
HS 25-97	4,456	10.3	0-50	5.3	2.9
<b>By WTO category</b>					
WTO agricultural products	859 (7)	15.4	0-300	16.8	6.2
Animals and products thereof	124	15.8	0-300	37.3	22.6
Dairy products	34	3.8	0-8	3.2	38.2
Fruit, vegetables, and plants	220	18.3	0-20	4.3	0.5
Coffee and tea	27	13.3	5-20	6.5	0.0
Cereals and preparations	118	12.4	0-20	6.7	6.8
Oil seeds, fats, oil and their products	92	12.3	5-20	5.8	0.0
Sugars and confectionary	17	8.0	0-20	5.3	17.6
Beverages, spirits and tobacco	80 (7)	31.2	8-90	15.9	0.0
Cotton	5	8.0	8-8	0.0	0.0
Other agricultural products, n.e.s.	142	11.5	5-20	6.0	0.0
WTO non-agricultural products	4,624	10.7	0-50	5.5	3.0
Fish and fishery products	235	18.6	0-20	4.8	4.7
Minerals and metals	926	8.8	0-20	3.7	2.7
Chemicals and photographic supplies	864	8.6	0-20	3.5	3.5
Wood, pulp, paper and furniture	267	9.7	0-20	4.4	0.7
Textiles	590	8.6	0-20	2.8	0.3
Clothing	218	20.0	20-20	0.0	0.0
Leather, rubber, footwear and travel goods	165	15.6	8-20	5.8	0.0
Non-electric machinery	535	8.8	0-20	3.1	0.2
Electric machinery	251	13.2	8-20	5.9	0.0
Transport equipment	173	7.8	0-20	7.5	37.0
Non-agricultural products, n.e.s.	386	14.4	5-20	6.0	0.0
Petroleum	14	11.2	0-50	13.5	21.4
<b>By ISIC sector</b>					
ISIC 1 - Agriculture, hunting and fishing	394	14.9	0-35	6.8	3.8
ISIC 2 - Mining	99	8.2	0-20	2.4	2.0
ISIC 3 - Manufacturing	4,989 (7)	11.3	0-300	8.7	3.5
Manufacturing excluding food processing	4,324	10.4	0-50	5.3	2.9
Electrical energy	1	8.0	8	0.0	0.0
<b>By stage of processing</b>					
First stage of processing	759	13.3	0-35	6.5	2.8
Semi-processed products	1,737	8.6	0-20	3.1	1.6
Fully processed products	2,987 (7)	12.7	0-300	10.5	4.8
<b>By HS section</b>					
01 Live animals and products	371	16.4	0-300	22.2	11.1
02 Vegetable products	321	15.0	0-20	6.4	2.2
03 Fats and oils	57	12.2	5-20	5.8	0.0
04 Prepared food, beverages and tobacco	278 (7)	19.3	0-90	12.0	5.8
05 Mineral products	159	8.2	0-50	4.2	3.1
06 Chemicals and products thereof	802	8.5	0-20	4.0	6.9
07 Plastics, rubber, and articles thereof	217	9.8	8-20	4.3	0.0
08 Raw hides and skins, leather, and their products	69	20.0	20-20	0.0	0.0
09 Wood and articles of wood	98	9.6	8-20	4.1	0.0
10 Pulp of wood, paper and paperboard	151	10.7	0-20	5.2	1.3
11 Textiles and textile articles	802	11.5	5-20	5.5	0.0
12 Footwear, headgear, etc.	49	19.5	8-20	2.4	0.0
13 Articles of stone, plaster, cement	147	9.1	8-20	3.5	0.0
14 Precious stones and metals, pearls	54	18.9	8-20	3.5	0.0
15 Base metals and articles thereof	577	8.2	5-20	1.8	0.0
16 Machinery, electrical equipment, etc.	788	10.5	0-20	4.9	0.1
17 Transport equipment	184	8.3	0-20	7.7	34.8
18 Precision equipment	212	12.9	8-20	5.9	0.0
19 Arms and ammunition	19	20.0	20-20	0.0	0.0
20 Miscellaneous manufactured articles	121	13.1	5-20	6.0	0.0
21 Works of art, etc.	7	20.0	20-20	0.0	0.0

Note: Excluding seven specific rates (figures in brackets above) and including the *ad valorem* part of alternate rates.

Source: WTO Secretariat calculations, based on data provided by the authorities.