



TRADE POLICY REVIEW

REPORT BY

SAMOA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Samoa is attached.

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1 INTRODUCTION

1.1. This is the first report of the Government of Samoa to the World Trade Organization (WTO) Trade Policy Review Body. It therefore covers the period since Samoa became a member of the WTO, on 10 May 2012.

1.2. Samoa's total land area is 2,820 km² and is made up of the two main islands of Upolu and Savai'i and seven small islands, with around 43% of the land being arable. Samoa's Exclusive Economic Zone (EEZ) – at 98,500 km² – is the smallest of all Pacific countries. Samoa has an estimated population of 193,483 people and a labour force of 48,100.

1.3. Samoa graduated from Least Developed Country (LDC) status on 1 January 2014, however, structural vulnerabilities remain. Samoa is classified as a Small Islands Developing State (SIDS) and as a country with a high human development with regards to the Human Development Index (HDI).

1.4. Samoa is subject to economic and environmental volatility. Its economic development opportunities are constrained by inherent challenges including distance from major centres of economic activity, a small domestic market, as well as high frequency and intensity of natural disasters largely due to climate change. The economy has suffered significantly from the impacts of the Global Financial Crisis, the Pacific Ocean Tsunami of 2009, and the destruction caused by Tropical Cyclones Evan (2012) and Gita (2018).

1.5. Traditionally, the economy was largely based on agriculture and fisheries, however, industry and services have now become significant contributors to Gross Domestic Product (GDP).

2 ECONOMIC ENVIRONMENT

2.1. Economic growth has been steady following the recovery from the Pacific Ocean Tsunami in 2009 and Tropical Cyclone Evan in 2012 with peak growth of 7.1% in 2015/2016 largely due to the expansion of the fisheries sector and construction including two large hotels and construction related to Samoa hosting international events such as the 2015 Commonwealth Youth Games. The economic growth rate has since declined mainly due to industry slowdown, with the Yazaki Samoa manufacturing plant closure in August 2017.

2.2. Projections indicate increases in economic growth of 3.3%, 3.7%, and 3.5% for 2018/19, 2019/20 and 2020/21 respectively, expected from the operation of two new businesses which now occupy the old Yazaki Samoa plant; Tropical Cyclone Gita recovery work; construction of new bridges, road extensions and completion of the new international airport terminal; activities related to the hosting of the Pacific Games 2019 in Apia; prospects from the Tui-Samoa Cable; and the Apia Waterfront Project which will support tourism development. However, the Government is aware that this outlook is subject to downside risks including Samoa's high vulnerability to natural disasters as highlighted by the IMF 2018 Article IV Consultation Staff-Report.

2.3. The reconstruction programmes following the natural disasters of 2009 and 2012 contributed to the growing Government budget deficits, with external debt nearing the 50% threshold in 2017. The Government acknowledges the need to continue strengthening the fiscal framework to ensure that public debt is maintained at a sustainable level. In the short and medium term, the government plans to continue to control expenditure, keep public debt and budget deficit within the thresholds, improve performance of State-Owned Enterprises (SOEs), and enhance revenue collection. On public debt management, the Government is guided by its Medium-Term Debt Strategy (2016-2020) which prioritizes loans with softer conditions.

2.4. In 2017, the services sector accounted for 68% of nominal GDP. Manufacturing was the second largest sector with a share of 22%. The primary sector accounted for 8% of GDP whilst the public administration's share (part of the services sector) was 8%.

2.5. Internal price stability has improved since 2010 with the average inflation rate dropping below 2% per annum since 2012. Whilst the external position has not strengthened since 2010 with the widening imbalance in merchandise trade, the increasing contributions from services and increased development assistance linked to the disaster recovery programmes have held the international reserves at 5.4 months of import cover in 2017/8 which is within the 4-6 months threshold.

2.6. Remittances are the second biggest source of foreign exchange (after export of travel services) accounting for over 15% of GDP and contribute to narrowing the current account deficit and economic stability and resilience, especially in the aftermath of natural disasters.

2.7. Official Development Assistance (ODA) remains important to the economy, totalling around 16-20% of GDP. Samoa received USD 88 million net disbursements in 2016, but the yearly average over the period 2010-16 was USD 96 million, double the yearly average disbursement during the period 2000-09. Aid flows have increased considerably in recent years particularly since the Tsunami in 2009. Samoa receives aid from a large number of donors, primarily from New Zealand, Australia, the EU, Japan and increasingly China, who have funded large infrastructure projects in the country.

3 TRADE PERFORMANCE

3.1. Samoa has a limited number of tradeable sectors and the merchandise export base has not diversified much since WTO accession.

3.2. There are only six major export commodities, of which fish represents almost half of total exports, followed by nonu juice, beer, taro, coconut and virgin coconut oil. Emerging export products include bottled spring water, cocoa products (pods and beans), cigarettes, scrap metal and bananas.

3.3. The vulnerability of fisheries and agricultural-based production and trade-related infrastructure to natural disasters are reflected in contractions in exports following natural disasters. For example, exports fell in 2013 by some 30% following Cyclone Evan in 2012.

3.4. The main export markets are American Samoa, New Zealand, Australia, the USA, Tokelau, Japan, Fiji and China.

3.5. Given the small domestic production base, Samoa depends highly on a wide range of imports and as such, international merchandise trade is characterised by a significant deficit. The trade in goods deficit was 2.3% of GDP in 2017 valued at approximately USD 312 million with imports and exports, respectively valued at approximately USD 356 million and USD 44 million.

3.6. Samoa's main imports are mineral products, vehicles and parts and accessories thereof, meat and edible meat offal and electrical machinery from source markets in New Zealand, Singapore, China, USA, Australia, Japan and Fiji.

3.7. Samoa's economy continues to be dominated by services with 80% attributed to service-based industries. The balance of trade in services growth trend has been 4.5% in the over the last five years. The surplus is attributed to travel and expected to grow further with the revamping of the Faleolo International Airport and the increase in the number of airlines and flights servicing Samoa.

4 ECONOMIC DEVELOPMENT FRAMEWORK

4.1. The Strategy for the Development of Samoa (SDS) 2016/17-2019/20 presents the Government of Samoa's priorities with the vision of *An Improved Quality of Life for All*. To ensure inclusive development, the SDS was developed through a wide consultative process through the engagement of civil society, private sector, parliamentarians as well as development partners. The SDS is aligned with the globally agreed Sustainable Development Goals (SDGs) and the SIDS Accelerated Modality of Action (SAMOA) Pathway. The SDS also reflects the integration and mainstreaming of gender, human rights, and climate and disaster resilience in national planning; and Samoa's commitment to regional and international protocols including the Framework for Pacific Regionalism and the Paris Agreement.

4.2. The SDS has four broad priority areas: economic, social, infrastructure and the environment, which are implemented through 14 sector plans with the theme of *Accelerating Sustainable Development and Broadening Opportunities for All*. This sectoral approach was adopted for a greater outreach and as part of public finance management reforms to enhance the link between sector planning and the budgetary process.

4.3. Samoa's Memorandum on the Foreign Trade Regime 2000, prepared as part of the WTO accession process, was the first publication that documented Samoa's trade policies and development. Since then, the Trade Policy Statement 2008, the National Export Strategy 2008 – 2012, and the Diagnostic Trade Integration Study (DTIS) 2010 have been developed. The Trade, Commerce and Manufacturing Sector Plan 2012-2016 (TCMSP) was then developed based on these documents.

4.4. The TCMSP 2017/2018 – 2020/2021 is the current sectoral plan for the trade sector. It was informed by the DTIS Update 2016 and follows the strategic directions of the SDS relating to agriculture and fisheries productivity, exports, tourism and the participation of the private sector in development. Samoa's trade policy objectives as integrated in the TCMSP 2017/18 – 2020/21 are to:

- Improve industrial supply and productivity;
- Increase processing activities and value-addition; and
- Enhance market access and visibility of goods and services.

4.5. The cross-sectoral links are acknowledged as reflected in other sector plans including the Finance Sector Plan 2013/2014-2017/2018, the Agriculture Sector Plan 2016-2020 and Tourism Sector Plan 2014-2019.

4.6. Support received from the Enhanced Integrated Framework (EIF) accelerated the establishment of the TCM Sector Coordinating Unit in 2012. The Government acknowledges the need to strengthen inter-agency coordination to ensure that there is no overlap in design and implementation of Aid-for-Trade support from development partners.

5 TRADE POLICY DEVELOPMENTS

5.1 Access to Finance

5.1. Access to finance has been facilitated by the Personal Property Security Act 2013 which has established an electronic registry of security interests. The objective is to stimulate economic activity by making it easier, secure and less expensive to obtain credit particularly for start-up and small businesses.

5.2 Financial Inclusion

5.2. Remittances are worth about 20% of Samoa's GDP. Approximately 85% of remittances are channelled through Money Transfer Operators (MTOs) mainly for families, as they offer a lower cost alternative for cash transfers compared to the commercial banks. MTOs handle over half a million inward money transfers per year and are an essential tool of financial inclusion. The main source markets are New Zealand, Australia, the USA and American Samoa with growth in all markets since 2010 except for the USA, which has dropped by 25%.

5.3. The withdrawal of international banks' correspondent banking relationships (CBRs) or 'de-risking' in Samoa has increased the costs and reduced ease of remittance transactions. The banks' termination of accounts of Money or Value Transfer Services (MVTs) increases the fragility of remittance corridors to Samoa, risks undermining recent progress on financial inclusion and significantly impacts Samoa's economic growth, while increasing the hand-carrying of cash in the region.

5.4. Of the 12 licensed MTOs operating in Samoa, 9 have lost at least one CBR since 2013, particularly in USD. However, the overall volume of remittances has been maintained reflecting the substantial share of remittances come from New Zealand and Australia.

5.3 Company registration

5.5. The operation of the Samoa Company Electronic Registry (E-registry) since February 2013 allowed companies to submit all forms and documents for registration online which has been convenient for companies and the public to access information.

5.4 Customs

5.6. The Customs Prohibition Order (Turkey Tails) 2013 removed the import ban on turkey tails and allowed imports only for private or personal consumption (not commercial) subject to a duty rate of 300%. The commercial restriction was removed in 2018 allowing these products to be imported for commercial purposes subject to a duty of 20%, excise tax of 10% and Value-Added Goods and Services Tax (VAGST) of 15% as per the Customs Amendment Act 2018.

5.7. The Government supports the private sector through import duty concessions. A Duty Concession Scheme (DCS) is in place for the manufacturing and property development sectors (hotels, motels and beach resorts); and the 'Code 121' scheme is in place for commercial businesses in manufacturing including poultry, agri-based, handicrafts and elei garment.

5.8. Samoa aims to officially introduce the HS 2017 by June 2019 after parliamentary passage of the Customs Tariff Amendment Bill.

5.5 Taxation

5.9. The Income Tax Amendment Act 2013 established the tourism tax credit scheme to support the development of the tourism industry. The scheme expired in 2018 and had supported the establishment of large hotels including the Taumeasina Island Resort.

5.10. The Value Added and Good and Services Tax (VAGST) Act 2015 removed the exemption of primary producers from VAGST. Considering the high compliance and administration costs for small businesses, the exemption threshold was raised from ST \$78,000 of annual sales turnover to WST 130,000.

5.11. In 2016 the Government reviewed its taxation regime with the objective of identifying measures to broaden the tax base and improve tax collection and enforcement. Tax reforms include:

- The Income Tax Amendment Act 2017, removing the income tax exemption for church ministers; and the tax-free threshold increased from WST 12,000 to WST 15,000 (about USD 4,700 to USD 5,900); and
- Increase in excise duty on tobacco (5%), alcoholic beverages (3%), sweetened beverages (5% and 8%) and petroleum fuels (1.8%)

5.12. While the reforms implemented are expected to raise revenue, the impact will largely depend on implementation and improved compliance.

5.6 Foreign Direct Investment

5.13. Seventy-Four Foreign Investment Enterprises (FIEs) were registered in 2016/17 bringing into Samoa an estimated total initial working capital of USD 15 million.

5.14. The Citizenship by Investment Act 2016 and its Regulations 2016 were introduced to further promote Samoa as an investment friendly country.

5.7 Privatisation

5.15. SOEs are important providers of goods and services in Samoa and their performance has therefore a significant impact on the public and the economy in general. The Ministry of Public Enterprises (MPE) was established in 2015 to monitor and assess the performance and quality of service delivery by the 28 State-Owned Enterprises (SOEs) or Public Bodies; and to strengthen Public Bodies' governance and regulatory framework.

5.16. The Government's policy on enterprise ownership and privatisation is based on the principle that maintaining state ownership is justified only in the case of enterprises which have such significant strategic, security, or social importance. The Divestment Policy 2015 aims to ensure that a sale process must not result in state monopolies becoming a private sector monopoly. The Government recognises that a robust competition law and the enforcement of an effective competition policy are necessary corollaries to successful privatisation.

5.17. The Agricultural Store Corporation was privatised in 2016.

5.8 Intellectual Property Rights

5.18. Regulated through the Intellectual Property Regulations 2015, the Samoa Intellectual Property Act 2011 aims to protect the of rights of owners of marks, patents, innovation patents, plant breeder's rights, design rights, registered designs, geographical indications and lay-out designs of integrated circuits. Samoa is a signatory of the World Intellectual Propriety Organization (WIPO) Convention, Berne Convention, Paris Convention and the Beijing Treaty on Audiovisual Performances. Samoa has initiated work to develop legislation on Traditional Knowledge and Expressions of Culture including a review undertaken in 2015.

5.19. Samoa deposited the Instrument of Accession to the International Registration of Marks Protocol of the Madrid Agreement on 4 December 2018, and this will be effective in March 2019 making Samoa the first Pacific Island Country to accede to Protocol. Membership of the Protocol will enable small and medium enterprises (SMEs) in Samoa to register their marks in over 118-member countries.

5.20. This achievement complements the WIPO Enabling Intellectual Property Environment in the Pacific Region pilot project which aims to build the capacity of SMEs to better use branding tools such as trademarks and designs to add value to their businesses. Samoa hosted the Sub- Regional Multi- Stakeholder Workshop on Intellectual Property (IP), Brands & Designs for Industry and Medium and Small Enterprises (MSMEs) in the Pacific Islands in November 2018.

5.21. Samoa has notified to the WTO the IP contact points, the IP Act 2011. the Regulations 2015 and the IP Amendment Act 2018.

5.9 Gender

5.22. Samoa supports gender equality, the empowerment of women and youth, and disability inclusion. The Ministry of Women, Community and Social Development (MWCSD) is responsible for promoting the advancement of women including through the provision of livelihood skills training in sewing, weaving the traditional arts and crafts and screen printing.

5.23. The Economic Empowerment pillar of the Samoa Women Shaping Development (SWSD) Programme has seen an increase in the number of vulnerable women establishing micro businesses after having acquired basic financial literacy skills and knowledge through financial inclusion programmes, as well as access to start-up finances.

5.24. These efforts are in line with the Buenos Aires Declaration on Women and Trade, which Samoa supports.

5.10 Environment and Resilience

5.25. In the face of climate change, the government's goal is to enhance environmental sustainability and climate and disaster resilience. Samoa has taken steps to strengthen Disaster Risk Management (DRM). In 2007, the government passed the Disaster and Emergency Management Act 2007, an act supporting the management of disasters and emergencies in the country through enhanced planning, risk reduction, response, and recovery, as well as better coordination among relevant agencies. Additional policy measures have been taken, such as the Samoa National Action Plan for DRM 2011–2016. Institutionally, both DRM and climate change adaptation are integrated into the Ministry of Natural Resources, helping to streamline these efforts.

5.26. The government also has made strides in strengthening its financial resilience to natural hazard shocks, and participates in the Global Facility for Disaster Reduction and Recovery (GFDRR) - supported Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) pilot programme.

5.27. To advance its DRM agenda, Samoa is prioritizing country and regional level initiatives to strengthen resilience to climate change; and increasing the resilience of infrastructure to natural hazards and climate change.

6 SECTORAL DEVELOPMENTS

6.1 Agriculture and Livestock

6.1. Agriculture is one of the key commercial sectors contributing 7.8% to the GDP in 2017. The agriculture sector goal is to ensure food security, good nutrition and to contribute to rural livelihoods and incomes. The government recognizes the importance of strengthening partnerships to leverage agriculture's potential to achieve these goals.

6.2. Family farming forms the core of smallholder agriculture systems in Samoa. The Agriculture Survey 2015 identified 97% of the 28,119 households were engaged in agricultural activities mostly for subsistence purposes but also as a secondary activity. As such, the Government recognizes that enhancing smallholder productivity, production capacity and related food supply chain quality and reducing post-harvest losses will be critical for protecting and sustaining food security and nutrition in Samoa. The latter is essential to help mitigate the rising level of diet-related Non-Communicable Diseases (NCDs) in Samoa.

6.3. The main agriculture export products are nonu juice, taro, coconut and virgin coconut oil.

6.4. The World Bank – funded Samoa Agriculture Competitiveness Enhancement Project (SACEP) has supported agriculture research and development activities since 2013 with a focus on diversification of fruit, vegetable and livestock where there is a comparative advantage to reduce dependence on imported agricultural produce; and improve exports, food quality and safety. With the conclusion of SACEP in December 2018, the successor programme, Samoa Agriculture and Fisheries Productivity and Marketing Project (SAFPROM), is expected to be launched later in 2019. SAFPRO is co-financed by the World Bank and the International Fund for Agricultural Development (IFAD).

6.5. As part of the Government of Samoa's programme to revitalise banana exports, two improved varieties of the Cavendish cultivar were brought to Samoa in 2016 from South Africa to trial. The improved varieties were expected to be harvested earlier than existing varieties and be free from diseases such as banana bunchy top (laufeti'iti'i) and banana black leaf streak (lausului). Through support from SACEP and the Australia - New Zealand's Pacific Horticultural Agricultural Market Access (PHAMA) programme, Samoa was able to secure market access to New Zealand with the first shipment taking place in October 2018.

6.6. Biosecurity requirements associated with exports of fresh produce remain a challenge. As such, frozen agricultural export has been targeted and frozen produce such as taro, yams and breadfruit has been successful exported to Australia and New Zealand since 2017.

6.7. The kava industry is set to be revitalised following the removal of the ban in certain European Union (EU) Member States because of fears over its toxicity. With support from the PHAMA, the Samoa Food ('Ava) Standard 2018 was developed and launched in May 2018. The standard provides guidance on minimum requirements to ensure quality production by all participants of the kava value chain. The Food ('Ava) Regulations 2018 which aims to protect consumers and facilitate trade by ensuring product safety and quality standards of kava and related products for human consumption, will enter into force in June 2019.

6.8. To meet the growing global demand for copra products, Samoa is engaged in replanting its aging coconut population since about 80% of the trees are old. Support towards replanting efforts includes that from the EU-funded Coconut Industry Development for the Pacific (CIDP), of which Samoa is a beneficiary; and the EIF Trade Sector Support Programme (TSSP).

6.9. There is considerable potential to raise the production and productivity of livestock (e.g. pigs, poultry and sheep) to supply the local market and raise household incomes in rural areas; and export to neighbouring markets such as American Samoa. However, Samoa has yet to obtain approval from the US Food and Drugs Administration (USFDA) to allow exports of meat and meat products to the US Territory. Samoa submitted its initial request to the USFDA in 2012 and the subsequent Self Reporting Tool in April 2015. The Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture (USDA) confirms that in order to send fresh beef or pork to American Samoa, Samoa would have to be recognized as free of foot-and-mouth disease, rinderpest,

classical swine fever, and swine vesicular disease. Work is still in slow progress to obtain this recognition.

6.10. A persistent challenge in planning and monitoring developments in the agriculture sector is the timely availability of relevant accurate agriculture statistics. The Government recognizes the need to strengthen agriculture data (collection) systems to ensure evidence-based policy decisions particularly relating to addressing challenges and capturing opportunities in the competitive global trade environment and addressing the threat of climate change.

6.11. The ability of small agriculture producers to access and service commercial loans is constrained by the limited returns of primary production and inconsistent income flows due to long gestation periods and seasonal harvests. The Development Bank of Samoa's (DBS) role in the agriculture sector is to make financing accessible to meet the specific needs of agricultural borrowers for each level of development – microfinance, working capital and medium to longer-term capital investments.

6.2 Fisheries

6.12. The fisheries contribution to GDP rose from 2.5% in 2012 to 3.0% in 2017.

6.13. Government efforts are aimed to strengthen fisheries management practices for development, food security, climate resilience and disaster relief efforts.

6.14. The Community Based Fisheries Management Programme (CBFMP) assists coastal village communities effectively manage, conserve and protect the limited inshore resources by encouraging local communities to identify problems, determine solutions and propose possible actions that would lead to the sustainable management of fisheries resources.

6.15. Samoa relies on sustainable catch practices and adopts an ecosystem approach to fisheries management using best available scientific information. The size of the fishing fleet operating in Samoa's Exclusive Economic Zone (EEZ) has increased since 2015, when foreign fleets have been licensed to fish in Samoa's EEZ. Foreign vessels have increased from 10 in 2015 to 14 in 2016 to 29 in 2017.

6.16. The establishment of the Apia Deep Sea Fishing Company Limited, a fish processing and packing plant, in 2015 is associated with the increase in fish exports observed in 2017. The majority of fish is exported frozen to canneries in American Samoa, while the rest is exported either frozen, fresh or chilled to Fiji, Japan and USA

6.17. The Commercial Fisheries Management Advisory Committee (CFMAC) overlooks the management of Samoa's commercial fisheries to ensure its long-term sustainability. Yields from the tuna fisheries are collected through various means including daily catch logs from fishing trips, port sampling and unloading data. These data are critical as they provide key inputs to stock assessment models which then generate the estimated status of tuna stocks. The status of tuna stocks is used as a basis for the formulation of advice to manage the tuna fisheries in the Western and Central Pacific Ocean. This practice is in line with Samoa's commitment to ensure full elimination of Illegal, Unreported and Unregulated (IUU) fishing. The collection of catch and effort data is an obligation for Samoa under the Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC).

6.18. Samoa supports the call by the Pacific WTO Members for a successful agreement in the Fisheries Subsidies discussion that will fulfil the two aspects of SDG14.6 and MC11 mandates which provides for strong disciplines that target those that cause overfishing and at the same time provide appropriate and effective special and differential treatment, including for small island states and LDCs. The Special and differential treatment for developing and LDC members will recognize the differing capacities of these members to have such support for their smaller fleets, support the development of the sector in small island developing states in line with SDG 14.7 and will preserve the sovereign right of coastal states over their national jurisdictions.

6.3 Manufacturing

6.19. The manufacturing sector is dominated by food and beverage industries, and contributed on average about 10% to the GDP during the recent past. Its contribution declined to 7% contribution in 2018 due to the closure of Yazaki Samoa, a foreign company producing wire harnesses for the automotive industry in Australia. Yazaki was the single largest private employer in Samoa until its closure in August 2017. Samoa's manufacturing exports have since been reduced to primary and agro-processed products. Two companies have now been established at Yazaki's former premises - Sleepwell Samoa International and Fero Wire Cabling.

6.20. International certification of compliance with specific International Standards Organization (ISO) and Hazard analysis and critical control points (HACCP) standards certification for local manufacturing companies as well as the Ministry of Agriculture's Pack House and Mobile Abattoir were secured since Samoa's accession to WTO and represented important improvements for the sector to meet international requirements for food products.

6.4 Information and Communications Technology (ICT)

6.21. The expansion of the communications sector, with Samoa links to the Southern Cross Cable Network (Tui-Samoa Cable) in 2017 and the Manatua Cable in 2018, is expected to provide more reliable, accessible and affordable internet services and therefore stimulate innovative developments in information and communication technology. Positive spill over effects are expected in other sectors of the economy including public services (e.g. on e-government) and business operations (e.g. on e-commerce).

6.22. The EIF/United Nations Conference for Trade and Development (UNCTAD) e-Trade Readiness Assessment undertaken for Samoa in 2017 took stock of Samoa's e-commerce readiness environment. Challenges identified include trade logistics; expensive air transport; lack of postal addressing system to facilitate e-commerce; expensive internet connection; high percentage of unbanked population; and conservative attitude towards mobile payments. UNCTAD is undertaking a legislative review of Samoa's e-commerce framework.

6.5 Energy

6.23. Samoa's Nationally Determined Contribution (NDC) under the UN Framework Convention on Climate Change includes the target of 100% renewable energy by 2025.

6.24. This reflects Samoa's commitment to address the need for energy in a sustainable way, whilst reduce the energy import bill. A reduction of approximately WST 55.0 million per annum of petroleum (particularly diesel) imports for the period 2017-2021 is envisaged based on the NDC target commitment.

6.25. Several projects are being implemented including the New Zealand funded solar farms in Faleata and Salelologa, the United Arab Emirates (UAE) funded wind farm in Vailoa Aleipata, and solar facilities all around Upolu and Savaii funded by the Japanese International Cooperation Agency (JICA). The Government also organizes nationwide public awareness and education programmes on energy efficiency and conservation.

6.6 Transport

6.26. Samoa has invested substantially in its transport infrastructure with the view of increasing competitiveness and facilitating trade in goods and services.

6.27. There are five primary ports including three on Upolu (Aleipata, Apia and Mulifanua) and two on Savaii (Asau and Salelologa). All of the ports service both passengers and cargo, and the ports of Mulifanua and Salelologa offer important inter-island passenger services. Almost all of Samoa's international sea freight goes through the Port of Apia, which also is the base for coastal vessel passenger and freight movements. The port offers two international berths and coastal/domestic facilities, as well as a container park and space for port-related activities. Samoa has made significant investment in the infrastructure at the Apia international port and domestic ports including

wharf extension and upgrades for both Mulifanua and Saleleoga wharfs to cater for increase in trade and travelling population

6.28. Samoa's main airport has undergone major structural renovations to cater to the growing tourism industry needs and to modernise the airport complying with international safety and security standards and attract more airlines to Samoa.

6.7 Tourism

6.29. Tourism is one of the key drivers of economic growth given the industry's increasing contribution to GDP, foreign exchange earnings, employment and emerging services. For the fiscal year 2017/2018 tourism contribution to GDP was WST 400m with visitor arrivals recorded at 172,000.

6.30. The Samoa Tourism Sector Development Plan (2014-2019) is designed to identify and address sector related impediments, and to facilitate increased employment and economic growth whilst supporting the cultural values and environmental assets of Samoa. Planned activities focus on destination marketing, human resource development and training, product development, investment and an improved business enabling environment and transport infrastructure to deliver the government's key outcome of improved tourism development and performance.

6.31. Samoa hosting of international meetings and sporting activities are becoming important aspects of Samoa's hospitality industry.

7 INTERNATIONAL TRADE ARRANGEMENTS

7.1. Samoa's small market, limited production base, long distance from international markets, high dependence on imports and vulnerability to external shocks are key factors driving the Government's efforts to strengthen foreign trade relations in the pursuit of new opportunities. As such, participation in international trade arrangements supports the achievement of trade policy objectives including improved market access and trade development assistance to build productive capacity.

7.2. Securing market access for Samoan exports in overseas markets and addressing supply-side constraints are in line with Samoa's efforts to improve the merchandise trade imbalance. This is also important given the loss of LDC preferential market access after Samoa graduated from LDC status in 2014. Only China and the EU granted transitional periods for Samoa after graduation, but this ended in December 2017 and December 2018, respectively.

7.3. Samoa is engaged in multiple trade negotiations and faces the challenges of implementation of multiple, often overlapping trade agreements.

7.1 Multilateral

7.4. Samoa's 13-year accession process to the WTO and membership in 2012 was the result of strong political commitment and well-coordinated national multi-stakeholder efforts. Notable implemented actions since accession have been around legal and regulatory reforms undertaken to bring non-compliant policies into conformity with WTO systems including amendments to legislation relating to the import of turkey tails, IP and tax matters.

7.5. The Government acknowledges the importance of complying with the general transparency and specific notification obligations for both the functioning of the multilateral trading system and good governance to the benefit of the public and businesses, and is working towards submitting the outstanding notifications. However, more time and assistance are required and to complete all notification obligations.

7.6. Samoa signed the Trade Facilitation Agreement (TFA) and became the first Pacific WTO Member to ratify the agreement in 2016. The implementation of the TFA is expected to reduce costs to Samoan traders and help boosting Samoa's export base, however support is required to implement categories B & C commitments.

7.7. With no permanent office in Geneva, Samoa receives WTO updates electronically and through the Permanent Delegation of the Pacific Islands Forum in Geneva. The Government is considering establishment of a presence in Geneva to ensure better participation in the work of international institutions headquartered there.

7.2 Regional

7.8. The Government continues to seek opportunities to enhance market access and productive capacity of Samoan producers through regional trade agreements.

7.9. While Samoa does not have any bilateral trade agreement, it is party to the Pacific Island Countries Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations (PACER). Samoa is also a signatory of the PACER Plus.

7.10. Samoa acceded to the Pacific-EU Interim Economic Partnership Agreement in December 2018.

7.3 Trade-related technical assistance needs

7.11. As a small developing country with limited institutional resources and human capacities, Samoa requires support to expand trade opportunities including for capacity building, trade negotiations, trade infrastructure, addressing supply-side constraints, and marketing.

7.12. Samoa has benefitted from assistance by WTO Institute for Training and Technical Cooperation (ITTC) including capacity building and internship programmes. Samoa is also pleased to have hosted the Short Trade Policy Course for Pacific Island Countries in Apia in September 2018. This was a welcomed opportunity for government officials, the private sector and civil society representatives that do not get the opportunity to attend face-to-face courses in Geneva or the region to enhance knowledge on WTO disciplines and principles and be updated on discussions at the WTO in areas of interest to Samoa.

7.13. Trade-related capacity building needs include:

- Implementation of the TFA according to the notification of categories B and C commitments, which was circulated on 28 August 2018 and includes indication of assistance required to implement the agreement
- Setting up of a Competent Authority required for exports of fish to the EU, China and other markets with equivalent standards
- Setting up a statistical data collection and analysis system at Samoa Bureau of Statistics (SBS), Central Bank of Samoa (CBS), Ministry of Commerce Industry and Labour (MCIL) for trade in services, with particular focus on Foreign Affiliates Trade in Services (FATS) statistics.
- Support for trade negotiations and implementation of trade agreements
- Capacity building on WTO law
- Set up a notification system across Government, including establishing enquiry points
- Building productive capacity

8 CONCLUSIONS

8.1. As a Small Island Developing State (SIDS) in the Pacific, remotely situated from the main world trade centres, subject to economic volatility and the negative impacts of climate change, it is important for Samoa to engage in an open, rules-based and predictable international trade regime. This is vital for its economic development, the wellbeing of its population, as well as for its resilience to environmental shocks. This recognition was and remains the rationale for Samoa joining the WTO and progressively integrate into the world trading system.

8.2. Over the last two decades, the economic strategies adopted by the Government have all emphasized the importance of trade for development and poverty reduction. Trade features prominently in Samoa's National Development Strategy (SDS) and the modernization of the trade regime is a central focus of policy reforms aimed at removing constraints to entrepreneurship, productivity, and growth.

8.3. With a limited number of tradeable sectors and a narrow export base, Samoa's economy suffers from a permanent and ever widening merchandise trade deficit worsened by recurring natural disasters. Therefore, securing unfettered market access for its limited number of exportable merchandises, with fish representing half of its exports, is at the heart of Samoa's trade policy.

8.4. As remittances remain such an important source of foreign exchange and income for Samoans, the partial withdrawal of CBRs have seriously impacted the country's public and private finances. We therefore call on banks concerned to objectively revise their policies towards Samoa, whilst also recognizing the importance of implementing mitigating measures.

8.5. The Government is pursuing a prudent SOE divestment and privatization policy in a bid to avoid the emergence of private sector monopolies. In this respect, the Government recognizes that a robust competition law and an effective competition policy are necessary corollaries to successful privatizations.

8.6. The Government attaches great importance to developing a modern, services-based economy, capable of exporting both traditional services and a growing number of ICT-enabled services. It is in this context that the Government recognizes the formidable potential of e-commerce for easing the constraints from remoteness and cutting trading costs. The priority now is to implement the relevant recommendations from the UNCTAD e-Trade readiness assessment.

8.7. In 2011, a Joint Policy Matrix was developed by the Government and its major development partners to ensure a more coordinated sector-focused approach for the delivery of performance-linked aid. Joint programme development, implementation and monitoring are to ensure coherent actions to enhance synergies from these linkages and to reduce duplication and policy conflicts.

8.8. Samoa remains fully committed to the multilateral trading system as embodied in the WTO and that the rules of the multilateral trading system remain the reference to pursue its trade reforms.
