

# SAMOA

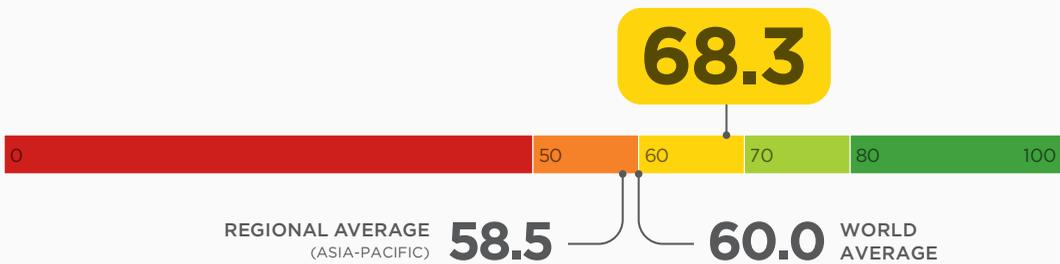
Samoa's economic freedom score is 68.3, making its economy the 40th freest in the 2022 *Index*. Samoa is ranked 7th among 39 countries in the Asia-Pacific region, and its overall score is above the regional and world averages.

The growth of the Samoan economy has fluctuated over the past five years: positive in 2017, negative in 2018, returning to growth in 2019, contracting again in 2020, and then dropping even further in 2021. Remarkably, economic freedom has continued to expand over the same half-decade. Boosted by spikes in scores for **fiscal health**, **trade freedom**, and rule of law, Samoa has recorded an impressive 9.9-point overall gain of economic freedom since 2017 and has risen nearer to the top of the "Moderately Free" category. Samoa is a recipient of international donor assistance, and **fiscal health** is robust, but **financial freedom** is very anemic.

**IMPACT OF COVID-19:** As of December 1, 2021, data on the number of deaths attributed to the pandemic in Samoa were not available. The economy contracted by 3.2 percent in 2020.

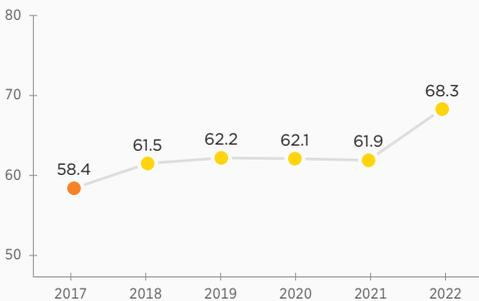


## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +20.7

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
0.2 million

**GDP (PPP):**  
\$1.1 billion  
-3.2% growth in 2020  
5-year compound annual growth 1.5%  
\$5,653 per capita

**UNEMPLOYMENT:**  
8.9%

**INFLATION (CPI):**  
1.5%

**FDI INFLOW:**  
-\$1.0 million

**PUBLIC DEBT:**  
46.7% of GDP

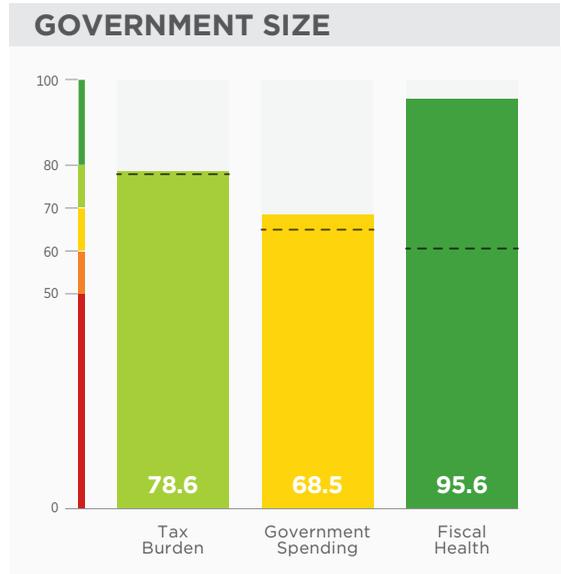
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** A small South Pacific archipelago with a population of fewer than 200,000, Samoa was administered by New Zealand until independence in 1962. It is now a multiparty, unicameral parliamentary democracy with seats split between the Human Rights Protection Party (HRPP) and the new Faith in the One God of Samoa (FAST) party. The 2021 general elections sparked a constitutional crisis as incumbent Prime Minister Tuilaepa Aiono Sailele refused to step down and accept the victory of Naomi Mata'afa. Two-thirds of the workforce is employed in fishing and agriculture, which produce 90 percent of exports, and the economy relies heavily on remittances from emigrants. The government is encouraging more offshore banking and foreign investment in manufacturing.

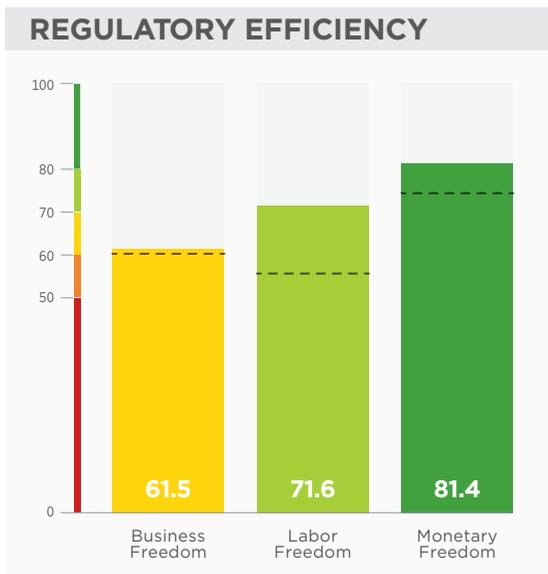
# 12 ECONOMIC FREEDOMS | SAMOA



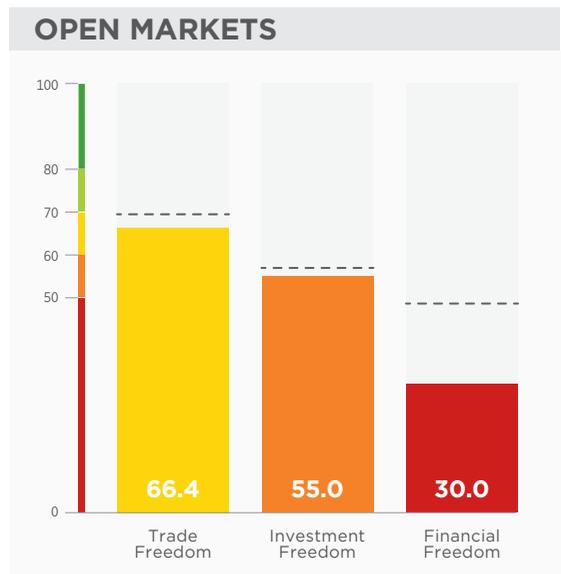
Most land in Samoa is owned either communally or by the government. Only citizens may own freehold land without special permission. Samoa lacks an efficient legal framework for the protection of property rights and enforcement of contracts. The judiciary is independent but heavily influenced by the executive. Common forms of corruption include bureaucratic and administrative corruption by government officials and political corruption.



The top individual income and corporate tax rates are 27 percent. Other taxes include value-added and excise taxes. The overall tax burden equals 26.2 percent of total domestic income. Government spending has amounted to 32.4 percent of total output (GDP) over the past three years, and budget surpluses have averaged 3.0 percent of GDP. Public debt is equivalent to 46.7 percent of GDP.



Business registration is a four-step process, some parts of which can be done online, but payment must be submitted in person. State-owned enterprises are not given preferential treatment. The only private-sector union pressed for a minimum wage, which was implemented in 2019 at WST\$3 (USD\$1.22). The government supports state-owned enterprises and subsidizes the prices of basic services including electricity and water supply.



Samoa has five preferential trade agreements in force. The trade-weighted average tariff rate is 9.3 percent, and one formal nontariff measure is in effect. Other barriers to trade persist, and policies critical to market openness have not advanced. Investment in some sectors is restricted. The small and underdeveloped financial sector is dominated by banking, but a significant portion of the population remains unconnected to the formal banking system.