



# TRADE, COMMERCE AND MANUFACTURING SECTOR PLAN

2024/2025 – 2028/2029





# **TRADE, COMMERCE AND MANUFACTURING SECTOR PLAN**

2024/25 – 2028/29



**Trade, commerce and manufacturing sector plan 2024/25 – 2028/29**  
Apia, 2024

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## MESSAGE FROM THE MINISTER

Talofa lava,

It is my great pleasure to present the Trade, Commerce, and Manufacturing Sector Plan (TCMSP) 2024/2025 – 2028/2029.

The TCMSP is a strategic blueprint driving the Key Priority Area 9 of the Pathway for the Development of Samoa (PDS) 2021/22 – 2025/2026 on Business Innovation and Growth. With a vision centered on "Sustainable Production, Trade, Commerce, and Manufacturing for growth and a resilient and vibrant economy," which reflects the government's steadfast commitment to fostering economic prosperity and resilience across Samoa.

At its core, this sector plan embodies the theme of empowerment through empowering stakeholders within the trade, commerce, and manufacturing landscape to thrive amidst challenges, building resilience, and igniting growth opportunities. By harnessing the collective potential of all involved, we aspire to create a conducive environment where innovation flourishes, businesses thrive, and communities prosper.

The sector goal aims to "cultivate the full potential of Trade, Commerce, and Manufacturing for the benefit of all." To achieve this, we have outlined a set of outcomes that will guide our efforts:

**Improved Productivity, Manufacturing, and Trade Activities:** Through innovation and efficiency measures, we aim to enhance productivity and competitiveness within the sector.

**Enhanced Exports and Market Access:** Recognizing the importance of global connectivity, we strive to expand market access and promote Samoa's exports on the international stage.

**Increased Sustainable Business Development and Employment Generation:** We are committed to fostering sustainable business practices that create employment opportunities and contribute to economic growth.

**Advanced Sector Infrastructure Efficacy:** Modernizing and improving sector infrastructure is essential for facilitating seamless operations and driving growth.

**Fostered Resilience and Recovery:** In a world marked by uncertainties, building resilience and recovery mechanisms is paramount to withstand shocks and ensure sustained growth.

**Strengthened Enabling Environment for Sector Development:** By enhancing the regulatory framework and institutional capacity, we aim to create an enabling environment that supports the growth and development of the trade, commerce, and manufacturing sector.

As we embark on this journey towards a more sustainable, resilient, and vibrant economy, collaboration and collective action will be key. I extend my gratitude to all those who have contributed to the development of this sector plan, and I invite stakeholders from all sectors of society to join us in this transformative endeavor. Together, let us realize our shared vision of a prosperous and resilient Samoa, where trade, commerce, and manufacturing thrive for the benefit of all.

Honorable Leota Laki Lamositele Sio

MINISTER OF COMMERCE, INDUSTRY AND LABOUR



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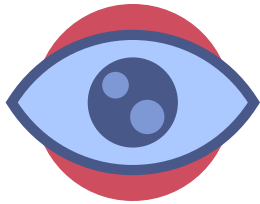
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# SECTOR VISION

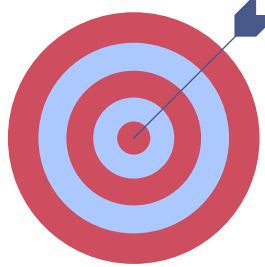
Sustainable production, trade, commerce and manufacturing for growth and a resilient and vibrant economy.

## SECTOR THEME

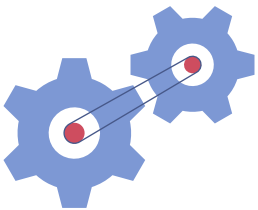
“Empowering the trade, commerce and manufacturing sector stakeholders, building resilience, and inspiring growth.”

## SECTOR GOAL

To cultivate the full potential of trade, commerce and manufacturing for the benefit of all.



## SECTOR OUTCOMES:



1

Improve productivity, manufacturing and trade activities.

2

Enhance exports and market access.

3

Increase sustainable business development and employment generation.

4

Advance the efficacy of the sector infrastructure.

5

Foster resilience and recovery in response to shocks and stressors.

6

Strengthen an enabling environment for sector development.

# STRATEGIES

## 1 Improve productivity, manufacturing and trade activities.

- 1.1. Increase productivity and strengthen supply chains for improved productivity and consistent supply of goods and services.
- 1.2. Promote investment in climate-smart and renewable energy production to provide affordable, reliable, resilient, and sustainable production including the supply of green energy.
- 1.3. Targeted reforms that improve business environment in supportive of increased productivity, manufacturing and trade.
- 1.4. Strengthen private sector capacity towards improving productivity, manufacturing and trade practices.

## 2 Enhance exports and market access.

- 2.1. Increase value addition activities.
- 2.2. Facilitate implementation of trade arrangements and initiatives.
- 2.3. Streamline market access.
- 2.4. Strengthen the promotion of local products and services.

## 3 Increase sustainable business development and employment generation

- 3.1. Availability of appropriate incentives and government assistance to support business development and employment generation.
- 3.2. Promote and facilitate domestic and foreign investment and alternative financing mechanisms for businesses in promising sectors and with feasible growth plans.
- 3.3. Collaborate with financial and private sectors to improve access to credit for bankable businesses by addressing demand and supply constraints.
- 3.4. Availability of a skilled labour force that caters for private sector demands and needs.
- 3.5. Strengthen skills of the current and future workforce in entrepreneurship, business and innovation.

## 4 Advance the efficacy of the sector infrastructure.

- 4.1. Strengthen infrastructure to facilitate sector development.
- 4.2. Enable business awareness and access to globally competitive and locally relevant financial infrastructure.
- 4.3. Improve Samoa's ICT infrastructure, services and policies to enable the sector development.
- 4.4. Facilitate access to emerging technologies and skills that support innovation.
- 4.5. Enable innovation by supporting research & development and technology incubator initiatives.
- 4.6. Strengthen quality and availability of sector data systems to better understand the financial needs of business when developing policies and programs.

## 5 Foster resilience and recovery in response to shocks and stressors.

- 5.1. Develop and strengthen social protection schemes for businesses.
- 5.2. Facilitate the provision of insurance to ensure sustainability of businesses beyond disruptions.
- 5.3. Prepare for, manage, and respond to infrastructure and service issues that hinder business operations following natural disasters and external shocks.
- 5.4. Address the needs of the most vulnerable in the sector.

## 6 Strengthen an enabling environment for sector development strengthened.

- 6.1. Strengthen the policy and legal framework of the sector.
- 6.2. Enhance sector coordination, collaboration and partnerships.
- 6.3. Improve the resourcing and capacity of the sector.
- 6.4. Strengthen data management systems and knowledge management.

# SECTOR TARGETS

Indicator	Measure		Target (2028/29)
1. Growth in the sector	Growth in GDP		3.1%
2. Increase in trade	Decrease in trade deficit:	Trade in goods Trade in services	SAT\$813.7 million SAT\$386.5 million
3. Increase in sector productivity	Percentage and value of the agriculture and fisheries sector, commerce and manufacturing:	agriculture and fisheries manufacturing commerce	SAT\$245.8 million SAT\$115.5 million or 7% of GDP SAT\$505.7 million or 27% of GDP
4. Increase in employment	Economically active population rate Labour participation rate National unemployment rate		49.0% 44.0% 3%
5. Growth in business and innovation	Number of, and increase in, businesses		24% increase





# ACRONYMS

ADB	Asian Development Bank
BLP	Business Link Pacific
CBRs	Correspondent Banking Relationships
CBS	Central Bank of Samoa
COLA	Cost of Living Adjustment
DBS	Development Bank of Samoa
DDP	District Development Program
EPC	Electric Power Corporation
ESP	Education Sector Plan
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEDSI	Gender Equality, Disability and Social Inclusion
GOS	Government of Samoa
HIES	Household, Income and Expenditure Survey
HRD	Human Resource Development
ICT	information and Communication Technology
IEPA	Interim Economic Partnership Agreement
IPPs	Independent Power Producers
ISIC	International Standard Industrial Classification
ITA	Information Technology Agreement
KPA	Key Priority Area
LFCLS	Labour Force and Child Labour Survey
M&E	Monitoring and Evaluation
MCIL	Ministry of Commerce, Industry and Labour
MCR	Ministry of Customs and Revenue
MESC	Ministry of Education, Sports and Culture
MOF	Ministry of Finance
MSME	Micro, Small, Medium Enterprises
NDI	Net Direct Investment



NUS	National University of Samoa
NZMFAT	New Zealand Ministry of Foreign Affairs and Trade
ODA	Official Development Assistance
PACER	Pacific Agreement on Closer Economic Relations
PDS	Pathway for the Development of Samoa
PICTA	Pacific Island Countries Trade Agreement
PPIU	PACER Plus Implementation Unit
PPMD	Policy, Planning and Project Management Division
PSO	Private Sector Organisations
R&D	Research and Development
SBH	Samoa Business Hub
SBS	Samoa Bureau of Statistics
SCCI	Samoa Chamber of Commerce and Industry
SDG	Sustainable Development Goals
SEA	Samoa Export Authority
SEZ	Special Economic zones
SITA	Samoa Information Technology Association
SNEP	Samoa National Employment Policy
SNPF	Samoa National Provident Fund
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
TVET	Technical and Vocational Education and Training





# PART A

## BACKGROUND AND CONTEXT





# 1. INTRODUCTION

This Trade, Commerce and Manufacturing Sector Plan (TCMSP) sets out the strategic development direction and development agenda of the Sector, for the next five years, 2024/25–2028/29. The sector plan reaffirms the shared commitment of all sector members, stakeholders and partners to work together to continue to contribute to the development of this significant sector of the economy. The new sector plan re-emphasises the importance of building resilience and ongoing development of the sector as the economy is still recovering from the impact of COVID-19 and also confronting the ongoing impacts of other external shocks such as the war in Ukraine. A rethinking of the sector strategic development directions and priorities is needed given these ongoing challenges and dynamics, reflecting as well on efforts, achievements and progress made over the years through the development journey of the sector.

This is the third strategic plan of the sector and is built on progress made with the implementation of the previous sector plan, TCMSP 2017/18–2020/21; reviews of the relevant and available literature; and the findings of the stakeholder consultation held from February to April 2024. The TCMSP 2024/25–2028/29 is guided by the overall strategic development for Samoa as set out in the Pathway for the Development of Samoa 2021/22–2025/26 and is linked to all other sector plans and strategic development directions for Samoa. The TCMSP is a living document that will be continuously reviewed, revised and refined to reflect, and respond to, emerging issues and key priorities in its policy and implementing contexts.

# 2. SECTOR SITUATION AND PERFORMANCE

The Trade, Commerce and Manufacturing Sector (TCMS) is one of the 14 development sectors in Samoa. Given its primary focus on core development areas that are fundamental and critical to private sector and business development, the sector continues to play a significant role in Samoa's sustainable economic, social and political development. A contextual analysis of the sector is detailed in Annex 1, with a summary of the current sector situation and performances (in terms of key performance indicators) provided as follows:

## Economic growth

The positive growth in the sector as measured in GDP growth during the year of 2018/2019 (real GDP growth was 4%) was offset by the negative growth from the year of 2019/20 onwards due to the impacts of COVID-19. While the sector and the economy are slowly recovering from the pandemic (as shown in a positive growth of 6%) in 2022/2023. Despite the prolonged impacts of the war in Ukraine, ongoing efforts are needed to maintain this positive growth trend to guarantee full recovery, restore sustainability, and build resilience, especially for the small to medium enterprises that make up 90% of private sector businesses.

## Poverty

Poverty rates and inequality levels have increased over the years which point to increased levels of hardship and instability amongst individuals, families and communities, especially the most vulnerable individuals and groups. A decline in the general level of living standards is noted, with formal and decent employment and income generation remaining critical issues.







## Trade

Samoa's merchandise trade deficit continues to increase amounting to an average of SAT\$813.7 million a year. The deficit has deteriorated over the years, further exacerbated by the impacts of the COVID-19 crisis and the war in Ukraine. Fresh fish and agricultural products remain Samoa's main export products. Trade in services accounted for 43% of Samoa's total trade with Samoa earning a significant surplus in trade in services. However with COVID-19, major losses occurred in 2019 to 2020 for trade in services. A recovery in trade in service was recorded in 2022/23 with a surplus of SAT\$264 million. The most dominant trade in services are travel, transport, telecommunication, computer and information services, and others.

## Remittances

Total remittances for Samoa averaged at SAT627 million during the period of 2017/18–2022/23, and remains a significant contribution to the GDP, amounting to an average of around 20% of the GDP. Remittances increased during the COVID-19 period, amounting to around 33.6% of the GDP in 2022. This signifies the important role that remittances play in local social protection and income subsidisation, especially in response during times of unexpected crises, shocks and stressors.

## Foreign direct investment

Foreign direct investment (FDI) is vital to the development of the economy especially with assisting key sectors such as the tourism sector in recovery efforts from the recent pandemic. The net FDI flow into Samoa has been only 1.05% of GDP, which is below the regional Pacific Island average of 4.62%. Samoa's annual Net Direct Investment (NDI) averaged at a deficit of SAT\$14.4 million during the period of 2017/18 – 2022/23.

## Business development

Commerce remains the main industry contributing to the national GDP followed by financial services, public administration, ownership of dwellings, agriculture and others. The government business registration system gives a total of 1,472 registered companies (246 of which registered foreign shareholders) and a total 6,424 registered local sole-trader businesses in 2022. The small businesses have an estimated annual turnover of less than SAT\$1,000,000.00 (Warner & Tuioti, 2022). The majority of registered local sole-trader businesses are in wholesale & retail trade and repair of motor vehicles (33%), followed by transportation & storage (22%), and others such as accommodation & food services (7%) and administrative and support (6%).

## Ease of doing business in Samoa

Samoa is ranked 98<sup>th</sup> (out of 190 countries) in the 'ease of doing business' ranking and scored 62.1 against the frontier of 100 in the ease of doing business in 2020. Getting credit and resolving insolvency are identified as the most problematic areas for doing business in Samoa.

## Employment

Samoa has a relatively young population and workforce, indicating increasing demands for employment creation (in addition to other areas such as education and health) to cater for the growing young population. The national labour force participation rate in 2022 (latest figure) was 43.8%. The national unemployment rate stood at 5%, with the majority being females. The limitations of having formal job opportunities meant that the majority of the employed and unemployed young people and women are engaged in informal activities. Employment declined during the COVID-19 period by 33% from 2019 to 2020. The most affected industries are accommodation, fishing, transport, other manufacturing (other than food), construction, and restaurants.



### 3. REVIEW OF THE PREVIOUS SECTOR PLAN - PROGRESS AND ACHIEVEMENTS

The TCMSP is a sector plan instigated for the purpose of directing and guiding the development of the Trade, Commerce and Manufacturing Sector (TCMS). To inform the next sector plan, it is important to identify and assess what has been adopted and implemented for the development of the sector, under the framework of the TCMSP. Progress made, achievements and lessons learnt with the implementation of the previous sector plan, TCMSP 2017/18-2020/21 are to be highlighted to inform the way forward for the sector and its next sector plan.


The vision of the TCMSP 2017/18-2020/21 is 'sustainable trade, commerce and manufacturing for enhanced growth and development'. The mission is to 'maximise gains from trade and enhance private sector development, to increase income generation opportunities for sustainable livelihoods.' The four sector goals are: 'improve industrial supply and productivity'; 'increase processing activities and value-addition'; 'enhance market access and visibility for Samoan goods and service'; and 'strengthen sector coordination, planning and support'. The sector plan 'living action matrix' outlined a total of 92 planned activities to be implemented corresponding to each of the four sector goals and outputs. The review of the TCMSP 2017/18-2020/21 provided the following status with the implementation of the previous sector plan (see Annex 2).

#### Progress and achievements

A total of 74% of all sector plan initiatives were progressed and completed on time, which indicated significant strides towards achieving the outlined objectives. However, 21% of planned activities experienced slower progress or encountering implementation barriers. The key challenges identified included resource constraints, regulatory hurdles, and unforeseen operational complexities. Furthermore, 5% of the initiatives were behind schedule in implementation, highlighting areas<sup>1</sup> where efforts need to be strengthened to mitigate delays and to realign with established timelines. It is imperative to delve deeper into the root causes of these setbacks to formulate targeted strategies to address setbacks more effectively. Despite the effects of the COVID-19 pandemic, overall, the TCMSP 2017/18-2020/21 has had a positive impact on the country's economy by addressing supply constraints, infrastructure development, enhancing trade logistics and operations, pushing export diversification, promoting job creation, skills development, and private sector growth. Out of the total 26 outcome-based targets of the TCMSP, 35% of the targets were met/achieved, while 54% were not achieved,<sup>2</sup> and 12% were no longer applicable.

#### Relevance and appropriateness

The TCMSP 2017/18-2020/21 played a crucial role within the framework of the former national development plan, the Strategy for Development of Samoa (SDS) 2016/17-2020/21 (presently referred to as the Pathway for the Development of Samoa or PDS) in accelerating sustainable development and broadening opportunities for all. The TCMSP drives the implementation of Key Outcomes 3 and 5 of the SDS focusing on increasing export products and enhancing private sector participa-

- <sup>1</sup> Included the Generalised System Preferences (GSP) Survey (no longer relevant due to the cease of all GSP afforded to Samoa upon expiry of transitional phase from a LDC to a developing economy.); Assess feasibility of establishing carbon trading scheme/institution (no information available); Special Economic Zones (initiative of the previous government - draft policy was submitted but not implemented); and Foreign Employee Employment Permit (FEEP) system (Review of the FEEP is in progress).
  - <sup>2</sup> Mostly concern growth in GDP, improvement in exports and trade balance, increased in agricultural and fisheries value and contribution to GDP, increase in manufacturing value as a % of GDP, and increase in Samoa's economically active population. These are complex areas and targets for the sector to meet which any positive progress and efforts made during the period of the previous TCMSP were offset and affected to a large extent by the Covid-19 crisis.
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tion in development. It encompassed strategies to rejuvenate exports and boost the development of the agriculture and manufacturing sectors. Moreover, the TCMSP aligned with pertinent regional and international policies, as well as regulatory frameworks and obligations. Subsequent to the TCMSP, various sector plans have emerged incorporating interrelated activities for the sector. This underscores a collaborative and integrated approach across different sectors rather than operating in isolation.

## Effectiveness and efficiency

The adoption of the value chain approach refined the implementation process of the TCMSP2017/18-2020/21, making it more focused and efficient. The overarching progress of the sector reflected in the final year compared to the first year showed an increase in the percentage and value of the agriculture and fisheries sectors in real GDP by 0.3%, increase in the percentage and value of the commerce sector in real GDP by 2%, a decrease in the percentage and value of the manufacturing sector by 4.5%, and an overall increase in the balance of trade deficit by SAT\$350 million. Although the economy was heavily affected by the COVID-19 pandemic, progress has been achieved under the four pillars/outcomes of the sector plan, which included the completion of key initiatives as outlined below:

✓ Phase one of the Foreign Investment Act review	✓ Establishment of the branding bureau to boost export performance
✓ Apprenticeship Training Program new structure	✓ Development of the Samoa Trade Information Portal
✓ Formulation of the new Samoan National Employment Policy (SNEP) following the review of the previous SNEP 2016-2022	✓ Tariff review
✓ Formulation of the Micro, Small, Medium Enterprises MSME Policy	✓ Establishment of the competent authority established under Fisheries Office
✓ Formulation of the National Industry Development Policy	✓ Completion of the Labour Market Survey 2019
✓ Development of the e-commerce strategy	✓ Implementation of the activities under the UNESCAP supported 'Catalyzing Women Entrepreneurship Project' targeting women entrepreneurs in ICT
✓ Expansion of the Duty Concession Scheme to include agriculture and fisheries processing	

## Institutional arrangements

The TCM-SP 2017/18 – 2020/21 required that government, private sector, and development partners embraced a programme-based approach instead of a project-based one for providing support to the sector, aligning it more closely with the sector-wide approach to planning. Consequently, the TCMSP emphasises the significance of inclusiveness in implementation and coordination. To ensure implementation, it incorporated specific institutional arrangements, such as the TCM Sector Steering Committee (TCMSSC) and the Sector Coordination Unit, both established in 2012. Comprising of 25 government agencies and five private sector organisations, the TCMSSC strategically oversees the implementation of the TCMSP and its sector projects.<sup>3</sup> The Sector Coordination Unit (now named the Policy Planning and Project Management Division (PPPMD)), was tasked with coordinating and monitoring the execution of the TCMSP and serving as the Secretariat of the sector governing body, the TCMSS. In light of ongoing reforms, it is imperative to continuously review the sector's institutional arrangements as to ensure existing frameworks and governance structures provide for an enabling environment that serve sector members and foster inclusive participation of sector stakeholders and thereby fostering effective implementation and achievement of sector objectives.

## Lessons learnt

Identified from the implementation of the TCMSP 2017/18–2020/21 are key learnings to be taken into consideration in this TCMSP. First, there are initiatives that were no longer relevant, while others remain ongoing and will transition into the next TCMSP. This points to the need for regular reviews of the TCMSP to assess the ongoing relevance of strategies and actions and to adjust them accordingly. Second, the impact of the COVID-19 on the effective and efficient implementation of the sector plan needs to be emphasised; strategies and actions that were not implemented but remain relevant and important to the sector should be considered in this TCMSP. A number of key outcome-based targets of the plan were not achieved due to the impact of COVID-19. Third, the importance of regular monitoring, evaluation and reporting on the sector plan implementation progress is noted as an area needing improvement. Fourth, ensure the active involvement and inclusive participation of sector stakeholders and partners in the TCMSP and its execution remains paramount. Additionally, it is imperative to consistently reassess and review the resources necessary for the efficient implementation of the sector plan, monitoring the actual commitment and availability of these resources to enable its execution effectively.

<sup>3</sup> Previously, the TCM Sector Task Force (TCMSTF) was established to follow through on the strategic decisions of the TCMSSC and directly supervise the work of the Sector Coordination Unit. Initially, the TCMSSC was envisioned to operate at the CEO level and the Sector Coordination Unit at the ACEO level. However, it was later recognized that both groups had similar representation, rendering the Task Force redundant.



## 4. KEY STRATEGIC DEVELOPMENT ISSUES, CHALLENGES, AND PRIORITIES

The sector continues to operate in a challenging development context with constraints due to Samoa's distinctive geographical disadvantages due to its locational remoteness (from major world markets); high volatility and vulnerability (to natural disasters, climate change and external shocks); limited resource base, domestic demands and economy of scale; imperfect markets and competition; high transaction costs; and reliance on external markets. Reiterated below are the sector's key development issues, challenges and priorities:

### Recovery from the COVID-19 pandemic and building resilience



The economy continues to experience recession following the impacts of the COVID-19 pandemic. Recovery efforts are ongoing but face significant delays exacerbated by the conflict in Ukraine, which has caused global increases in fuel, transportation, and food prices. The priority remains with progressing and elevating targeted efforts towards recovery, maintaining fiscal stability, and to manage the ongoing impacts of shocks on businesses, private sector, and economy. Building resilience of local people and community remain areas to consider in development priorities of the sector.

### Improve productivity and supply



This outcome area from the previous TCMSP needs to be continued for this new TCMSP. Improving the productivity of key industries and consistent quality and quantity of primary sector supply remains critical for sustainable food security; enhancing value adding; increasing trade and especially exports, and hence addressing the trade imbalance; and boosting employment and business opportunities in the private sector. Continued efforts are essential in the transformation of Samoa's substantial subsistence economy towards enhanced commercialisation and in addressing the labour and skills shortages across all key industries.

### Increasing trade and addressing the increasing deficit



It is undeniable that addressing the increasing trade deficit for Samoa remains a critical national development priority in the medium to long term. This relies on the production/primary industries to ensure sustainable and quality local production, improve import substitution, and increase access to markets. Addressing barriers to market access and strengthening the capacity of communities and linking them into trade is needed. This includes addressing a range of infrastructure shortcomings, contributing to high cost of business and trading costs, slowing innovation, business and trade activities. Technologies and ICT have the potential to boost opportunities but the potential remains underutilised/untapped. Financial and data infrastructure are other important areas but remain underdeveloped for the sector.

## Boosting economic, business and investment and employment generation opportunities



boosting trade, commerce and manufacturing in Samoa requires the transformation of the whole private sector business environment in Samoa. There needs to be a strong case for supporting the private sector for its own sake, with dedicated commitments backed by strong political will and with increasing resources and investments in the private sector. The binding constraints to business and investment remain ongoing impediments to businesses and investments. Within the constraints of the small and narrow economy in Samoa,

these impediments include lack of incentives, limited access to credit and alternative financing including the potential of equity investments, shortage of skilled and willing labour, and the lack of entrepreneurship skills.

## Providing and maintaining an enabling environment for the sector to address key constraints and to grow



Providing an enabling environment for trade, commerce and manufacturing to develop, grow and flourish remains a crucial and fundamental area to address for the sector. It is important that barriers and obstacles (e.g. taxes, customs requirements, etc.,) are addressed through relevant policy and legislative measures/changes and targeted initiatives enticing and supporting new business developments. Investors and entrepreneurs require Samoa to foster an environment characterized by an 'ease of doing business' culture and practices, especially for potential investors. The government must should establish an enabling environment through the sector development framework and sector-wide approach. An important part of providing this enabling environment is through improving sector coordination and partnerships amongst all sector members, stakeholders and partners, to contribute effectively to development initiatives of the sector.





# PART B

## SECTOR STRATEGIC PLANNING FRAMEWORK



# 1. SECTOR STRATEGIC LINKAGES

This strategic plan for the Trade, Commerce & Manufacturing Sector (TCMS) delivers on the national development vision and outcomes for Samoa as stipulated in the government's national development strategy, the Pathway for the Development of Samoa (PDS) 2021-2026. The vision of the PDS 2021-2026 is '**fostering social harmony, safety and freedom for all**', with the theme of '**empowering community, building resilience, and inspiring growth**'. This is to be achieved through five Key Strategic Outcomes (KSOs): improved social development; diversified and sustainable economy; security and trusted governance; secured environment and climate change; and structured public works and infrastructure. A total of 21 Key Priority Areas (KPAs) are identified to achieve the five KSOs, as reiterated in Table 1 below.

The government is committed to grow a diversified economy that is sustainable and resilient to global, regional, and national challenges. The TCMS leads the implementation of KPA 9 on 'Business Innovation and Growth', which aspires to improve efficiency and increase income and employment with potential foreign exchange earnings, as well as increasing opportunities for businesses. In addition, the TCMS long-term outcomes, strategies, and actions contribute to all other KSOs and KPAs of the PDS in which the other 13 development sectors<sup>4</sup> directly contribute to in their progressive achievement.

**Table 1:** Pathway for the Development of Samoa 2021-2026 KSOs and KPAs

Key Strategic Outcomes	Key Priority Areas
<b>1</b> Improved social development	1. Alleviating Hardship 2. Improved Public Health 3. Quality Education 4. People Empowerment 5. Skilled Workforce
<b>2</b> Diversified and sustainable economy	6. Community Development 7. Agriculture, Fisheries and Aquaculture Productivity 8. Tourism Revitalisation 9. Business Innovation & Growth 10. Increased Labour Mobility 11. Macroeconomic Stability
<b>3</b> Security and trusted governance	12. Empowered Legislation 13. Improved Accountability 14. Dynamic Global Relations and Partnerships
<b>4</b> Secured environment and climate change	15. Build Climate Resilience 16. Effective Environmental Protection and Management Frameworks 17. Enhanced Conservation and Sustainable Use of Natural Resources 18. Sustainable Energy Development Enhanced
<b>5</b> Structure public works and infrastructure	19. Responsive Public Utility Services 20. Innovative Information, Communication and Technology Use 21. Consolidated Infrastructure Management

<sup>4</sup> Agriculture & fisheries; community; health; education; law & justice; environment, water & sanitation; transport; communication; energy; infrastructure; public administration; finance; tourism; trade, commerce & manufacturing.



Furthermore, the TCMS development agenda is directly linked to the United Nations Global Sustainable Development Agenda promoting the achievement of the Sustainable Development Goals (SDGs). The TCMSP 2024/25–2028/29 contributes to all the SDGs but more directly or specifically towards SDGs 1, 2, 8, 9, 10, 11, and 12. The sector development facilitates the mainstreaming and integration of cross-cutting development agenda for climate change, gender and social inclusion dimensions into all sector developments. This is the coordination function of the sector. There are also other planning and policy instruments advanced at the national, regional and global levels advancing the development of various sub-sectors and specific areas of the TCMS. These specific areas should be consulted when specific policies, strategies and actions for the specific sub-sectors and areas of the sector are considered and addressed.



Figure 1: Global sustainable development goals

## 2. THE PLAN



### 2.1. Vision

Sustainable production, trade, commerce and manufacturing for growth and a resilient and vibrant economy.



### 2.2. Long-term goal

To cultivate the full potential of trade, commerce and manufacturing for the benefit of all.



### 2.3. Sector outcomes

To achieve the long-term goal and vision, the TCMSP 2024/25–2028/29 adopts the following strategic outcomes for the sector.

#### SECTOR OUTCOME 1

Productivity, manufacturing and trade activities improved.

#### SECTOR OUTCOME 2

Exports and market access enhanced.

#### SECTOR OUTCOME 3

Sustainable business development and employment generation increased.

#### SECTOR OUTCOME 4

Efficacy of the sector infrastructure advanced.

#### SECTOR OUTCOME 5

Resilience and recovery in response to shocks and stressors fostered.

#### SECTOR OUTCOME 6

Enabling environment for sector development strengthened.

Underpinning each of these outcomes are a series of targeted strategies with proposed actions aimed at facilitating the development of the sector. These sector outcomes are mutually reinforcing and as such, approaches to the identification of relevant and appropriate strategies and actions should ensure coherence with the design and implementation of sector strategies and actions.

### 3. SECTOR STRATEGIES

#### SECTOR OUTCOME 1:

#### PRODUCTIVITY, MANUFACTURING AND TRADE ACTIVITIES IMPROVED

Samoa's small size and remoteness limit its potential for economic diversification and integration into global value chains. It is however developing an increasing sizable diaspora that is pursuing economic opportunities abroad. The economy thus relies heavily on tourism, remittances, and official development aid. As elsewhere in the region, Samoa has experienced pressures on correspondent banking relationships (CBRs) which are vital for remittance inflows. Simultaneously, the country's high susceptibility to natural disasters, climate change, and other external shocks bring greater and increasing vulnerability to local production and security, especially in the primary sectors (such as agriculture and fisheries), disrupting the supply chains. This in turn affects the ongoing development of manufacturing, commerce and trading industries. The COVID-19 pandemic and the war in Ukraine have adversely affected the consistent supply of sufficient and quality products including basic and essential food items. The economy has yet to fully rebound from recent and ongoing shocks and downturns. Enhancing resilience and adaptability remains crucial for the sector, as these aspects are critical in improving and sustaining productivity as well as increasing consistent supply and production of products.

In spite of these ongoing challenges, commerce and manufacturing (which encompasses business and trading across all sectors) remain core sectors of the economy (see Figure 2). Improving productivity in the supply of products and boosting manufacturing and trade remains priority economic development areas. As primary sectors, the sustainable development of agriculture and fisheries remains critical for ensuring national food and income security, for improving and sustaining value adding sectors (commerce, manufacturing, etc.), and for reducing Samoa's significant trade imbalance and deficit. Transforming the agriculture and fisheries sector towards climate-resilience by implementing climate-smart practices is urgently needed to effectively address ongoing concerns related food security, employment, and trade. Given its small land mass and limited natural resources, product diversification has remained minimal over the years. Overcrowding the market is thus specifically common and expected in the agriculture sector (e.g., producers and exporters' of crops and agricultural products).

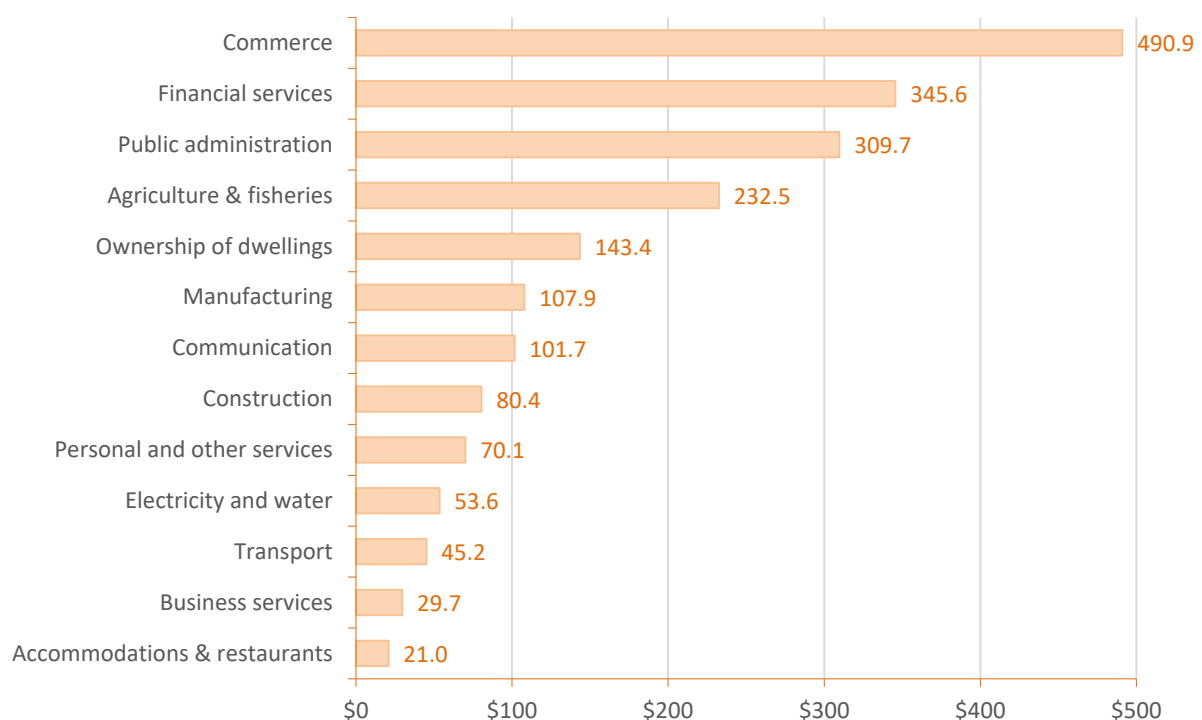


Figure 2: Samoa GDP (SAT\$million) by industry, 2022/23

Source: CBS, March 2024

Integrated as part of Samoa's climate-resilient development initiatives are efforts to progress the transition of the economy to 70% renewable energy by 2031<sup>5</sup>. This involves renewable generation and new projects that have minimal impact on the environment. For instance, EPC expects significant investments in solar power through Independent Power Producers (IPPs). The government continues to play a significant role in providing guarantees (e.g., to purchase power at agreed rates) and negotiating with IPPs to consider privately generated (residential and resort solar) power sold to the grid as well as reducing the high energy costs. These measures will contribute to Samoa's clean/green marketing image across a range of industries and sectors to generally improve international competitiveness and lessen the costs of trade. These developments affect commerce, manufacturing and trade activities. The TCMS needs to respond to integrate these developments into its strategies/actions, capitalising on opportunities to enhance productivity, manufacturing and trade practices.

Enhancing productivity, manufacturing and trade is about providing a business environment where the private sector flourishes requiring investing in human capital in entrepreneurship and creating a culture that embraces change and new developments. There is a need to strengthen entrepreneurship skills and behaviours through initiatives targeting high potential individual and business ideas. At the same time, there are also opportunities to develop a better understanding of the profound impacts that the New Zealand and Australia labour mobility and permanent residence programs are having on choices made by Samoan households and individuals, and to develop programs that build on the opportunities for entrepreneurial activities that they are capable of generating. Supporting the development capacity of the private sector has been a focus area of many development partners, noting numerous programs that have adopted and implemented a range of approaches to support private sector business development. The 2022 NZ-MFAT commissioned scoping study of Samoa private sector identified 38 development projects assisting private sector development in Samoa. The question remains as to what extent these interventions have progressed in meeting the needs of the private sector and what impact has been made.

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Furthermore, strengthening the capacities of communities and linking them into trade is needed. This will involve creating an environment that promotes a culture of entrepreneurship and innovation in the local community, and investing in the developing the required human capital. Countries are incorporating entrepreneurship into school and tertiary curricula as part of their national private sector development strategy. However, this is yet to be progressed in Samoa. Supplementing academic and technical skills with programs building business skills and fostering entrepreneurial behaviours is critical so that Samoa's next generation of business owners are globally competitive. At present, students are not being provided with opportunities to recognise and build entrepreneurial skills and behaviours or to determine whether entrepreneurship aligns with their aspirations. This also needs to happen outside the formal education system through programs targeting high-potential individuals and business ideas.

Samoa is already benefitting from programs implemented by the Samoa Business Hub (SBH), Samoa Chamber of Commerce and Industry (SCCI), and other organisations, such as the Youth Internship Program, Youth Co-lab, Seed Stars, and others. However, these programs are often short-lived and limited in scope. Women and youth participation are being enabled through these programs, and it is important to monitor and address barriers that continue to affect the effective participation of disad-

<sup>5</sup> KPA 18 of the PDS 2021–2026 calls for sustainable energy supply and a move towards safe, accessible, and affordable energy efficient products.





vantaged individuals in business development and in the labour force. The million-tala district development program is another avenue to push for the development of entrepreneurship skills and businesses and linking these into increasing productivity, manufacturing and trade practices.

Indicative strategies proposed to contribute towards achievement of Sector Outcome 1: Productivity, manufacturing and trade activities improved are as follows:

1.1

Increase productivity and strengthen supply chains for improved productivity and consistent supply of goods and services.

1.2

Promote investment in climate-smart and renewable energy production to provide affordable, reliable, resilient, and sustainable production including the supply of green energy.

1.3

Targeted reforms that improve business environment in supportive of increased productivity, manufacturing and trade.

1.4

Strengthen private sector capacity towards improving productivity, manufacturing and trade practices.

## SECTOR OUTCOME 2

### EXPORTS AND MARKET ACCESS ENHANCED

Developing and implementing in parallel with strategies and actions corresponding to sector outcome 1 above, are those specifically required to enhance exports and market access. Samoa's merchandise deficit continues to deteriorate, amounting to SAT\$1.1 billion in 2022/23, an increase of 47% from 2017/18. This highlighted that more consolidated and dedicated efforts are needed to invigorate and boost exports as well as market access for exported products. Fish and agricultural products (coconut-based product, noni-based products, taro, etc.) remained Samoa's main exports. The consistent and quality supply of export products remain a key issue in meeting and sustaining export markets. This includes increasing the development of value addition activities, especially in Samoa's current and potential niche markets. The promotion of local products and services is needed, and so as streamlining and sustaining market access.

Additionally, there is a need to facilitate implementation of trade arrangements and initiatives. This involves accelerating Samoa's outstanding trade agreement commitments including compliance requirements with the 2016 ratified WTO Trade Facilitation Agreement (TFA), which is inclusive of measures aimed at improving transparency and fees and formalities around trade. The whole trade environment and systems for Samoa need to be relooked at to identify weaknesses and opportunities for development and to provide a more enabling environment for exporters/traders to develop, maintain and sustain their business and trading activities.

Concurrently, shortfalls in the range of policy and institutional domains constraining productivity improvements as well as manufacturing and trade development must be acknowledged, re-examined and addressed. Examples included the limited provision of 'quality infrastructure' services to support agricultural exports and to certify compliance with market access protocols and standards as well as to accredit. The development of a Trade Policy Framework to enhance coordination on trade interventions and negotiations is also needed as part of providing the enabling mechanisms to enhance exports and market access.

All of the above key issues and challenges and proposed initiatives to address exports and market access need to be integrated under the government's recently established Samoa Export Authority (SEA) which is being established to facilitate the development of exports and market access for Samoa.

Indicative strategies proposed to contribute towards achievement of Sector Outcome 2: Exports and market access enhanced are as follows:

2.1 Increase value addition activities.

2.2 Facilitate implementation of trade arrangements and initiatives.

2.3 Streamline market access.

2.4 Strengthen the promotion of local products and services.

### SECTOR OUTCOME 3

## SUSTAINABLE BUSINESS DEVELOPMENT AND EMPLOYMENT GENERATION INCREASED

Commerce, manufacturing and trade depend fundamentally on business development and sustainability. This in turn depends on the enabling environment provided to encourage, foster and sustain the development of the private sector. Business development in Samoa is growing but at a slower pace which further impacted on by external shocks such as the recent pandemic and the ongoing war in Ukraine. The binding constraints to private sector and business development in Samoa are well documented, but what has been done to address these constraints/weaknesses (which mostly concern the market system) are not well documented and shared amongst sector members/stakeholders. An issue identified by a recent 2022 scoping study of the private sector in Samoa is that 'the case for supporting the private sector for its own sake is not strong' in previous and ongoing development efforts. 'Rather than supplying missing services, or subsidising access, it would be more useful to try to identify the underlying reasons for these weaknesses (or constraints), determine if development assistance programs can affect these reasons, and if so, structure interventions to address them.' This represents a gap that should have received initial emphasis, subsequent reinforcement, and ongoing attention in nurturing the conducive environment for business and private sector advancement.

One key weakness with the business environment is limited incentives and assistances offered to support and enable business development, as well as to attract foreign investment. As an example, Table 2 below gives an overview assessment of tax incentives currently offered in Samoa based on the guiding principles for incentives designs and emerging global best practices. Rather than providing incentives, most of these policy and procedural measures become actual barriers/obstacles (rather than enablers) to business development and investments. This issue is also linked to the attraction of foreign investment since Samoa has limited natural resources and incentives to offer and therefore cannot compete with other comparator countries, especially those in the region. In addition to the tax and custom-related incentives, the government should explore the following measures to assist the private sector businesses and their operations:

- ◆ **Investment promotion** - establish investment promotion agencies to facilitate and support foreign and domestic investments through providing need information, assistance, and incentives to potential investors.

- ◆ **Infrastructure support** - offering incentives to businesses/industries that contribute to infrastructure development which could include subsidies for transportation, utilities, or other essential services.
- ◆ **Grants & subsidies** - various grants and subsidies may be made available for specific industries, projects, or activities that align with the government's development goals.
- ◆ **Employment & training incentives** - providing incentives for companies that hire and train local employees, aiming to boost employment and skill development.
- ◆ **Special economic zones** - establishing special economic zones with specific incentives such as tax breaks, simplified regulations, and other advantages to attract businesses to operate within these designated areas.
- ◆ **Renewable energy incentives** - offering incentives to promote the use of renewable energy sources, such as tax credits, feed-in tariffs, or other financial support.

**Table 2: Bird's eye assessment of current incentives**

Current incentives		Comments
Import duty concession	⊗	Complicate customs administration and reduce government revenue but afford competitiveness advantages to recipients. Appropriately targeted.
Code 121	⊗	Appropriately targeted with revenue and administration costs.
Duty drawback	☑	Necessary to ensure that exporters are not disadvantaged in world markets. Established exporters could be afforded prior duty suspension if appropriate administrative procedures are implemented.
Code 113	⊗	Properly targeted but with revenue and administrative costs.
Income Tax Holidays for Hotels	⊗	Too open ended, and not performance based. Commonly found to be redundant and are costly the budget.
Tax credits	⊗	Preferred to open-ended tax holidays if capped, time limited, and subject to review.
Accelerated depreciation	☑	Least costly to the budget. May serve to encourage technology adoption and enhance competitiveness
Loss carry-forward	☑	A common feature of most income tax systems.
Case-by-case-incentives	⊗	Lack transparency and are too open-ended. Not rules based because depend on Ministerial discretion.

*Legend* ⊗ Least preferred. Not well aligned to guiding principles and best practices. ⊗ Can be considered subject to budgetary and administrative constraints. ☑ Best practice, least costly to government revenue.

Furthermore, there is limited understanding within the business sector about the potential for equity investment and alternative financing, and what is required to realise potential opportunities. Credit is still the preferred form of financing for businesses in Samoa, even though it can be difficult to obtain. In terms of alternatives, many business owners are not willing to give away equity of their business beyond family ties, and/or arguably do not recognise the additional value investors bring in the forms of expertise, advice, and business networks. It is important to ensure equity investment is enabled for



any business seeking business partners. Private equity investment from overseas is enabled through the Foreign Investment Act 2001, but opportunities are constrained by the lack of capacity amongst business owners and business advisors in preparing the calibre of financial proposals required to secure an investment. Moreover, this capacity constraint also limits the potential for local social enterprises to attract impact investment, which also require businesses to demonstrate their social and environmental impact.

It is important to overcome these capacity constraints whilst building a sound understanding of the evolving nature of impact investment, and a realistic expectation for its potential for businesses. The Pacific experience has shown that investor demand lies with larger businesses, although the potential to have funds that diversify investment across a number of MSMEs is being explored. Despite the prevailing global excitement around impact investing, and some successes in small-scale impact investments in the region, it is important to approach this with caution in Samoa, as the scale is limited. Learnings from regional programs and actors engaged in impact investment including amongst the diaspora will be critical in understanding the issues and opportunities it offers. Awareness and expectations about equity investment and alternative sources of funding need to be managed across the informal and formal business community. This includes the need to build wider awareness and access of alternative sources of funds for projects that can stimulate business growth. Furthermore, certain business skills are essential to the delivery of successful crowd funded projects, reinforcing a need to overcome business development and management gaps so that ill-equipped project proponents do not risk the country's reputation amongst crowd funding communities. While there are no regulatory constraints to crowd funding platforms being reported, this evolving landscape will see emerging anti-fraud requirements that may have regulatory considerations. It is also important to consider how to support and work with existing investors/businesses to encourage others to crowd in.

While credit remains the preferred form of financing, access to credit remain a major issue faced by the business community, especially MSMEs. Despite sufficient liquidity for lending by commercial banks, many businesses are still unable to access credit, citing high interest rates, unmet collateral conditions, and inadequacies with systems assessing loan applications as key constraints. In addition to these issues, the absence of a Credit Bureau in Samoa had been an impediment to access finance, with credit providers lacking the type of information they need to help make lending decisions for businesses willing to ask for financial assistance and their ability to service the loans. Following an unsuccessful attempt a few years ago, the establishment of a Credit Bureau is again under consideration, with the Asian Development Bank (ADB) set to advice on its establishment.

The collateral issue has been the focus of government reforms. With support from the ADB, the Personal Property Securities Act 2013 was introduced to provide for movable assets to be used as collateral. However, apart from the Development Bank of Samoa (DBS), commercial banks have not indicated an intention to change their lending policies to allow for the use of moveable assets as collateral.

Given DBS is a government-owned bank, it can lead the way and demonstrate to other banks the use of moveable assets to repay loans in default.<sup>6</sup> Lending is constrained by poor quality loan applications, not presenting an adequate business case for financing and ability to service the loan. The Business Link Pacific (BLP) program meanwhile has been strengthening supply and uptake of quality professional business advisory services. However, further investment in a collaborative, medium to long-term response is needed to strengthen the depth and breadth of expertise in the country. This is important in ensuring business owners have an adequate understanding of their position, potential, and risk before seeking credit, and to improve the quality of proposals to maximize likelihood of a loan. Improving the availability and quality of such local expertise will likely grow loan applications and credit accessibility.

<sup>6</sup> This will require the normalization of legal instruments such as assignment agreements (e.g., of receivables) and warehouse receipts and the active use of the moveable assets register showing which assets have been pledged against loans.





Aligned with development requirements to stimulate business growth is the generation of job opportunities to cater for Samoa's increasing youth population. Formal and decent employment are limited. Efforts progressed under the Samoa National Employment Policy (SNEP) 2016-2020 were greatly affected by COVID-19 with formal employment reduced by 33.6% in 2021.<sup>7</sup> Moreover, there has been limited government assistances towards a cost-of-living adjustment (COLA) for private sector employees, indicating a lack of strategic focus towards developing an equal playing field for both the private and public sectors.<sup>8</sup> The lack of skilled and/or willing workers is an ongoing issue, particularly for the agriculture sector. Businesses and employers are facing difficulties with finding skilled labour. The seasonal employment schemes are also taking labour away from key industries. People not willing to do difficult manual labour is a notable trend, especially in semi-and-low skilled jobs in agriculture, manufacturing and other industries.

Addressing these concerns remain national priorities for government and stakeholders to consider and address.<sup>9</sup> The current SNEP 2021/22 - 2025/26 provides the policy framework for employment development, incorporating a number of strategies to contribute towards strengthening the work-force in ways that complement successful and inclusive economic and social development. It includes labour demand and supply strategies to increase decent employment opportunities and to ensure the skills availability as needed by employers. Aligning the SNEP to the Education Sector Plan (ESP 2019-2024) is required – with the ESP providing a national planning framework for human resource development (HRD) through the education system. Technical and vocational education and training (TVET) and ICT are being identified as priority training needs in the ESP, which are the HRD areas in high demands in the private sector. Close alignment of these priorities with specific training requirements associated with the private sector demands for the labour market is an area needing further attention.

Indicative strategies proposed to contribute towards achievement of Sector Outcome 3: Sustainable business development and employment generation increased are as follows:

3.1

Availability of appropriate incentives and government assistance to support business development and employment generation.

3.2

Promote and facilitate domestic and foreign investment and alternative financing mechanisms for businesses in promising sectors and with feasible growth plans.

3.3

Collaborate with financial and private sectors to improve access to credit for bankable businesses by addressing demand and supply constraints

3.4

Availability of a skilled labour force that caters for private sector demands and needs.

3.5

Strengthen skills of the current and future workforce in entrepreneurship, business and innovation.

<sup>7</sup> Private sector businesses are still taking actions to re-employ part of the labour force they had let go due to cash-flow constraints during Covid-19.

<sup>8</sup> The public sector was rendered such assistance from the Accident Compensation Corporation (ACC) to finance its COLAs over recent years.

<sup>9</sup> See KPAs 4, 5 and 10 of the PDS.

## SECTOR OUTCOME 4

### EFFICACY OF SECTOR INFRASTRUCTURE ADVANCED

Accessible, reliable, and affordable infrastructure (hard and soft) and services are fundamental to the development of a productive, effective and sustainable private sector. Both local and international business and trade rely on quality infrastructure to facilitate growth. A range of infrastructure shortcomings have significantly slowed business growth and innovation. Transportation, technology, research and innovation, financial and data infrastructure and other interrelated infrastructure areas such as water and waste management need further development to enable private sector development and business growth. Limited investments in these development areas and the lack of public private dialogues on key policy issues relating to these development areas are key concerns going forward for the sector. E-commerce for instance has been emphasised in government development policy over the years but remained largely under-developed in Samoa. The PDS KPA 21 calls for a consolidated infrastructure management to ensure the development of resilient and sustainable infrastructure. Key infrastructure priorities are addressed under the respective sector plans, with private sector and business development needs integrated in these plans.

While Samoa's infrastructure is relatively well-developed, the small size of the economy and its remoteness from major markets push up the costs of economic activity, reducing the gains from trade. Improvements to the planning and coordination of Samoa's land, sea and air transport systems will help reduce transportation, distribution, marketing and transaction costs, creating improvements in connectivity, competitiveness and ease of doing business. Corresponding to these challenges, ICT has the potential to greatly assist with overcoming 'tyranny of distance' issues and operational deficiencies affecting business and trade. Access to sufficiently advanced technology and skills to use such technology is central to boost innovation, business and private sector development. Increasing investment in appropriate digital transformation infrastructure to support productive, efficient and competitive businesses in all markets is needed. This includes developing an evolving strong culture of innovation and entrepreneurship, which includes greater awareness of and interest in, diversification of economic activity through investment in sunrise industries.<sup>10</sup>

Samoa's international connectivity has improved substantially with the Tui Samoa fibre-optic cable now in its fifth year of operation, and the backup Manatua cable fully online. Samoa has the ICT infrastructure in place with ICT professionals equipped with needed skills and local entrepreneurs demonstrating the capability of producing quality ICT products. ICT is contributing to productivity improvement across all sectors of business and government. During COVID-19, ICT became an enabler that allowed business continuity plans to be activated and implemented. There is a strong consensus for developing national ICT capacity including both ICT infrastructure and building ICT skills base. However, value for money in terms of data and communications services has risen dramatically in over the years making the cost of these services much more expensive than in other countries in the region. There are also risks of a growing ICT sector that need to be identified and addressed at the same time.

The government plays an important role in enabling the private sector to innovate technologies and processes. This can be done by supporting research and development on sector-specific global trends and identifying local sources of growth through supporting incubator programs and other areas of

<sup>10</sup> Sunrise industries are those that have increasing demand and growth potential, they are also called emerging industries – see Samoa National Industry Development Policy (NIDP) 2023 (p. 22). In the NIDP 2023, indicative and potential sunrise industries for Samoa include filmmaking and other related industries; business process outsourcing; call centres; retirement living; health tourism and aged care services; food and beverage process; high-tech specialised manufacturing for niche markets; high value/luxury tourism; clean, green, and healthy industries including high value agricultural commodities; and renewable energy (solar, hydro, geothermal, wave, biomass etc.).





innovation.<sup>11</sup> Research and development (R&D) plays a pivotal role in enhancing product innovation and competitiveness across industries, fostering economic growth through technological advancements. Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT) present significant challenges in global commerce, necessitating rigorous standards to ensure the safety, quality, and compliance of goods crossing international borders. Through meticulous R&D initiatives, businesses strive to overcome SPS and TBT barriers, integrating cutting-edge technologies and methodologies to meet stringent regulatory requirements and access new markets. Collaboration between governments, industries, and research institutions is crucial in addressing SPS and TBT complexities, fostering harmonization efforts and facilitating smoother trade relations worldwide. By investing in innovative research endeavours, stakeholders can effectively navigate SPS and TBT obstacles, unlocking new opportunities for market expansion while upholding consumer confidence and regulatory integrity.

Moreover, improving financial and data infrastructure remain an important area of improving the infrastructure capacity of the sector. While responsibility for the provision of financial infrastructure lies with the financial sector, the government has a role to play in keeping abreast of new and evolving technologies (e.g., digital payment systems). This is to ensure the enabling conditions are in place for introducing those already being adopted by advanced economies, and enabling the adaptation of technologies to the business environment in Samoa. This includes generating awareness amongst the business community about such technologies through relevant communication channels. (e.g., Samoa Trade Information Portal).

Additionally required is the identification of financial infrastructure constraints facing the private sector and encouraging financial institutions to remedy constraints and issues. The key to designing policy that enables access to financial products and services that businesses need is understanding current trends and business needs in the target markets. This requires: (i) financial institutions' consistent and reliable tracking of financial data covering a wide range of variables (including employee numbers, business turnover, loan size, asset value, sector, gender, location, approvals/rejections); and (ii) the sharing of this data for policy analysis and policy decisions. Although some of this data is tracked to varying degrees in Samoa by individual financial institutions, there is no consistency in the information collected, the quality of data is questionable, and it is not readily available to inform policy decisions.

Indicative strategies proposed to contribute towards achievement of Sector Outcome 4: Efficacy of the sector infrastructure advanced are as follows:

- |     |  |     |  |
|-----|--|-----|--|
| 4.1 | Strengthen infrastructure to facilitate sector development.                                  | 4.2 | Enable business awareness and access to globally competitive and locally relevant financial infrastructure.                                    |
| 4.3 | Improve Samoa's ICT infrastructure, services and policies to enable the sector development.  | 4.4 | Facilitate access to emerging technologies and skills that support innovation.   |
| 4.5 | Enable innovation by supporting research & development and technology incubator initiatives. | 4.6 | Strengthen quality and availability of sector data to better understand the financial needs of business when developing policies and programs. |

<sup>11</sup> It is important to note that “incubator” programs are different from “accelerator” programs in that the former are typically for start-ups to help build a viable business model, while the latter are typically for established businesses ready to scale up.

## SECTOR OUTCOME 5

### SECTOR RESILIENCE AND RECOVERY IN RESPONSE TO SHOCKS AND CONTINGENCIES FOSTERED

Development initiatives of the sector cannot ignore the need for the economy (which relies on its private sector and business community) to be resilient to shocks, crises, and stressors. The impacts of shocks/crises (measles, COVID-19 pandemic, ongoing war in Ukraine, climate change, natural disasters, financial crises, etc.) have been deeply felt by the private sector, resulting in losses, disrupting and weakening businesses productivity and turnover, closure of businesses, and layoff of employees<sup>12</sup>. The experiences have reminded us of the high vulnerability of the economy (businesses, livelihoods, employment, etc.) to external shocks, most of which are beyond our control, especially for a small and isolated island developing economy. The focus lies in understanding how Samoa can cultivate and reinforce the resilience and adaptability of its economy. Preparing the economy along with its private sector and businesses to be protected from, and to adapt to the adverse impacts of shocks and other unexpected contingencies, needs to be emphasised in every planning, policy and development initiatives.

In response, countries are taking measures to address the impacts on the economy, involving implementing policies, programs and assistances aimed at revitalising the economy and jobs and supporting enterprises, employment and incomes. The case for adopting, extending and strengthening social protection mechanisms has been a strong policy measure and programming response over the recent years and is still continuing. The launch of Samoa's National Social Protection Policy Framework 2023 has provided a strengthened national focus for social protection development especially in response to COVID-19. This focus remains a priority for Samoa given that its national social protection frameworks and systems remained underdeveloped. There is excess emphasis on traditional safety nets which also acts as a brake on risk-taking entrepreneurship and traditional systems, bolstered by remittances, which may not address issues of need in an equitable fashion. To address the economic impacts of any major shock, experts have suggested that countries should consider at least 2% of their GDP to social protection.<sup>13</sup> Anything less than 2% is deemed insufficient. It is important that this is an ongoing policy measure for Samoa as an investment in response to any unexpected contingency. At the same, the impact of response recovery schemes on the economy, private sector and poverty alleviation should be monitored and evaluated to inform ongoing and future policy and programming response.

In addition, the case for strengthening social insurance for businesses and employment is supported in this sector and hence emphasised in this sector plan. Access to relevant and affordable insurance products is important to all businesses. This is becoming increasingly important with small island economies facing increased episodes of severe climatic and weather events. The government has already played a role in creating an enabling regulatory environment for conditions for insurance. A 2018 study by the SBH found that most businesses are under insured due to lack of knowledge about and trust in insurance, as well as a lack of suitable products, and the cost of the premiums are comparatively high due to reinsurance costs of the insurance company and given the limited size of the risk pools. Market-led solutions are required, which the government can support through enabling the identification of specific barriers to, and solutions for business access to insurance, in particular for climate change-related disasters and events.

As Samoa is vulnerable to disruption from natural disasters which can heavily affect the movement of goods, services and people, there is increasing incidence of severe weather events due to climate change and the possibility of seismic activity creates risk of interruptions to trade due to affected infrastructure and services that businesses will rely on. The trend rate of Samoa's growth has been

<sup>12</sup> A Samoa Chamber of Commerce and Industry 2020 survey identified 51% of business respondents had made staff redundant (see MOF (2023).

<sup>13</sup> An example is the recent government stimulus package implemented to address the Covid-19 pandemic impacts.



downwards and is largely a function of external shocks and natural disasters. Taking into account the ever-present threat of natural disasters and likelihood that climate change may make these shocks more frequent and damaging, the TCM environment for the private sector remains highly uncertain. As such, the TCMS needs to consider long-term disaster prevention and mitigation measures to help businesses be prepared and recover from climate-related and natural disasters.

Interventions and support directed at addressing the needs of the most vulnerable segments, groups and individuals in the sector are to be considered, in order to mitigate impacts on the economy and poverty. The focus should be on youths, women, people with disabilities, and other vulnerable families and individuals within Samoa's large informal sector where there are more adversely affected individuals and families. Social assistances and labour market interventions need development and strengthening in this case. Tackling present and emerging challenges within labour market initiatives, including overseas labour mobility schemes within Samoa's informal market system, are integral components of enhancing the resilience of both the economy and its private sector workforce.

Indicative strategies proposed to contribute to the progressive achievement of Sector Outcome 5: Sector resilience and recovery in response to shocks and stressors fostered are as follows:

5.1

Develop and strengthen social protection schemes for businesses.

5.2

Facilitate the provision of insurance to ensure sustainability of businesses beyond disruptions.

5.3

Prepare for, manage, and respond to infrastructure and service issues that hinder business operations following natural disasters and external shocks.

5.4

Address the needs of the most vulnerable in the sector.

## SECTOR OUTCOME 6

### ENABLING ENVIRONMENT FOR SECTOR DEVELOPMENT STRENGTHENED

The sector plan requires the sector-wide approach to its planning, policy, implementation, monitoring, evaluation and reporting. This includes capacity building/development, resourcing and financing, human resource development, partnerships, and positive working relationships amongst all sector members and stakeholders. There is a need to improve integrated data management systems and knowledge management of the sector to inform its planning, policy and development initiatives.

The execution of this sector-wide approach in fostering effective and efficient implementation of the sector plan and its development initiatives remain a challenge, an issue that needs to be addressed going forward for the sector. The monitoring and program management for the TCMS continues to be a challenge, in terms of resources and capacity. There is a need to strengthen sector coordination mechanisms for a more structured and effective approach to oversight, progress tracking, monitoring, evaluation, and reporting throughout the TCMS implementation. This encompasses pinpointing areas requiring adjustments in the implementation plan, modalities, and funding mechanisms of the TCMS, alongside drawing lessons learnt for continued improvements. Given the growing number of development partner-funded activities supporting Samoa's private sector and wider TCMS, it is important to leverage existing programs and their activities to support implementation and achievement of

outcomes of the new sector plan, and to consider the need for strengthening coordination and collaboration between activities that operate in the TCMS.

The sector-wide approach requires that various key policy and legal prerequisites need to be developed and to be effectively implemented and enforced to enable various development initiatives in trade, commerce and manufacturing within the context of the private sector and business environment in Samoa. Identified below are shortfalls in a range of policy and institutional domains that require attention to strengthen the policy and legal frameworks of the sector:

**Table 3: Gaps in Sector Policy and Institutional Frameworks**

Policy area	Gaps
<b>Policies toward regulation and development of the financial sector.</b>	<ul style="list-style-type: none"> <li>◆ Policy based concessional lending by public financial institutions like the Unit Trust of Samoa (UTOS) and the Samoa National Provident Fund (SNPF) to State-Owned Enterprises (SOEs) which crowds out the private sector. This is a problem which may be addressed through ongoing reforms to SOE management.</li> <li>◆ Absence of mechanisms to share and register credit information.</li> <li>◆ Inadequate regulation of Samoa's offshore financing centre and implementation of the anti-money laundering/countering the financing of terrorism framework, exacerbating risks to the correspondent banking relationships and their role in managing foreign exchange transactions.</li> <li>◆ Underdeveloped/under-utilised frameworks for use of security other than land.</li> <li>◆ Limited regulation to enable and support wider use of e-commerce.</li> <li>◆ Absence of a regulatory framework to underpin adoption of innovative insurance products including index insurance for natural disasters.</li> </ul>
<b>Poor performance, regulation, and management of SOEs.<sup>14</sup></b>	<ul style="list-style-type: none"> <li>◆ Significant progress has been made on SOE reform. But many SOEs are performing poorly and are absorbing a lot of resources that might otherwise be used by the private sector.</li> <li>◆ Through these enterprises the state holds a lot of assets that might otherwise be in private hands and plays a large role in the operation of the financial sector.</li> </ul>
<b>Incomplete implementation of competition and consumer protection policies.</b>	<ul style="list-style-type: none"> <li>◆ Care may be needed when adopting approaches to competition policy based on advanced market economy models. It may be unrealistic to assume that a completely 'independent' institutional framework makes sense in a very small society, markets may inevitably be dominated by a small number of enterprises, and the inevitable interlacing of commercial and political power may mean that barriers to entry are difficult to unpick.</li> </ul>
<b>Excessively restrictive foreign investment regulation.</b>	<ul style="list-style-type: none"> <li>◆ Foreign investment in Samoa looks to be very low compared to other Pacific island countries, and there has been little increase in the number of registered foreign investors.</li> <li>◆ Improving the transparency and predictability of investment legislation, with a focus on entry requirements being more transparent with less discretion in how they are enforced.<sup>15</sup></li> </ul>

14 The Ministry of Public Enterprises oversees 15 trading bodies (including DBS, UTOS, and utilities, transport companies and asset management institutions), two public mutual bodies (the Samoa Life Assurance Corporation & National Provident Fund) and 10 public beneficial bodies.

15 This requires replacing the current certification system which lacks transparent qualifications and a dispute resolution mechanism with a simple set of criteria for investment entry that are verified through the normal business registration process. In addition, new regulations are needed to limit discretion and establish criteria for placing economic activities on the reserve and restricted lists. As well, there is a need to strengthen the institutional capacity for investment promotion, facilitation, and retention and separating these functions from the regulatory body.

<b>Burdensome business regulation</b>	<ul style="list-style-type: none"> <li>◆ A business licensing framework and tax administration system which may be inimical to enterprise formalisation.</li> <li>◆ Inadequate legal framework for enforcement of contracts.</li> <li>◆ Archaic and complex bankruptcy procedures and conservative labour laws and regulations.</li> </ul>
<b>Regulatory and process barriers to trade</b>	<ul style="list-style-type: none"> <li>◆ Samoa is ranked 154 out 190 countries in this component of the World Bank's 2020 Doing Business scorecard.</li> </ul>
<b>Difficulties with land laws and their implementation</b>	<ul style="list-style-type: none"> <li>◆ It seems that leases of customary land are not seen as readily useable as collateral for commercial borrowing, although access to land for private investment purposes does not seem to be as daunting a problem as it does in other Pacific Island Countries.</li> </ul>
<b>Social protection policies and legislation</b>	<ul style="list-style-type: none"> <li>◆ Still at the infancy level and largely underdeveloped in terms of social assistances, social insurance, active labour market, and macro-economic contingency response mechanisms.</li> </ul>
<b>Inadequate prosecution of women's economic empowerment</b>	<ul style="list-style-type: none"> <li>◆ Inadequate prosecution of women's economic empowerment. Samoa's legal system appears to be quite supportive of women's economic engagement, and women hold significant positions of leadership in political and commercial life. However, it seem this is not the case in rural areas, prevailing cultural norms may work against unfettered economic participation by women, and overall married women aged 15 - 49 have much lower participation in economic work than married men in the same age group, and women-headed households are often poorer than their male-headed counterparts.</li> </ul>

Capacity development, strengthening data and knowledge management of the sector are other areas warranting further development focus. This is essential for the sector's effective and efficient implementation of its sector plan.

Indicative strategies proposed to contribute towards achievement Sector Outcome 6 - Enabling environment for sector development strengthened are as follows:

6.1

Strengthen the policy and legal framework of the sector.

6.2

Enhance sector coordination, collaboration and partnerships.

6.3

Improve the resourcing and capacity of the sector.

6.4

Strengthen data management systems and knowledge management.

## 4. THEORY OF CHANGE

The TCMSP 2024/25–2028/29 theory of change is provided in Figure 3 below. It shows the linkages between the vision, goals, outcomes, strategies and indicative activities, as well as the assumptions about what will be required to achieve these through the implementation of sector activities. It presents a logical framework about the change expected to happen if this Sector Plan is implemented within its 5-year period of 2024/25 – 2028/29.

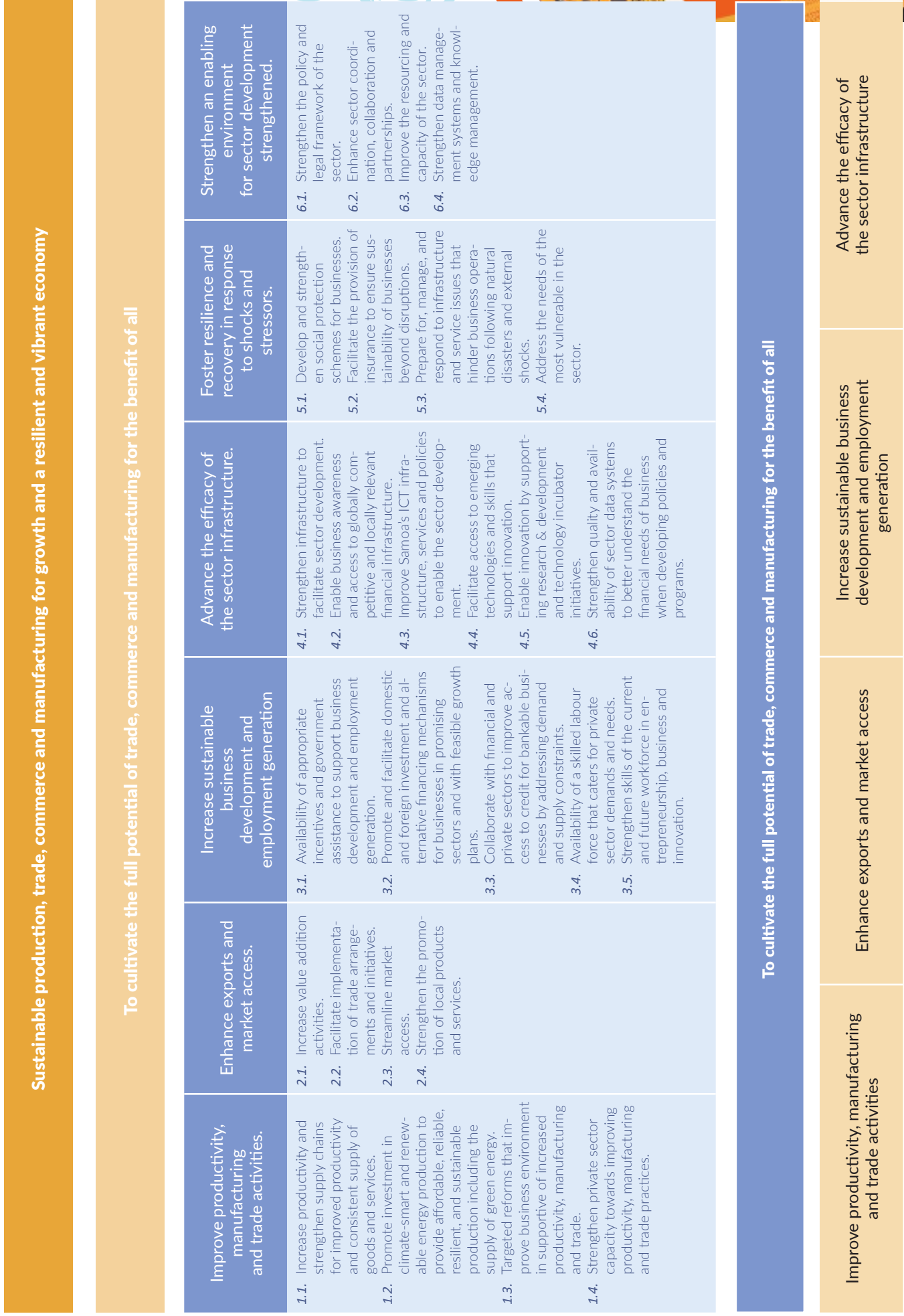


Figure 3: TCMSP Theory of Change





# PART C

## OPERATIONALISING THE SECTOR PLAN

### 1. GOVERNANCE AND IMPLEMENTATION ARRANGEMENTS

#### 1.1 Governance structure

Considering the complex arrays of various players/members of the sector, each with different interests, mandates, capacities and resources at their disposal, it is important to establish an explicit governance structure coordinating the inclusive participation of these players/members in the development of the sector. The strategic leadership drive and coordination role of the TCMSSC is fundamental in this regards - in ensuring that the sector-wide approach is working and is contributing to the effective and efficient implementation of the sector plan. This leadership commitment and drive remains with the MCIL, and all other key government agencies and representatives of the private and civil society sectors as represented and coordinated through the TCMSSC.

The TCMS Coordination Unit (TCMSCU)<sup>16</sup> under the MCIL is a vital component for streamlining the national planning framework into the Sector. It provides secretariat and technical advice to the TCMSSC. The ability of

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<sup>16</sup> The TCMSCU is also the Planning, Policy and Project Management Unit of the MCIL, resulting from a March 2021 Public Service Commission's restructure which resulted in a restructuring of the division as the 'Policy, Planning and Project Management Division' (PPMD). It has three core functions; sector coordination, project management, and policy advice.

the TCMSCU to facilitate the collaboration of multiple agencies to work together as a sector enables them to provide policy advice (that reflects the whole-of-government approach) as well as joint development initiatives of the sector. Strengthening the TCMSCU is essential to ensure it has the capacity to facilitate the development and implementation of the sector-wide approach to the TCMSP including facilitating, monitoring and evaluating the effective and efficient implementation of the sector plan.

Proposed enhancements to the governance structure of the TCMS aim to foster inclusivity, representation, and participation in the development and execution of the TCMSP. This entails incorporating the following elements into the governance structure and mechanisms of the TCMS and TCMSP:

- ◆ Increase participation of private and civil society sector representatives on the TCMSSC to ensure equal representatives from both sectors on the TCMSSC. Representatives should represent the voices and views of key players in the TCM industries.
- ◆ Establishment of sector working groups (SWG) for each of the six core sector outcomes of the TCMSP for the purpose of involving key players and technical expertise (from the public sector, private sector, and civil society) to provide dedicated support, technical inputs, and resources for the implementation of the TCMSP with their specific focus on the relevant sector outcomes.
- ◆ Strengthen the capacity and resourcing of the TCMSCU to facilitate the implementation of the sector plan with leadership and governance oversight provided the TCMSSC.

The governance and implementation structure of the sector plan is reiterated in Figure 4:

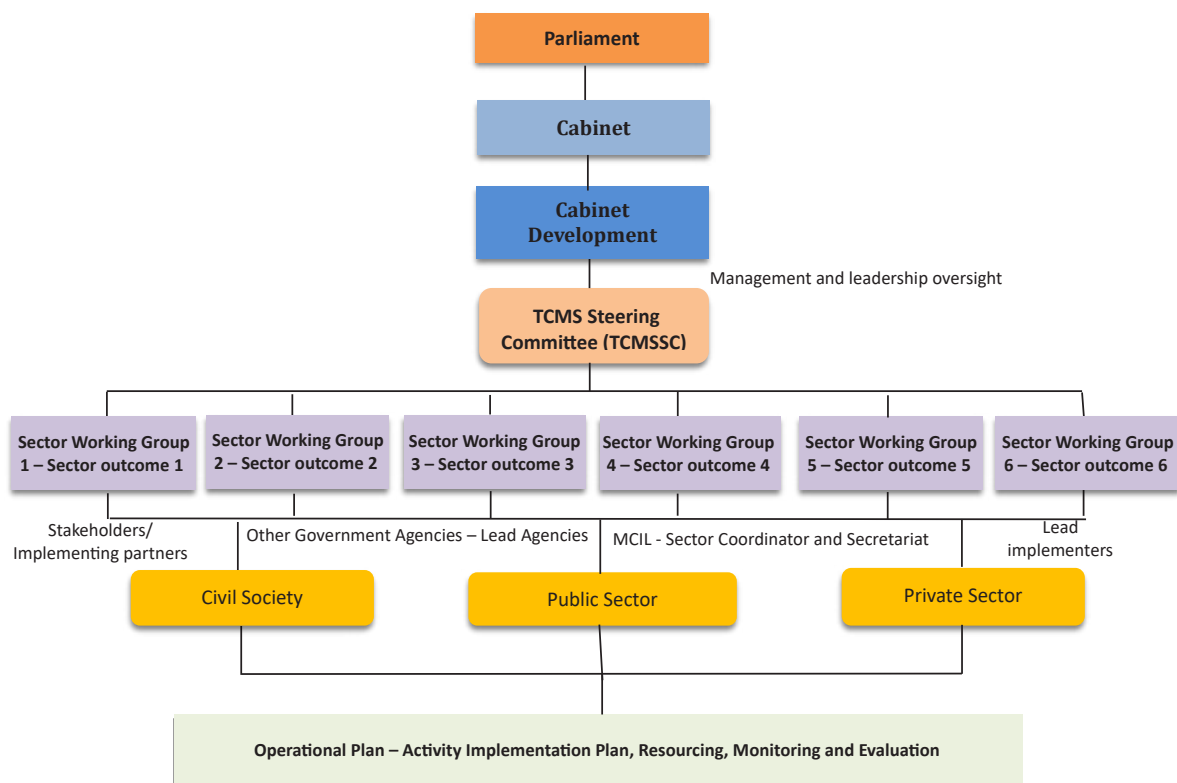


Figure 4: TCMSP 2024/2025 – 2028/2029 governance and implementation structure

## 1.2 Sector Members

The TCMS comprises of a range of players/actors (institutions, organisations and individuals) within the broad domains of government (or public sector), private sector, and civil society sector all working and contributing to the sector and its development. Given the need for the private sector to present a collective voice on policy and programming development issues of the sector, this voice is often coordinated through national private sector and civil society organisations such as the SCCI and SAME. The key players are provided in Table 4 and it is expected that this list will be updated to reflect changes in the sector.

**Table 4:** Sector key members/stakeholders

Organisation	Core functions	Role in the TCMS
GOVERNMENT/PUBLIC SECTOR		
Ministry of Commerce, Industry and Labour (MCIL)	Promote economic growth, trade, labour, and industry development in Samoa.	<ul style="list-style-type: none"> <li>◆ Lead and coordinate the development of the TCMS.</li> <li>◆ Policy formulation and implementation for the sector.</li> <li>◆ Promote sustainable business practices.</li> <li>◆ Collaborate on labour and industry developments.</li> <li>◆ Co-chair of the TCMS.</li> </ul>
Ministry of Foreign Affairs and Trade (MFAT)	Administration of Government's business and affairs with governments of other nations and development partners or international organisations.	<ul style="list-style-type: none"> <li>◆ Co-chair of the TCMS.</li> <li>◆ Lead trade policy development, trade negotiations, and export facilitation and promotion.</li> <li>◆ Formulate, negotiate and implement national trade policy.</li> <li>◆ Main channel of communication for all government/development partners.</li> <li>◆ Administer foreign affairs and trade relation with other nations as well as policy advice and representation activities.</li> </ul>
Ministry of Finance (MOF)	Fiscal and economic policies, national budget management and revenue generation.	<ul style="list-style-type: none"> <li>◆ Fiscal and monetary policy development and oversight.</li> <li>◆ Financial oversight and national budget management.</li> <li>◆ Allocate funds for program activities.</li> <li>◆ Monitor all sector performances.</li> </ul>
Ministry of Customs and Revenue (MCR)	Customs administration and revenue collection.	<ul style="list-style-type: none"> <li>◆ Customs and border security.</li> <li>◆ Facilitate revenue collection.</li> <li>◆ Provide customs and trade related development initiatives.</li> </ul>
Ministry of Agriculture and Fisheries (MAF)	Promote sustainable agriculture and fisheries development.	<ul style="list-style-type: none"> <li>◆ Lead the agriculture &amp; fisheries sector development.</li> <li>◆ Facilitate trade of agricultural and fisheries products.</li> <li>◆ Explore opportunities for import substitution.</li> </ul>



Ministry of Natural Resources and Environment (MNRE)	Natural resource and environmental management.	<ul style="list-style-type: none"> <li>◆ Lead agency for the environment sector.</li> <li>◆ Promote conservation of natural heritage and sustainable land use.</li> <li>◆ Establish and enforce environmental standards.</li> <li>◆ Foster climate-resilient practices.</li> <li>◆ Promote environmental awareness and a culture of sustainability.</li> </ul>
Ministry of Works, Transport and Infrastructure (MWTI)	Sustainable infrastructure and transportation for sustainable economic development and societal well-being	<ul style="list-style-type: none"> <li>◆ Lead agency for the transport sector.</li> <li>◆ Promote efficient logistics and transportation to facilitate TCM activities and export pathways.</li> <li>◆ Ensure environmental impact assessments for TCM activities and mitigate potential environmental risks and impacts.</li> <li>◆ Assess resilience of key infrastructure initiatives including ports, roads and aviation routes.</li> </ul>
Ministry of Education Sports & Culture (MESCC)	Deliver and promote high quality education and training to meet national, economic, social and cultural goals.	<ul style="list-style-type: none"> <li>◆ Lead agency for the education sector.</li> <li>◆ Enhance quality of education and training for all learners</li> <li>◆ Make education and training more relevant national needs and the labour market.</li> </ul>
Ministry of Women Community and Social Development (MWCSDD)	Empower communities to lead inclusive development	<ul style="list-style-type: none"> <li>◆ Lead agency for the community sector.</li> <li>◆ Promote economic development for the community and vulnerable groups to reduce poverty and hardship.</li> <li>◆ Spearhead the District Development Planning programme (Fono Faavae).</li> </ul>
Ministry of Health (MOH)	Provide safe, efficient patient centred health services that promote health and well being	<ul style="list-style-type: none"> <li>◆ Lead agency for the health sector.</li> <li>◆ Improve food safety and compliance with food legislation, standards and guidelines.</li> </ul>
Public Service Commission (PSC)	Human resource management and Human resource professional development in the public service	<ul style="list-style-type: none"> <li>◆ Lead agency for the public administration sector.</li> <li>◆ Design and deliver training and staff development activities to support and address skill gaps impacting worker's productivity in the different sectors.</li> </ul>
Attorney General (AG)	Manages all legal functions for the Government.	<ul style="list-style-type: none"> <li>◆ Principal legal adviser to the government.</li> <li>◆ Provide legal advice to the sector and its key members.</li> </ul>
Ministry of Communication and Information Technology (MCIT)	Provide access to appropriate and affordable ICT	<ul style="list-style-type: none"> <li>◆ Lead agency for the ICT sector.</li> <li>◆ Ensure access to appropriate and affordable ICT necessary for enabling development and service efficacy in all sectors.</li> <li>◆ Establish appropriate ICT infrastructure and initiatives to support TCM sector developments.</li> <li>◆ Improve businesses/TCMS performance through the use of ICT.</li> </ul>



Samoa Bureau of Statistics (SBS)	National statistical data to support evidence-based decision-making.	<ul style="list-style-type: none"> <li>◆ Provide reliable data to inform evidence-based policy and programs.</li> <li>◆ Provide data for program monitoring and evaluation.</li> <li>◆ Assist in assessing the economic impact of program activities.</li> </ul>
Central Bank of Samoa (CBS)	Regulating monetary policy, overseeing financial stability, and promoting economic growth.	<ul style="list-style-type: none"> <li>◆ Monitor and regulate financial transactions.</li> <li>◆ Oversight of monetary policy to support TCM development.</li> <li>◆ Promote financial stability measures to ensure sector resilience.</li> <li>◆ Monitor and regulate money laundering.</li> </ul>
Scientific Research Organisation of Samoa (SROS)	Conducting scientific research and providing technical expertise.	<ul style="list-style-type: none"> <li>◆ Collaborate on research projects related to sustainable TCM.</li> <li>◆ Share scientific data for program decision-making.</li> <li>◆ Pursue partnership arrangements with viable investors for selected value-added products especially those for overseas market.</li> </ul>
Samoa Tourism Authority (STA)	Promote tourism development.	<ul style="list-style-type: none"> <li>◆ Collaborate on promoting tourism-related exports, including activities involving tourism products targeting EU markets</li> <li>◆ Share market insights to expand trade in tourism-related services.</li> </ul>
National University of Samoa (NUS)	Academic and research institution in Samoa.	<ul style="list-style-type: none"> <li>◆ Provide courses and training programs to address gaps in the existing labour market supply and demand in Samoa.</li> <li>◆ Produce quality graduates from across all disciplines to meet human resource needs in Samoa.</li> </ul>
Samoa Business Hub (SBH)	Lead and facilitate development support for sustainable business growth	<ul style="list-style-type: none"> <li>◆ Lead and facilitate development support for sustainable business growth.</li> <li>◆ Provide trainings, services and support for the development of micro, small and medium to large businesses which forms the private sector.</li> <li>◆ Facilitates a loan scheme to assist/enable business growth of MSME clients</li> </ul>
Samoa Export Authority (SEA)	Lead, facilitate and coordinate exports development and market access	<ul style="list-style-type: none"> <li>◆ Establishment of exports and market access standards.</li> <li>◆ Coordination of exports services and requirements.</li> <li>◆ Work with producers, manufacturers and business operators to boost exports.</li> <li>◆ Address policy and legislative requirements to enable exports development.</li> </ul>
PRIVATE SECTOR AND CIVIL SOCIETY		
Samoa Chamber of Commerce and Industry (SCCI)	Representing and advocating for the interests of the private sector.	<ul style="list-style-type: none"> <li>◆ Provide input on policy development and advocacy for sustainable trade practices.</li> <li>◆ Promote TCM developments among the business community.</li> </ul>



Samoa Association of Manufacturers and Exporters (SAME)	Supporting the manufacturing and export sectors in Samoa.	<ul style="list-style-type: none"> <li>◆ Facilitate export pathway expansion for goods and services.</li> <li>◆ Share expertise on export promotion and expertise of its members currently exporting to overseas markets.</li> </ul>
Women In Business and Development Incorporated (WIBDI)	Empowering women entrepreneurs and promoting sustainable business practices.	<ul style="list-style-type: none"> <li>◆ Support awareness campaigns related to sustainability.</li> <li>◆ Promote gender-inclusive trade practices.</li> <li>◆ Build on the existing export base established in the UK for selected products including virgin coconut oil.</li> </ul>
Samoa Umbrella for Non-Governmental Organisations (SUNGO)	Deliver capacity building research, opportunities, information sharing, advocacy and support for the civil society	<ul style="list-style-type: none"> <li>◆ Liaise with the TCMS on matters or concerns regarding TCM policies and issues affecting Civil Society Organisations and Members.</li> </ul>

## 2. RESOURCING AND FUNDING

### 2.1 Medium Term and Expenditure/Budget Framework (MTEF)

The Medium-Term Expenditure Framework (MTEF) is a tool used to integrate policy, planning, and budgeting at the government-wide level over a medium-term period. As part of the Public Finance Management Reform Plan 2008-2013, the development of a sector MTEF is mandated to connect sector plans with the budgeting process, ensuring that public resource allocations align with both sectoral and national development priorities.

The MTEF for the TCMS 2024/25–2028/29 combines financial and expenditure data to estimate total planned spending from all available sources. It is based on data from the TCMS, approved budget estimates, corporate plans and feedback from key Implementing Agencies and stakeholders.

Given these figures are based on estimates, the quality of the data is considered variable. As the four year rolling MTEF is implemented and estimates are updated on an annual basis through the national planning and budgeting processes, these estimates will become much more robust and accurate.

Table 5 below outlines the estimated budget for the adoption and implementation of the Sector Plan during its five years lifespan. The government leadership support and budget allocation should be sought on the implementation of the sector plan.

Furthermore, technical and financial support through bilateral and multilateral assistances are to be solicited to enable the implementation of the sector plan – especially with supporting the implementation of major development reform initiatives proposed in this sector plan.

### 2.2 MTEF Forward Trends

The total sector expenditure for the period 2024/25 – 2028/29 is approximately SAT\$169.6 million. An estimate of SAT\$131 million will be funded through the recurrent budget (i.e. approved budget outputs of the key sector implementing agencies) while the remaining SAT\$38 million are additional funds required to implement necessary reforms and newly proposed initiatives of the sector plan that can either be financed by development partners and projects or government.




Table 5: Total Forward Sector Expenditure: FY2024/25 – 2028/29

Sector Outcomes, Strategies and Actions		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	Total
<b>Sector Outcome 1: Productivity, manufacturing and trade practices improved.</b>		<b>15,677,960</b>	<b>15,677,960</b>	<b>15,677,960</b>	<b>15,677,960</b>	<b>15,677,960</b>	<b>78,389,800</b>
1.1.	Increase productivity and strengthen supply chains for improved productivity and consistent supply of goods and services.	4,621,468	4,621,468	4,621,468	4,621,468	4,621,468	23,107,340
1.2.	Promote investment in renewable energy production to provide affordable, reliable, and sustainable supply of green energy.	5,278,746	5,278,746	5,278,746	5,278,746	5,278,746	26,393,730
1.3.	Targeted reforms that improve business environment in supportive of increased productivity, manufacturing and trade.	5,144,820	5,144,820	5,144,820	5,144,820	5,144,820	25,724,100
1.4.	Strengthen private sector capacity and attitudes towards improve productivity, manufacturing and trade practices.	632,926	632,926	632,926	632,926	632,926	3,164,630
<b>Sector outcome 2: Exports and market access enhanced.</b>		<b>4,716,062</b>	<b>4,716,062</b>	<b>4,716,062</b>	<b>4,716,062</b>	<b>4,716,062</b>	<b>23,580,310</b>
2.1.	Increase value addition activities.	1,844,505	1,844,505	1,844,505	1,844,505	1,844,505	9,222,525
2.2.	Facilitate implementation of trade arrangements and initiatives.	268,320	268,320	268,320	268,320	268,320	1,341,600
2.3.	Streamline market access.	1,767,028	1,767,028	1,767,028	1,767,028	1,767,028	8,835,140
2.4.	Strengthen the promotion of local products and services.	836,209	836,209	836,209	836,209	836,209	4,181,045
<b>Sector outcome 3: Sustainable business development and employment generation increased.</b>		<b>3,580,349</b>	<b>3,580,349</b>	<b>3,580,349</b>	<b>3,580,349</b>	<b>3,580,349</b>	<b>17,901,745</b>
3.1.	Availability of appropriate incentives and government assistance to support business development and employment generation.	288,636	288,636	288,636	288,636	288,636	1,443,180
3.2.	Promote and facilitate domestic and foreign investment and alternative financing mechanisms for businesses in promising sectors and with feasible growth plans.	288,636	288,636	288,636	288,636	288,636	1,443,180
3.3.	Collaborate with financial and private sectors to improve access to credit for bankable businesses by addressing demand and supply constraints.	836,209	836,209	836,209	836,209	836,209	4,181,045
3.4.	Availability of an appropriately skilled workforce/labour force that caters to private sector demands and needs.	1,421,373	1,421,373	1,421,373	1,421,373	1,421,373	7,106,865
3.5.	Strengthen skills of the current and future workforce in entrepreneurship, business and innovation.	745,495	745,495	745,495	745,495	745,495	3,727,475
<b>Strategic outcome 4: Efficacy of the sector infrastructure advanced.</b>		<b>3,731,045</b>	<b>3,731,045</b>	<b>3,731,045</b>	<b>3,731,045</b>	<b>3,731,045</b>	<b>18,655,225</b>
4.1.	Strengthen infrastructure to facilitate sector development.	473,788	473,788	473,788	473,788	473,788	2,368,940
4.2.	Enable business awareness and access to globally competitive and locally relevant financial infrastructure.	600,000	600,000	600,000	600,000	600,000	3,000,000

4.3. Improve Samoa's ICT infrastructure, services and policies to facilitate trade.	1,557,257	1,557,257	1,557,257	1,557,257	1,557,257	1,557,257	7,786,285
4.4. Facilitate access to emerging technologies and skills that support innovation.	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
4.5. Enable innovation by supporting research & development and technology incubator programs.	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000
4.6. Strengthen quality and availability of sector data to better understand the financial needs of businesses when developing policies and programs.	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
<b>Strategic outcome 5: Resilience and recovery in response to shocks and stressors fostered.</b>	<b>1,986,245</b>	<b>1,986,245</b>	<b>1,986,245</b>	<b>1,986,245</b>	<b>1,986,245</b>	<b>1,986,245</b>	<b>9,931,225</b>
5.1. Develop and strengthen social protection schemes for businesses.	686,245	686,245	686,245	686,245	686,245	686,245	3,431,225
5.2. Facilitate the provision of insurance to ensure sustainability of businesses beyond disruptions.	150,000	150,000	150,000	150,000	150,000	150,000	750,000
5.3. Prepare for, manage, and respond to infrastructure and service issues that hinder business operations following natural disasters and external shocks	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000
5.4. Address the needs of the most vulnerable in the sector.	550,000	550,000	550,000	550,000	550,000	550,000	2,750,000
<b>Strategic outcome 6: Enabling environment for sector development strengthened.</b>	<b>4,239,570</b>	<b>4,239,570</b>	<b>4,239,570</b>	<b>4,239,570</b>	<b>4,239,570</b>	<b>4,239,570</b>	<b>21,197,850</b>
6.1. Enabling policy and legal framework for the sector.	1,107,666	1,107,666	1,107,666	1,107,666	1,107,666	1,107,666	5,538,330
6.2. Enhance sector coordination, collaboration and partnerships.	637,212	637,212	637,212	637,212	637,212	637,212	3,186,060
6.3. Improve the resourcing and capacity of the sector.	800,001	800,001	800,001	800,001	800,001	800,001	4,000,005
6.4. Strengthen data management systems and knowledge management.	1,694,691	1,694,691	1,694,691	1,694,691	1,694,691	1,694,691	8,473,455
-							
<b>Grand Total</b>	<b>33,931,231</b>	<b>33,931,231</b>	<b>33,931,231</b>	<b>33,931,231</b>	<b>33,931,231</b>	<b>33,931,231</b>	<b>169,656,155</b>
<b>Committed Funds (recurrent)</b>	<b>26,263,228</b>						
<b>Additional Funds (recurrent &amp; development partners)</b>	<b>7,668,003</b>						



Table 5: Total Forward Sector Expenditure: FY2024/25 – 2028/29

### 3.MONITORING AND EVALUATION

The indicative Monitoring and Evaluation (M&E) framework of the TCMSP below further identifies key risks involved with the implementation of the Sector Plan and relevant remedies to address those risks. The M&E activities are subject to the government and contributing development partners' policies and guidelines on M&E.

The M&E will be led and facilitated by the TCMSCU with strategic oversight provided by the TCMSSC. Improvements in implementation and in the development of follow-up or subsequent implementation plan requires the sharing of data/information on the progress of implementation and lessons learned during the implementation processes. The collection and maintenance of reliable and accurate M&E data and information is fundamental for the preparation of evidence-based reports documenting implementation progress of the sector plan and informing how to improve further progress.

**Annual work plan and budget:** the TCMS agencies and stakeholders annual work plans and budgets will serve as the primary reference documents for the purpose of monitoring the achievement of results. The TCMS agencies as represented on the TCMSSC with support of stakeholders and partners are tasked with the responsibility of ensuring implementation of the TCMSP. As such, it is important to ensure alignment of the implementation plan, MTEF and budget for this Sector Plan to the government's overall planning, policy and budgetary processes.

**Quarterly reporting:** The TCMSCU, functioning as the Secretariat, is responsible for preparing quarterly reports to be submitted to the TCMSSC to inform them about achievements made. Reports should include updated information and narrative summary of results achieved against the sector plan, lessons learnt and way forward.

**Annual reviews:** Annual reviews are to be conducted in the fourth quarter of every financial year to inform the revised implementation plan or work plan for the following year. In the last year of the TCMSP, this review will be a final assessment/evaluation. The reviews should be driven by the TCMSSC and operationalised through the TCMSCU and should involve key stakeholders for feedback. The reviews must focus on the extent to which progress is being made on the sector plan. Any changes to the Activity Implementation Plan based on available resources and lessons learnt should be considered at meetings of the TCMSSC.

**Mid-term and completion (end-of-sector plan) evaluation:** Ongoing improvements and maintaining momentum in the implementation of the Sector Plan require regular independent evaluation to assess progress and to map the way forward. There are two evaluations of the Sector Plan, the mid-term and the end-of-sector plan evaluations. The implementation of the TCMSP presents complexity due to the necessary systemic, institutional, social, and behavioral transformations required. Additionally, comprehensive support such as financial backing, technical assistance, and leadership is essential to ensure its successful implementation and integration into the various activities of different implementers. As such, ongoing reflections through reviews and evaluations are critical for feedback and ongoing improvements.



### 3.1 Samoa Monitoring, Evaluation and Learning Framework (MELF)

Improved Social Development					
PDS Key Strategic Outcome	KSO 1	Expected Outcome	National Indicator	Baseline	Target
Key Priority Area	01	Alleviating Hardship			
		<b>Hardship and poverty amongst families alleviated</b>	Number of social protection measures in place	12 (2020/21)	More than 12
					<ul style="list-style-type: none"> <li>» Community Development Sector</li> <li>» Health Sector</li> <li>» Education Sector</li> <li>» Finance Sector</li> <li>» Trade, Commerce and Manufacturing Sector</li> </ul>
					<ul style="list-style-type: none"> <li>* National Social Protection Policy Framework 2023</li> <li>* IA Annual Reports</li> <li>* Sector Annual Review Reports</li> </ul>
Implementing Agency					
					<ul style="list-style-type: none"> <li>MWCSD</li> <li>NPF</li> <li>MOF</li> <li>MESC</li> <li>MOH</li> <li>MCIL</li> <li>NUS</li> </ul>
Expected Outcome	05	Skilled Workforce			
		<b>A trusted, capable, and skilled workforce in place</b>	National Workforce Plan approved and operationalized	Draft National Workforce Plan	36% of the National Workforce Plan implemented by FY2025/26
					<ul style="list-style-type: none"> <li>Public Administration Sector</li> <li>Education Sector</li> <li>Trade, Commerce &amp; Manufacturing Sector</li> </ul>
					<ul style="list-style-type: none"> <li>PSC</li> <li>MESC</li> <li>MCIL</li> <li>SQA</li> <li>NUS</li> </ul>
					<ul style="list-style-type: none"> <li>* PSC Annual Report</li> <li>* Annual Review: National Workforce Plan</li> </ul>
Diversified and Sustainable Economy					
PDS Key Strategic Outcome	KSO 2	Expected Outcome	National Indicator	Baseline	Target
Key Priority Area	06	Community Development			
		<b>Income generation and employment opportunities in communities increased</b>	Coverage of existing major community programs promoting employment and income generation programs	7 (2021/22)	More than 7
					<ul style="list-style-type: none"> <li>» Agriculture and Fisheries Sector</li> <li>» Trade, Commerce and Manufacturing Sector</li> <li>» Tourism Sector</li> </ul>
					<ul style="list-style-type: none"> <li>MAF</li> <li>MCIL</li> <li>STA</li> <li>MWCSD</li> </ul>
					<ul style="list-style-type: none"> <li>* DDP Annual Report</li> <li>* IA Annual Reports</li> </ul>



07 Agriculture, Fisheries and Aquaculture Productivity						
Key Priority Area	07	Agriculture, Fisheries and Aquaculture Productivity				
Processing plants established to convert agricultural crops produced nationally	Number of processing plants established	12 (2021/22)	17	» Trade, Commerce and Manufacturing Sector » Agriculture & Fisheries Sector	MCR MCIL SROS SAME SEA	* MCR Database
09 Business Innovation & Growth						
Key Priority Area	09	Business Innovation & Growth				
Improved efficiency, increased income and employment with potential foreign exchange earnings	Number of total registered businesses	7,158 (2020)	8,000	Trade, Commerce and Manufacturing Sector	MCR MCIL MFAT SCCI SAME DBS	* MCR Database
	Total Export Value – average annual growth rate	Services export: <b>-71%</b> (2020/21) Commodity export: <b>-27%</b> (2020/21)	Services export: <b>9%</b> Commodity export: <b>20%</b>	» Trade, Commerce and Manufacturing Sector; » Agriculture and Fisheries Sector; » Tourism Sector	MCIL MAF STA	* CBS (BOP) * MOF SERF Model
	Growth of formal employment in the Private Sector	<b>18,156</b> (-2% change: 2020/21)	<b>21,207</b> persons (16.8% increase)	Trade, Commerce and Manufacturing Sector	MCIL	* SBS (Employment Report Quarterly)
Increased opportunities for new businesses	Number of registered foreign investment enterprises	<b>298</b> (2021/22)	<b>400</b>	Trade, Commerce and Manufacturing Sector	MCIL	* MCIL Database
	Number of micro, small and medium enterprises (MSMEs)	Micro – <b>288</b> Small – <b>177</b> Medium – <b>167</b> (2020)	Micro – <b>300</b> Small – <b>200</b> Medium – <b>200</b>	Trade, Commerce and Manufacturing Sector	MCIL SBH DBS	* MCR database

Key Priority Area	10	Increased Labour Mobility			
<b>Samoa's professional workers' footprint in the Pacific region increased</b>	Number of professional workers in Regional Organisations	311 (2021/22)	320	Trade, Commerce and Manufacturing Sector	MFAT  * CROP Website * Regional Agency Websites
Key Priority Area	11	Macroeconomic Stability			
<b>Economic performance improved</b>	Annual average real GDP growth rate (%)	-7.1% (2020/21)	3 - 4%	All Sectors	MOF CBS SBS  * SBS GDP Report * MOF Fiscal Strategy
PDS Key Strategic Outcome	KSO 3	Security and Trusted Governance			
Key Priority Area	13	Improved Accountability			
<b>Honest and timely reporting by all Government services</b>	Percentage of annual reports submitted by Government Ministries and Agencies to parliament on regulated timeframe	28% (2021/22)	80%	All Sectors (Public Administration Sector Lead)	All Government Ministries and Agencies  * OCLA Database
Key Priority Area	14	Dynamic Global Relations and Partnerships			
<b>Effective and genuine partnerships enhanced</b>	Number of international partnership arrangements	38 (2021/22)	Equal to or more than 38	» Finance Sector » Trade, Commerce and Manufacturing Sector	MFAT MOF MCIL MPMC  * MFAT * MOF
<b>Responsive diplomatic services strengthened</b>	Number of diplomatic offices established	11 (2021/22)	Equal to or more than 11	Trade, Commerce and Manufacturing Sector	MFAT  * MFAT Database * MFAT Budget KPI

KSO 4										Secured Environment and Climate Change									
15										Build Climate Resilience									
PDS Key Strategic Outcome	Key Priority Area	Climate and disaster resilience and responsive planning in all sectors strengthened	Proportion of sectors that implement climate resilience strategies	57% (2021/22)	100%	All Sectors (Environment Sector Lead)	All Government Ministries and Agencies	* All Sector Plans											
			Proportion of sectors that implement disaster risk reduction strategies	57% (2021/22)	100%	All Sectors (Environment Sector Lead)	All Government Ministries and Agencies	* All Sector Plans											
KSO 5										Structured Public Works and Infrastructure									
PDS Key Strategic Outcome	Key Priority Area	20	Innovative Information, Communication and Technology Use																
			Improved business performance through the use of ICT	Development and adoption of the National Payment System	Not in place	National Payment System developed and 100% adopted by financial institutions	» Finance Sector » Information and Communication Technology Sector » Trade, Commerce and Manufacturing Sector	MCIT OOTR SPO CBS MFAT MOF MCIL	* National Payment System: CBS										

## 3.2 TCMSP 2024/25 – 2028/29 Monitoring and Evaluation Framework

### OVERARCHING TARGETS

Overall Objective	Indicator	Baseline	Target (End of SP)	Source	Assumptions & risks
Sustainable production, trade, commerce and manufacturing for growth and a resilient and vibrant economy	Real GDP planning cycle growth rate	-1.5% (FY16/17 - FY20/21)	3.1%;	CBS Bulletin	The GDP growth rate for the evaluated five-year span stands at -1.5%, falling short of the targeted annual growth of 3-4% outlined in the SDS FY2016/17-FY2019/20. This deviation is attributed to the impacts of the measles outbreak and the COVID-19 epidemic. Given the current trajectory, we anticipate a growth rate of 3.1% for the planning period spanning from 2024/25 to 2028/29. The growth will mainly be driven by the commerce sector, with support from the revamped and revitalised agriculture, fisheries and manufacturing sectors.
	Real GDP annual value	SAT\$1.7m (2022/23)	SAT\$2m	CBS Bulletin	

### OUTCOMES

Sector Outcome	Indicator	Baseline	Target	Source	Assumptions and Risks
<b>Sector outcome 1</b> Productivity, Manufacturing and Trade Activities Improved	Percentage and value of Agriculture & Fisheries in GDP	SAT\$172.2m (10%) (FY2022/23)	SAT\$245.8m	CBS Bulletin (Table E6)	The primary sector anticipates increased developments in the fisheries sector, withstanding any natural disaster occurs in this planning period.
	Percentage and value of Commerce & Manufacturing in GDP	SAT\$490.7m or 28% of GDP (FY2022/23)  SAT\$90.5m or 5% of GDP (FY2022/23)	SAT\$505.7m or 27% of GDP  SAT\$115.5m or 7% of GDP	CBS Bulletin (Table E6)	Continuation of existing government policies supporting commerce and manufacturing sector.  Vulnerability to external shocks such as fluctuation in global commodity prices.

Sector Outcome	Indicator	Baseline	Target	Source	Assumptions and Risks
Sector outcome 2 Export Market Access Enhanced	Trade in Goods	-SAT\$1.1b (FY2022/23)	-SAT813.7m	CBS Bulletin (Table B1)	The real GDP growth for 2023/24 is expected to decelerate to approximately 6.3% following a robust recovery of around 8.0% in FY2022/23. This slowdown is due to the natural easing of pent-up demand and a leveling effect compounded to the pandemic period one year earlier. The government's fiscal budget for 2023/24 includes projects like the Apia Port Project, road widening initiatives, and preparations for the upcoming Commonwealth Heads of Government Meeting (CHOGM) in October 2024. These projects are anticipated to boost economic activity, particularly in tourism, Accommodations and Restaurants, Construction, Transport, and Communication services. However, sectors like Commerce, Fishing, Finance, and Business services are expected to experience a moderation in demand, resulting in a slowdown in output growth, albeit remaining positive.
	Trade in Services	SAT\$263.5m (FY2022/23)	SAT\$386.5m	CBS Bulletin (Table B1)	
Sector outcome 3 Sustainable Business Development and Employment Generation Increased	Number of total registered businesses	4,987 (2023)	6,000	MCR, MCIL, NPF	The number of total registered businesses and MSMEs is assumed to positively correlate with overall economic growth. When the economy expands, there's generally more entrepreneurship and business formation.
	Number of SMEs	4,822 (2023)	5,000		
	Labour participation rate	43.8% (2022)	44%	SBS, MCIL	Mismatches between the skills demanded by employers and those possessed by job seekers can contribute to high unemployment rates despite job vacancies existing in certain sectors. This could be due to inadequate education and training programs or geographical mismatches between job seekers and available jobs.
	Unemployment rate	5% (2022)	3%		

<b>Sector outcome 4</b> Efficacy of the Sector Infrastructure Advanced	E-commerce Legislation	Not in place	National E-commerce Legislation developed and implemented	MCIL	A well-crafted e-commerce legislation can foster a conducive environment for online businesses, leading to increased economic activity, job creation, and overall economic growth.
<b>Sector outcome 5</b> Resilience and recovery in response to shocks and stressors fostered	Sector climate and disaster resilience strategy	Not in place	Climate and Disaster Resilience Strategy developed and implemented	MCIL	A comprehensive understanding of climate science to inform resilience strategies and adaptation measures is key as well as active engagement with communities to ensure their participation and ownership of resilience-building initiatives.
	Existing labour market programs	4 (2023)	6	MCIL	Assume there's a demand for skill development programs to enhance the employability of the workforce and meet the evolving needs of industries.
<b>Sector outcome 6</b> Enabling environment for sector development strengthened	Tracking of TCMSP 2024/25 – 2028/29	M&E presented figures herein.  MTEF annual commitment - tbc	M&E forecasted figures presented herein.  MTEF annual commitment - tbc	MCIL, ALL Implementing Agencies	<p>The TCMSP has specific goals for the period 2024/25 – 2028/29, the assumption is that tracking its progress will provide insights into the extent to which these goals are being achieved.</p> <p>Risk that insufficient resources, including funding, expertise, or technology, may impede the effective tracking of the TCMSP, limiting the availability of data, tools, or personnel needed to monitor progress effectively.</p>

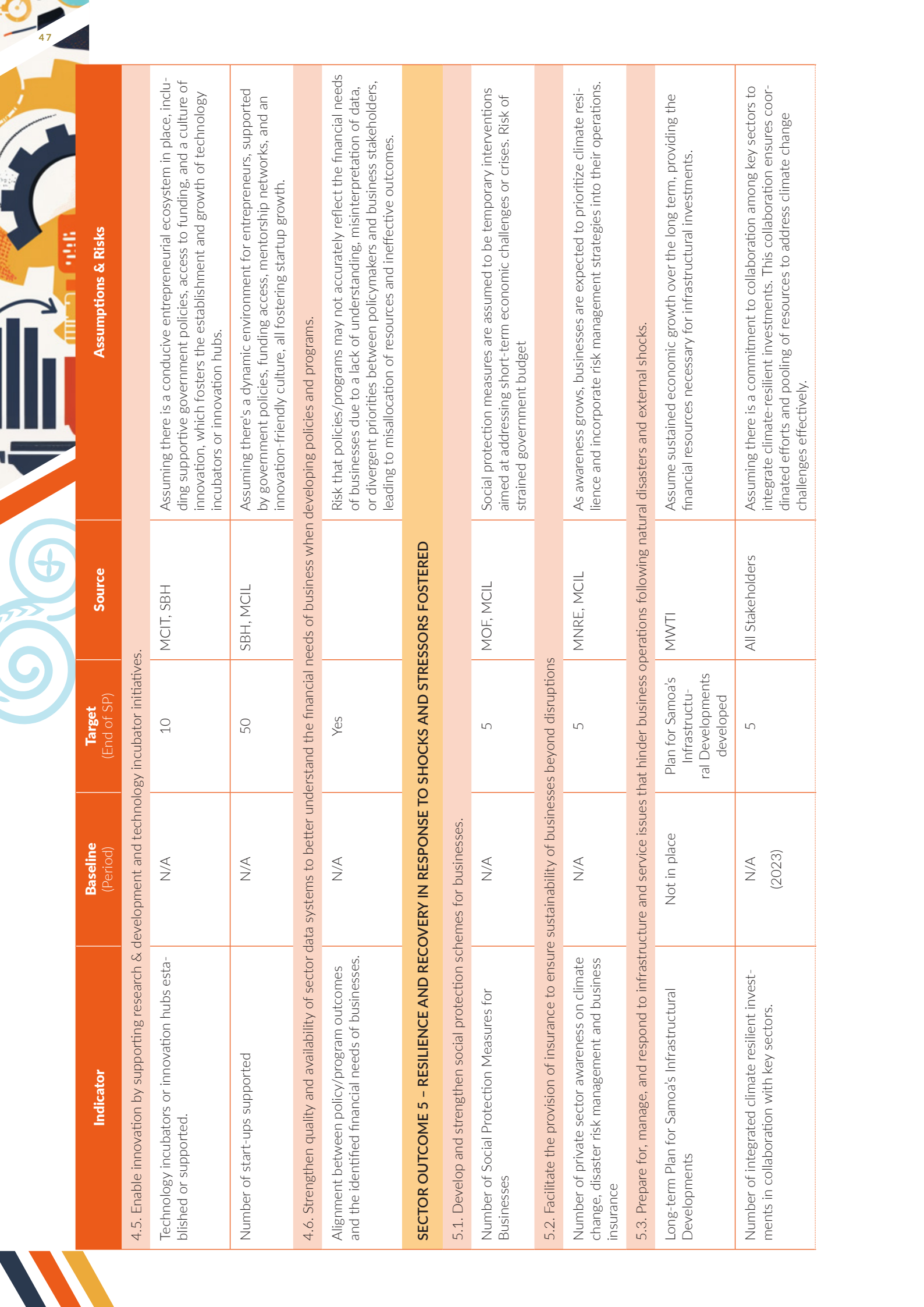


Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
<b>SECTOR OUTCOME 1 - PRODUCTIVITY, MANUFACTURING AND TRADE ACTIVITIES IMPROVED</b>				
1.1. Increase productivity and strengthen supply chains for improved productivity and consistent supply of goods and services.				
Number of product value chain developed	3 (2023)	6	MAF, PHAMA+	Sustained demand for manufactured, agricultural and fisheries goods in domestic and international markets.
Economically active population rate	54,865 or 43.4% (2021)	55,925 or 49%	SBS (Census)	Based on 2016 census projection
1.2. Promote investment in climate-smart and renewable energy production to provide affordable, reliable, resilient, and sustainable production including the supply of green energy.				
Number of registered Renewable Energy businesses	3 (2021)	5	MCIL, MCR	Continued government support and investment incentives for climate-smart and renewable energy production. Assumes increasing market demands for green energy due to environmental concerns and regulatory requirements.
Percentage of Electricity Powered by Renewable Energy Sources	46% (2020/21)	75%	MNRE, EPC	
1.3. Targeted reforms that improve business environment in supportive of increased productivity, manufacturing and trade.				
Number of business license issued to agriculture and fisheries related ventures	49 (2019)	100	MCR, MCIL	Economic downturns or recessions could lead to decreased demand for agricultural and fisheries products, affecting the number of entrepreneurs entering these sectors and applying for licenses.
Number of beneficiaries from the agriculture and fisheries sector under Government assistance schemes.	DCS - 3 Code 121 - 19 (2023)	More than 3 and 19	MCIL, MCR, MAF	The majority of agriculture and fisheries sectors operate informally, thus making them ineligible for government assistance.
Number of product standards developed and implemented	10 (2019)	14	MCIL	Limited financial and human resources allocated to standard development and implementation may impede progress and quality.
1.4. Strengthen private sector capacity towards improving productivity, manufacturing and trade practices.				
Number of Business Trainings for the private sector	N/A	10	MAF, MFAT, SBH	There's a risk that the private sector might show low interest or participation in the training programs due to competing priorities, perceived lack of relevance, or logistical constraints.

Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
<b>SECTOR OUTCOME 2 – EXPORTS MARKET ACCESS ENHANCED</b>				
2.1. Increase value addition activities.				
Value of Goods Export	119 million tala (FY2022/23)		CBS Bulletin (Table B1)	The fruition of investments from both the private sector and government in agro-processing will become apparent, resiliently enduring any potential natural disasters that may occur. This will signify a concerted effort to enhance Samoa's agricultural value chain, aiming to add value to raw agricultural products through processing activities. Despite the risks posed by natural calamities during planning cycle, the commitment to agro-processing will remain steadfast, underscoring its importance in promoting economic diversification, creating employment opportunities, and fostering sustainable development in Samoa.
2.2. Facilitate implementation of trade arrangements and initiatives.				
Trade Policy Review for Samoa	Due 2024	WTO TPR completed	MFAT (NWCTA)	Samoa's participation in regional trade agreements or integration initiatives may present both opportunities and challenges, depending on the alignment of its trade policies with regional objectives and the level of cooperation among member states.
Number of Trade Agreements awareness and training programs for the private sector	1 (2020)	5 or more	MFAT	Assumption that the government is committed to promoting trade agreements and facilitating private sector engagement by organizing awareness and training programs.
2.3. Streamline market access.				
Number of procedures on Samoa's Trade Information Portal (STIP)	19 (2023)	24	MCIL	Assumes adequate technological infrastructure and resources to support the functionality and accessibility of the STIP. Risks related to technical issues, such as system failures, cyber-attacks, or data breaches, which could disrupt the functionality of the STIP.
Number of export destinations	16 (2024)	20	CBS Bulletin (Table T3)	Assumes efforts to diversify export destinations to reduce dependency on a limited number of markets.
2.4. Strengthen the promotion of local products and services				
Number of trade missions facilitated	N/A	5	MFAT, MCIL, PSOs	Assumption that there is sufficient interest from businesses to participate in trade missions to explore new markets and establish contacts.

Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
Number of international expos Samoa participated	3 (2023)	5	MFAT, MCIL, PSOs	Participation in international expos will enhance global visibility, promotion of goods and services, foster international partnerships and opportunities for market exposure. Risks include Significant financial costs to participate and return on investment from participating.
Branding Bureau established	Not in place	Branding Bureau established and in operation	MCIL	Assumption that businesses and organizations are willing to collaborate with the Branding Bureau to develop and implement branding strategies that align with their goals and objectives.
<b>SECTOR OUTCOME 3 – SUSTAINABLE BUSINESS DEVELOPMENT AND EMPLOYMENT GENERATION INCREASED</b>				
3.1. Availability of appropriate incentives and government assistance to support business development and employment generation.				
Number of Private Sector Development Programs	15 (2023)	20	MCIL	Risk that inadequate coordination and collaboration among government agencies, development partners, and private sector stakeholders may result in duplication of efforts, inefficient use of resources, and fragmented implementation of development programs.
3.2. Promote and facilitate domestic and foreign investment and alternative financing mechanisms for businesses in promising sectors and with feasible growth plans.				
Number of registered foreign investment enterprises	385 (FY2022/23)	800	MCIL	Assumption that there is interest from foreign investors in establishing enterprises in the country due to factors such as market potential, economic stability, growth prospects, and investment incentives.
3.3. Collaborate with financial and private sectors to improve access to credit for bankable businesses by addressing demand and supply constraints.				
Samoa Credit Bureau established	Not in place	Credit Bureau established	CBS	Assumption that financial institutions and credit providers in Samoa are willing to cooperate and share credit information with the Credit Bureau to facilitate the establishment of a comprehensive credit reporting system.
Number of PPSA Online Registration	5481 (FY2023/24)	8,000	MCIL	While the use of moveable assets as collateral for loans offers potential benefits in terms of increased access to finance and enhanced liquidity for borrowers, the reluctance of some banks to accept such collateral presents a significant risk that could limit the effectiveness and adoption of this financing mechanism.
3.4. Availability of a skilled labour force that caters for private sector demands and needs.				
SNEP implementation rate	23% (2023)	100%	MCIL	Risk that limited funding, budgetary constraints, or competing priorities may hinder the effective implementation of the SNEP, leading to delays, gaps, or suboptimal outcomes in achieving its objectives.
Number of jobseekers matched with employers	38 (FY2021/22)	50	MCIL	Assumption that jobseekers possess the necessary skills, qualifications, and experience required by employers, enabling effective matching based on job requirements and candidate profiles.

Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
3.5. Strengthen skills of the current and future workforce in entrepreneurship, business and innovation.				
Number of Jobseekers training	1 (2023)	10	MCIL	Assumption that the Ministry is committed to providing training programs for jobseekers as part of its efforts to address unemployment and enhance workforce skills.
Number of Apprenticeship graduates	25 (2021)	40	MCIL	Assumption that apprenticeship programs are designed to meet industry standards, provide relevant skills training, and offer opportunities for practical learning and skill development in real-world work environments.
<b>SECTOR OUTCOME 4 – EFFICACY OF THE SECTOR INFRASTRUCTURE ADVANCED</b>				
4.1. Strengthen infrastructure to facilitate sector development:				
Percentage of the National Industrial Development Policy (NIDP) implementation	N/A	70%	MCIL	Limited funds, budget constraints, or conflicting priorities might slow down the NIDP's implementation, resulting in inadequate investment and subpar achievement of objectives.
E-commerce Strategy implementation rate	10% (2023)	100%	MCIL	Budget restrictions, competing priorities, or insufficient funding may impede the NIDP's progress, leading to delayed implementation.
4.2. Enable business awareness and access to globally competitive and locally relevant financial infrastructure.				
Financial Literacy and Awareness Programs	N/A	5	CBS, SBH, MCIL	Given that financial literacy and awareness programs are skillfully designed and executed, with well-defined learning objectives, engaging content, and interactive teaching methods that cater to the diverse needs and preferences of participants.
Number of development projects targeting access to finance	2 (SBH, DBS) 2020	3	SBH, DBS	Assuming development projects are crafted to be scalable and sustainable, integrating best practices, inventive methods, and efforts to enhance capacity, aiming for lasting effectiveness and impact extending beyond the project's duration.
4.3. Improve Samoa's ICT infrastructure, services and policies to enable the sector development.				
ICT trainings for the Private Sector	N/A	10	MCIT	Assuming that ICT training programs are accessible to a wide range of businesses, including small and medium-sized enterprises (SMEs), startups, and entrepreneurs, through various delivery channels such as workshops, seminars, online courses, and customized training sessions.
4.4. Facilitate access to emerging technologies and skills that support innovation				
Number of HACCP and ISO certified manufacturers	ISO - 2, HACCP - 3 (2021)	More than 5	SAME, PSO's	Risk of sustainability and high cost of certifications.



Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
4.5. Enable innovation by supporting research & development and technology incubator initiatives.				
Technology incubators or innovation hubs established or supported.	N/A	10	MCIT, SBH	Assuming there is a conducive entrepreneurial ecosystem in place, including supportive government policies, access to funding, and a culture of innovation, which fosters the establishment and growth of technology incubators or innovation hubs.
Number of start-ups supported	N/A	50	SBH, MCIL	Assuming there's a dynamic environment for entrepreneurs, supported by government policies, funding access, mentorship networks, and an innovation-friendly culture, all fostering startup growth.
4.6. Strengthen quality and availability of sector data systems to better understand the financial needs of business when developing policies and programs.				
Alignment between policy/program outcomes and the identified financial needs of businesses.	N/A	Yes		Risk that policies/programs may not accurately reflect the financial needs of businesses due to a lack of understanding, misinterpretation of data, or divergent priorities between policymakers and business stakeholders, leading to misallocation of resources and ineffective outcomes.
SECTOR OUTCOME 5 – RESILIENCE AND RECOVERY IN RESPONSE TO SHOCKS AND STRESSORS FOSTERED				
5.1. Develop and strengthen social protection schemes for businesses.				
Number of Social Protection Measures for Businesses	N/A	5	MOF, MCIL	Social protection measures are assumed to be temporary interventions aimed at addressing short-term economic challenges or crises. Risk of strained government budget
5.2. Facilitate the provision of insurance to ensure sustainability of businesses beyond disruptions				
Number of private sector awareness on climate change, disaster risk management and business insurance	N/A	5	MINRE, MCIL	As awareness grows, businesses are expected to prioritize climate resilience and incorporate risk management strategies into their operations.
5.3. Prepare for, manage, and respond to infrastructure and service issues that hinder business operations following natural disasters and external shocks.				
Long-term Plan for Samoa's Infrastructural Developments	Not in place	Plan for Samoa's Infrastructural Developments developed	MWTTI	Assume sustained economic growth over the long term, providing the financial resources necessary for infrastructural investments.
Number of integrated climate resilient investments in collaboration with key sectors.	N/A (2023)	5	All Stakeholders	Assuming there is a commitment to collaboration among key sectors to integrate climate-resilient investments. This collaboration ensures coordinated efforts and pooling of resources to address climate change challenges effectively.



Indicator	Baseline (Period)	Target (End of SP)	Source	Assumptions & Risks
5.4. Address the needs of the most vulnerable in the sector.				
Poverty rate	21.9% (2018)	20.9%	SBS	Assumes effective implementation of social protection programs to support vulnerable populations and alleviate poverty.
<b>SECTOR OUTCOME 6 – ENABLING ENVIRONMENT FOR SECTOR DEVELOPMENT STRENGTHENED</b>				
6.1. Strengthen the policy and legal framework of the sector.				
Samoa Trade Policy Framework	N/A	Samoa Trade Policy developed and implemented	MFAT, MCIL	The development and implementation of the Samoa Trade Policy Framework involve consulting and working closely with government agencies, businesses, civil society groups, and international partners.
Implementation rate of the MSME Policy	22% (2023)	100%	MCIL	Limited funding, budget constraints, or competing priorities may impede the successful implementation of the MSME Policy, resulting in delays, gaps, or less-than-ideal outcomes in meeting its objectives.
6.2. Enhance sector coordination, collaboration and partnerships.				
TCM Sector Steering Committee Meetings	Every quarter	Every quarter	MCIL	Risk that inadequate coordination and communication among committee members, government agencies, and relevant stakeholders may lead to duplication of efforts, inconsistencies in policy approaches, and fragmentation of resources, undermining the coherence and impact of TCM sector interventions.
6.3. Improve the resourcing and capacity of the sector.				
Number of Sector Projects supported under JPAM	1 (2021)	2	MOF, MCIL	Effective risk management, stakeholder engagement, capacity building, and monitoring and evaluation are critical for achieving successful project outcomes.
TCMSP alignment to the SDGs, Samoa 2040 and the PDS	Yes (2021)	Yes	MCIL, MOF, SBS	Insufficient data and information systems could hinder monitoring and evaluation of TCMSP interventions' impact on SDGs, Samoa 2040, and PDS targets. This could make it challenging to track progress, identify shortcomings, and make informed decisions to enhance TCMSP alignment with development priorities.
6.4. Strengthen data management systems and knowledge management.				
Data management systems and knowledge management practices improved	N/A	Data accessibility, quality, security, governance, integration.	MCIL, MCIT	Inadequate governance structures and policies for data and knowledge management might result in fragmented or duplicated approaches, creating barriers to collaboration, data sharing, and alignment across sector members.

## 4. IMPLEMENTATION PLAN

The Sector Plan is the overarching strategic planning and policy guiding framework for the whole sector. As such, it needs to be integrated and institutionalised in the policy, planning and implementation systems and processes of the key sector agencies and stakeholders, responsible for implementation of the different objectives, strategies, and activities. These include agency annual work plans and budget preparations, reviews and evaluation processes and mechanisms, as well as developmental initiatives and programs. It is a strategic plan for the sector, and it needs cascading at different/various levels (from macro to meso and micro) to enable implementation at the operational levels of the different implementing agencies and stakeholders.

Maintaining flexibility with the implementation of the Sector Plan is important for continuous learning and improvements. In this regard, the Activity Implementation Plan should be treated as a living document and a rolling plan that is regularly reviewed, revised, and adapted to ensure relevancy and taking into consideration lessons learnt from previous years' implementation experiences and progress. The identification of key implementers is an area that needs to be continuously reviewed during the lifespan of the Strategic Plan.

### 4.1. TCMSP 2024/25 – 2028/29 Living Action Matrix

The following is the TCMSP's living Action Matrix, which will be constantly reviewed in Annual Reviews to ensure the attainment of the End of Sector Plan vision and mission.

**Table 6: TCMSP 2024/25 – 2028/29 Living Action Matrix**

**Table 6: TCMSP 2024/25 – 2028/29 Living Action Matrix**

Strategy	Actions
<b>SECTOR OUTCOME 1 – PRODUCTIVITY, MANUFACTURING AND TRADE ACTIVITIES IMPROVED</b>	
<b>1.1.</b> Increase productivity and strengthen supply chains for improved productivity and consistent supply of quality goods and services.	<b>1.1.1.</b> Continue to provide support to primary sectors/industries to support their productivity and increased production. <b>1.1.2.</b> Promote and implement support packages for industries and MSMEs to minimize costs of productions. <b>1.1.3.</b> Continue to provide support towards value-chains development based on successful and potential value-chain businesses and markets. <b>1.1.4.</b> Encourage import substitution development initiatives. <b>1.1.5.</b> Promote and adopt district product branding which encourages the production or promotion of unique products across the 51 districts. <b>1.1.6.</b> Monitor and implement strategies to address the shortage of essential products including basic items. <b>1.1.7.</b> Encourage reinvestment or use of remittances for entrepreneurship (investment in sustainable income generating activities).
<b>1.2.</b> Promote investment in climate-smart and renewable energy production to provide affordable, reliable, resilient, and sustainable production including the supply of green energy.	<b>1.2.1.</b> Promote adoption of climate smart practices to improve capacity of farmers, manufacturers, exporters, etc to adapt to climate change and mitigate its impact, and to improve sustainable supply of local products. <b>1.2.2.</b> Implement and provide further support to the transport sector in accordance with existing and future sector plans and emission reduction strategies, supported by climate funding where appropriate. <b>1.2.3.</b> Accelerate the transition to renewables by providing access to affordable finance for investment in electricity generation and storage and offering secure arrangements for Independent Power Producers (IPPs). <b>1.2.4.</b> Provide support and encouragement to businesses (current and potential) seeking to develop expertise and invest in renewable energy initiatives, such as further development of the e-waste initiative.



<p><b>1.3.</b> Targeted reforms that improve business environment in supportive of increased productivity, manufacturing and trade.</p>	<p><b>1.3.1.</b> Review and reform business set-up processes and trading procedures to make them less stringent and more enabling for business and trade development.</p> <p><b>1.3.2.</b> Develop and strengthen mechanisms for product certification and quality assurance.</p> <p><b>1.3.3.</b> Support development and adoption of international quality standards for goods and services.</p> <p><b>1.3.4.</b> Promote training programs for the private sector and exporters to adopt quality standards.</p>
<p><b>1.4.</b> Strengthen private sector capacity towards improve productivity, manufacturing and trade activities.</p>	<p><b>1.4.1.</b> Extend invitations to the private sector to participate and learn from relevant seminars, workshops and trainings nationally and internationally to expand their understanding on trade and other related matters.</p> <p><b>1.4.2.</b> Promote and implement training programs for private sector, noting programs under SBH and MCIL.</p> <p><b>1.4.3.</b> Encourage informal businesses to consider transitioning into the formal sector to ensure participation in trade activities and enhancing their capacity through various assistance programs available.</p>
<p><b>SECTOR OUTCOME 2 – EXPORTS AND MARKET ACCESS ENHANCED</b></p>	
<p><b>2.1.</b> Increase value addition activities.</p>	<p><b>2.1.1.</b> Encourage research projects and analysis on developing value added and premium products.</p> <p><b>2.1.2.</b> Promote the development of access to finance and investment initiatives to support sustainable production of quality products.</p> <p><b>2.1.3.</b> Develop and implement support schemes for businesses that are developing values added and premium products.</p>
<p><b>2.2.</b> Facilitate implementation of trade arrangements and initiatives.</p>	<p><b>2.2.1.</b> Accelerate implementation of activities under each trade arrangements, including the WTO Trade Facilitation Agreement and the National Implementation Plan of Action (NIPA).</p> <p><b>2.2.2.</b> Conduct awareness and promotional programs for trade arrangements; WTO, PACER Plus, PICTA and the IEPAs.</p> <p><b>2.2.3.</b> Leverage the support under international trade arrangements and related initiatives (Aid for Trade Strategy) to support export supply and market access compliances.</p> <p><b>2.2.4.</b> Monitor and review the implementation and impact of trade arrangements and initiatives.</p>
<p><b>2.3.</b> Streamline market access.</p>	<p><b>2.3.1.</b> Facilitate border agencies collaborations to minimize and resolve export constraints as well as to ensure timely clearance of export consignments.</p> <p><b>2.3.2.</b> Support ongoing negotiations and interventions at international platforms to ensure trade benefits for Samoa and a fair-trading system for local exports.</p> <p><b>2.3.3.</b> Conduct information sharing initiatives for exporters, building on the work of the Trade Information Portal.</p> <p><b>2.3.4.</b> Foster partnerships with trading partners and major markets to secure opportunities for local products and services, particularly for labor mobility.</p>
<p><b>2.4.</b> Strengthen the promotion of local products and services.</p>	<p><b>2.4.1.</b> Support private sector participation in international expos and trade shows.</p> <p><b>2.4.2.</b> Leverage the work of PTI, STA and similar programs to support promotion of product and services promotions.</p> <p><b>2.4.3.</b> Encourage development and registration of trademarks and brands for products.</p> <p><b>2.4.4.</b> Implement initiatives to assist private sector with branding and trademarks.</p>



### SECTOR OUTCOME 3 – SUSTAINABLE BUSINESS DEVELOPMENT AND EMPLOYMENT GENERATION INCREASED.

<p><b>3.1.</b> Availability of appropriate incentives and government assistance to support business development and employment generation.</p>	<p><b>3.1.1.</b> Review current incentives to identify those which should be phased out and those that should be modified, continued or adopted, based on being low-cost, time bound, and performance-based fiscal incentives that encourage sustainable business growth at an accelerated base (economies of scale).</p> <p><b>3.1.2.</b> Undertake awareness campaigns and promotion of existing and new incentives for targeted industries/sectors with the greatest potential for growth.</p>
<p><b>3.2.</b> Promote and facilitate domestic and foreign investment and alternative financing mechanisms for businesses in promising sectors and with feasible growth plans.</p>	<p><b>3.2.1.</b> Continue to provide support to the SBH so that it can provide partial loan guarantees and support businesses in the development of bankable proposals that include credible financial projections as required by equity investors and/or impact investors.</p> <p><b>3.2.2.</b> Build public and private sector knowledge about the benefits of attracting investment and emerging alternative financing mechanisms (e.g., crowd funding, special investment funds).</p> <p><b>3.2.3.</b> Build targeted foreign investor networks (particularly in Australia, New Zealand, USA, and China) including those with the potential to invest with local businesses operating in target sectors. This will be achieved by:</p> <ul style="list-style-type: none"> <li>(i) collaborating with existing programs such as Pacific RISE, Pacific Trade &amp; Invest, Business Partnership Platform and New Zealand's new Invest-Pacific program to identify investor prospects;</li> <li>(ii) promoting the opportunity pension portability from New Zealand provides for new investment; and</li> <li>(iii) encouraging overseas missions to support investment promotion.</li> </ul> <p><b>3.2.4.</b> Explore with experienced actors in the region, the potential for crowd-funding for Samoan businesses including the appetite among the Samoan diasporas.</p> <p><b>3.2.5.</b> Review of investment policies and schemes – e.g. review of the reserved and restricted list.</p>
<p><b>3.3.</b> Collaborate with financial and private sectors to improve access to credit for bankable businesses by addressing demand and supply constraints.</p>	<p><b>3.3.1.</b> Encourage DBS (with advice from ADB) to lead the way on the use of moveable assets as collateral for business loans so that businesses can have greater chance to access credit to sustain or scale up operations for more opportunities to trade.</p> <p><b>3.3.2.</b> Provide support to the National Private Sector Organisation (NPSO) and other relevant mechanisms to enable their support for businesses in the development of bankable proposals including credible financial projections.</p> <p><b>3.3.3.</b> Enable the extension of the Business Link Pacific program and/or develop other similar programs, to build capacity amongst the local business advisory networks in preparing bankable financing proposals for loan applications.</p> <p><b>3.3.4.</b> Progress the work stipulated under the National Financial Inclusion Strategy 2022/23–2025/26.</p> <p><b>3.3.5.</b> Establish a Credit Bureau in Samoa.</p>
<p><b>3.4.</b> Availability of an appropriately skilled workforce/ labour force that caters to private sector demands and needs.</p>	<p><b>3.4.1.</b> Implement the Samoa National Employment Policy (SNEP) 2021/2022 - 2025/2026 which builds on the lessons learnt from the COVID-19 impacts; and continue to ensure that employment needs and opportunities for skilled employees are considered at the SNTF and in the formulation of future employment policy.</p> <p><b>3.4.2.</b> Undertake training needs assessment to identify key skill gaps and constraints relative to the SNEP 2021/2022 -2025/2026 objectives and Samoa's post-Covid recovery trajectory.</p> <p><b>3.4.3.</b> Review the Apprenticeship Scheme to identify gaps and areas for improvements in meeting private sector HRD needs.</p>



	<p>3.4.4. Progress opportunities under Australia and New Zealand labour mobility schemes to build a skilled workforce of returned workers. However, government needs to work with the private sector to identify solutions to help reduce the impact of skilled or semi-skilled workers leaving for seasonal work.</p> <p>3.4.5. Implement processes to ensure first priority for the seasonal employment schemes is accorded to those who are not in formal, paid employment. This is intended to avoid the situation where valued staff are lost from the national workforce.</p> <p>3.4.6. Ensure adequate representation of labour market needs in the Education Sector Plan and its implementation and strengthen provisions for competency-based accreditation.</p> <p>3.4.7. In collaboration with education institutions, provide post-school training, upskilling, and reskilling opportunities targeting women and persons with disabilities.</p> <p>3.4.8. Ensure consistent implementation of labour market surveys which should also include better coverage of green jobs and private sector training needs and skills shortage.</p>
3.5. Strengthen skills of the current and future workforce in entrepreneurship, business and innovation.	<p>3.5.1. Introduce entrepreneurship into secondary school curriculum and tertiary level programs, incorporating related themes of social entrepreneurship, business management (including financial literacy) and innovation.</p> <p>3.5.2. Build capacity of district councils and village communities involved in formulating, implementing and managing (with the assistance/advice of Private Sector Organisations (PSOs)) suitable community-based projects/activities that will generate sustainable income as part of the million tala district development program.<sup>17</sup></p> <p>3.5.3. Encourage development of social enterprises that solve social/environmental problems through the million tala district development program.</p> <p>3.5.4. Work with PSOs to tailor enterprise development program that support workers returning from labour mobility schemes by building their entrepreneurship skills, identifying relevant business opportunities, and forming businesses.</p>
<b>SECTOR OUTCOME 4 – EXPORTS AND MARKET ACCESS ENHANCED</b>	
4.1. Strengthen infrastructure to facilitate sector development.	<p>4.1.1. Implement and provide further support for the transport and infrastructure sector plan in accordance with existing and future sector plans and emission reduction strategies, supported by climate funding where appropriate.</p> <p>4.1.2. Ensure public works and infrastructure are guided by a long-term phased development plan that underpins socio-economic progress through responsible public utility services; innovative information, communication and technology use; and consolidated infrastructure management.</p> <p>4.1.3. With a focus on shipping and port services, undertake a review of transport and infrastructure strategies and plans to identify ways to reduce the cost of exporting/trading.</p> <p>4.1.4. Support upgrade and development of trade related infrastructures to be climate resilient.</p>
4.2. Enable business awareness and access to globally competitive and locally relevant financial infrastructure.	<p>4.2.1. Provide enabling conditions for the introduction and evolution of critical financial infrastructure such as digital payment systems, which are expected to evolve at a rapid pace.</p> <p>4.2.2. Provide awareness and information (e.g. through websites, seminars, trainings, etc.) on financial infrastructure that are needed to enhance business and private sector efficacy.</p>

17 The DDP should also aims at increasing economic opportunities with projects focused on local infrastructure, small business creation and support, and training and skill development.





4.3. Improve Samoa's ICT infrastructure, services and policies to facilitate trade.	<p>4.3.1. Strengthen the legislative and regulatory framework to keep up with the fast pace of ICT, in accordance with the Information and Communications Sector Plan. A strong ICT infrastructure is now crucial to the trade, commerce and manufacturing sector to also keep up with international trade standards.</p> <p>4.3.2. Consider the inclusion of the ICT businesses under the Duty Concessions Scheme and reclassify ICT business equipment to incur lower duties and taxes.<sup>18</sup></p> <p>4.3.3. Ensure regular incorporation of the views of businesses/private sector members in ICT policy development and implementation.</p> <p>4.3.4. Implement the e-commerce strategy and recommendations.</p>
14.4. Facilitate access to emerging technologies and skills that support innovation.	<p>4.4.1. Encourage the development of ICT/digital enterprises and host seminars on existing and emerging digital technologies and their applications.</p> <p>4.4.2. Provide targeted, performance-based, and time-bound incentives to the private sector looking to invest in new technology.</p> <p>4.4.3. Work with relevant stakeholders (SCCI, SITA, BLP, Education Sector, etc.) in overcoming gaps in the local business advisory network regarding digital transformation and related ICT skills.</p> <p>4.4.4. Ensure there is necessary infrastructure (access to reliable electricity, utilities, and networks), skilled workforce and an enabling ICT regulatory environment for Samoa.</p>
4.5. Enable innovation by supporting research & development and technology incubator programs.	<p>4.5.1. Support existing or new technology programs in partnership with the relevant agencies and stakeholders.</p> <p>4.5.2. Enhance public private partnership through supporting technology incubator programs.</p> <p>4.5.3. Support research and development into new areas of innovation.</p> <p>4.5.4. Utilise government and donor development assistance to leverage research and development.</p>
4.6. Strengthen quality and availability of sector data to better understand the financial needs of business when developing policies and programs.	<p>4.6.1. Engage financial institutions in collecting and sharing anonymized data (to protect client confidentiality) on the utilization of financial products and services according to an agreed methodology including the new MSME size criteria, financial indicators (business turnover, loan size, asset values) and other variables (sector, gender, location, approvals/rejections).</p> <p>4.6.2. Undertake regular quantitative analysis of the capital needs of businesses in Samoa that enables mapping of requirements (according to sector, size, business stage, purposes, and other relevant variables) to ensure access to capital responses evolve with market needs.</p> <p>4.6.3. Introduce and maintain a regular analysis of data on businesses uptake of financial products and services to inform policy decisions.</p>
<b>SECTOR OUTCOME 5 – SECTOR RESILIENCE AND RECOVERY IN RESPONSE TO SHOCKS AND OTHER CONTINGENCIES FOSTERED</b>	
5.1. Sector resilience and recovery in response to shocks and other contingencies fostered..	<p>5.1.1. Implement the National Social Protection Policy Framework 2023, with emphasis on adopting and implementing social protection policy measures and mechanisms relating to the strengthening of the resilience of the sector components in relation to private sector and business community.</p> <p>5.1.2. Adopt and implement as a national social protection policy the 'at least 2% of the GDP' investment to economic shocks.</p>

<sup>18</sup> Samoa may also consider becoming a signatory to and/or aligning with the WTO Information Technology Agreement (ITA) that allows for duty-free imports of IT equipment.

<p>5.2. Facilitate the provision of insurance to ensure sustainability of businesses beyond disruptions.</p>	<p>5.2.1. Facilitate coordination amongst the government, PSO, development partners and insurance providers to determine the specific insurance barriers and associated solutions, with a focus on climate change disaster-risk management, and innovative solutions.</p> <p>5.2.2. Improve communication and awareness of disaster risk and other business insurance through targeted activities such as, inclusion of relevant business continuity planning and insurance information, inclusion of information on business insurance in Government communications/events about climate change, and support of PSO delivery of events covering the same activities.</p>
<p>5.3. Prepare for, manage, and respond to infrastructure and service issues that hinder business operations following natural disasters and external shocks.</p>	<p>5.3.1. Ensure post-disaster needs analyses assess the private sector infrastructure recovery priorities and their specific needs to lessen the effects on trade.</p> <p>5.3.2. Develop and implement risk management strategies that build the resilience of businesses to address long-term impacts of climate change.</p>
<p>5.4. Address the needs of the most vulnerable in the sector.</p>	<p>5.4.1. Identify the 'most vulnerable in the sector' groups/segments and assess assistances provided to them in terms of their efficacy and impact.</p> <p>5.4.2. Continue targeted development initiatives addressing the needs of these most vulnerable in the sector.</p>

#### SECTOR OUTCOME 6 – SECTOR RESILIENCE AND RECOVERY IN RESPONSE TO SHOCKS AND OTHER CONTINGENCIES FOSTERED

<p>6.1. Enabling policy and legal framework for the sector.</p>	<p>6.1.1. Ensure priority policy and legislative requirements of the sector are in place.</p> <p>6.1.2. Reform financial regulation to address access to finance bottlenecks and challenges, as well as other issues mentioned above.</p> <p>6.1.3. Accelerate the review and reform of foreign investment legislation and policy frameworks to address issues above and attract and promote investment.</p> <p>6.1.4. Fully implement the Competition and Consumer Protection legislation to address issues above.</p> <p>6.1.5. Manage the performance of SOEs and promote their participation in trade to diversify Samoa's domestic exports.</p> <p>6.1.6. Incorporate GEDSI- and social protection-measures when reviewing and reforming business, trade, and employment legislation and policies.</p> <p>6.1.7. Develop a Trade Policy Framework to enhance coordination on trade interventions and negotiations.</p>
<p>6.2. Enhance sector coordination, collaboration and partnerships.</p>	<p>6.2.1. Build on existing sector coordination mechanisms to ensure a dedicated team responsible for coordinating and overseeing all TCMS activities.</p> <p>6.2.2. Define roles and responsibilities within the Sector Coordination Unit and ensure effective communication and collaboration among team members.</p> <p>6.2.3. Enhance existing monitoring and evaluation (M&amp;E) framework for the TCMS including clear program indicators, baselines, and targets.</p> <p>6.2.4. Establish regular reporting and review schedules to track program progress against objectives. Ensure data collection, analysis and reporting for proposed program is incorporated into trade sector plan and mechanisms.</p> <p>6.2.5. Revive efforts towards 'single-window' capabilities to ensure better data management and coordination amongst key stakeholders of the sector.</p> <p>6.2.6. Maintain active communication and engagement with all program stakeholders, including government agencies, partners, local communities, and beneficiaries.</p> <p>6.2.7. Solicit feedback from stakeholders and incorporate their inputs into program decision-making.</p> <p>6.2.8. Provide training and capacity-building opportunities for the program management team to enhance their skills in program oversight, M&amp;E, and reporting.</p>

<p><b>6.3.</b> Improve the resourcing and capacity of the sector.</p>	<p><b>6.3.1.</b> Strengthen the capacity of the private sector through existing programs targeting high-growth potential sectors and businesses. Ensure that development programs meet the needs of the private sector.</p> <p><b>6.3.2.</b> Build Samoa's global entrepreneurship knowledge and networks (e.g., Global Entrepreneurship Monitor, Global Entrepreneurship Network, Global Entrepreneurship Week) through government and private sector agencies.</p>
<p><b>6.4.</b> Strengthen data management systems and knowledge management.</p>	<p><b>6.4.1.</b> Assess data management needs/requirements of the sector.</p> <p><b>6.4.2.</b> Assess gaps/shortfalls with existing data management and knowledge management systems.</p> <p><b>6.4.3.</b> Develop and strengthen data management and knowledge management systems including policies, strategies, procedures, tools, technologies, capacities, data sharing, etc.</p>

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# ANNEXES

## Annex 1: Contextual analysis of the sector

### 1.1. Macroeconomic and development context

Samoa is a small developing economy with a population of around 200,000 people. The country is known for its geographical isolation from major world markets and high vulnerability to natural disasters, climate change, and external shocks. The economy has a narrow resource base, based mainly on agriculture, fisheries, tourism, remittances, and service industries.

To inform the development of the next sector plan, it is important to relook at the context and take stock of 'where the sector is' in terms of the performance status of the trade, commerce and manufacturing sector over the past recent years. Key development issues, challenges and priorities are identified to inform the development direction of the sector for next five years.

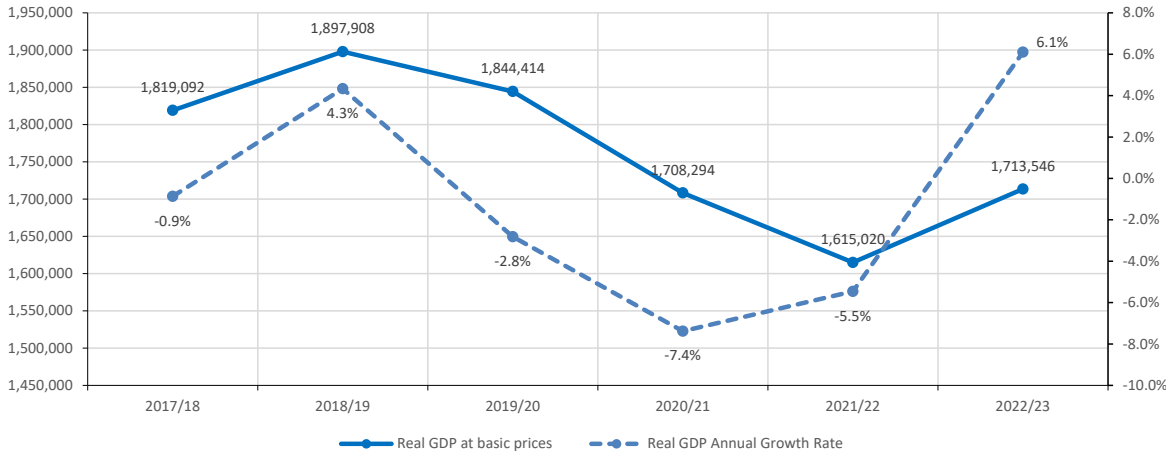
#### **1.1.1. Macroeconomic performance**

The significant drop in the GDP growth rate over the period off 2018/19 to 2021/22 is caused by the impacts of COVID-19 and the outbreak of measles in Samoa in 2019. This is reflected in a -2.8% of GDP annual growth recorded in 2019/2020 followed by a significant decrease of -7.4% in 2020/21, and another decrease of -5.5% in 2021/22. The economy is slowly recovering from the pandemic as shown by an increase in the annual growth of real GDP of 6.1% in 2022/23. In 2019, the measles outbreak resulted in the declaration of a state of emergency (SOE) for the whole country which restricted the mobility of people and operations of businesses. Due to mass vaccination efforts by the government through the Ministry of Health, the outbreak was under control by early 2020. However, with the emergence of the COVID-19 pandemic the country has had little time to recover, with the pandemic further impacted significantly on the economy.





Prior to the measles epidemic and COVID-19 pandemic, Samoa was experiencing a steady growth attributed to the post-cyclone recovery projects, and the opening of the refurbished Faleolo International Airport and revamping of the Samoa Airways in 2018 which boosted the number of tourist arrivals and families visiting from overseas. Samoa's merchandise exports were also steadily increasing with the significant increase in fresh fish, coconut-based products, and noni-based products. The manufacturing industry was slowly recuperating from the closure of Yazaki which was slowly being offset by Fero Samoa Limited, and Sleepwell International. These factors coupled with the impacts of the measles epidemic and COVID-19 pandemic, as well as the post-COVID-19 recovery efforts are reflected in Figure 5 below.

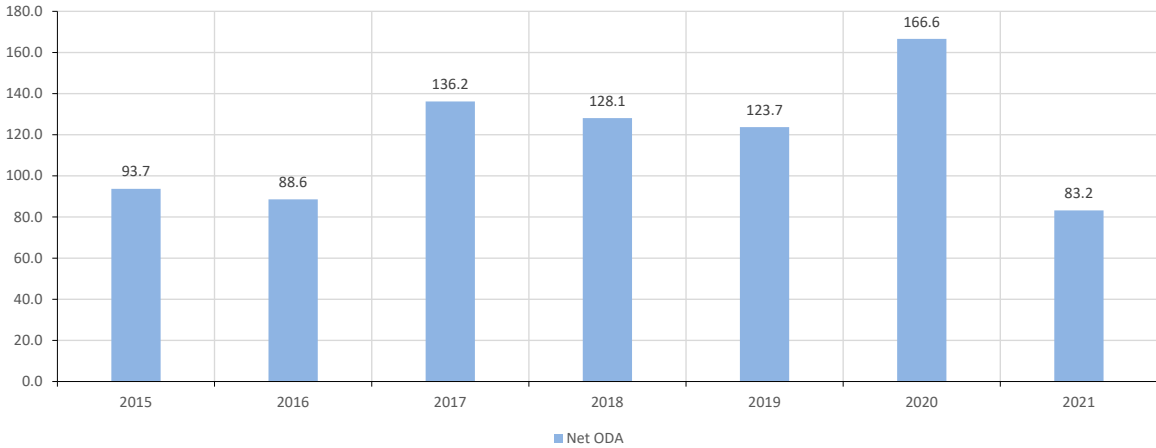


**Figure 5: Real GDP at basic prices (SAT\$)**

Source: Central Bank of Samoa (CBS), Quarterly Bulletin (E6 – GDP at Market Prices by Industry), August 2023

### 1.1.2. Official development assistance levels

Since Samoa's graduation from Least Developing Country (LDC)-status in 2014, the level of official development assistance (ODA) flows from major development partners remained steady. It was during the COVID-19 pandemic that ODA for Samoa started rising for recovery efforts<sup>19</sup>. Almost 50% of ODA for Samoa goes toward Education- and Health-related initiatives. The five major donors of development assistance for Samoa are: Australia (23%), New Zealand (18%), International Development Association (15%), Asian Development Bank (15%), and Climate Investment Funds (12%). The flow of net ODA into Samoa is shown in Figure 6.



**Figure 6: Samoa net overseas development assistances in USD\$, 2015-2021**

Source: Organisation for Economic Co-operation and Development DAC Aid a Glance by Recipient

19 [https://public.tableau.com/views/OECDACaidataglacebyrecipient\\_new/Recipients?:embed=y&:display\\_count=yes&:show-Tabs=y&:toolbar=no?&:showVizHome=no](https://public.tableau.com/views/OECDACaidataglacebyrecipient_new/Recipients?:embed=y&:display_count=yes&:show-Tabs=y&:toolbar=no?&:showVizHome=no)

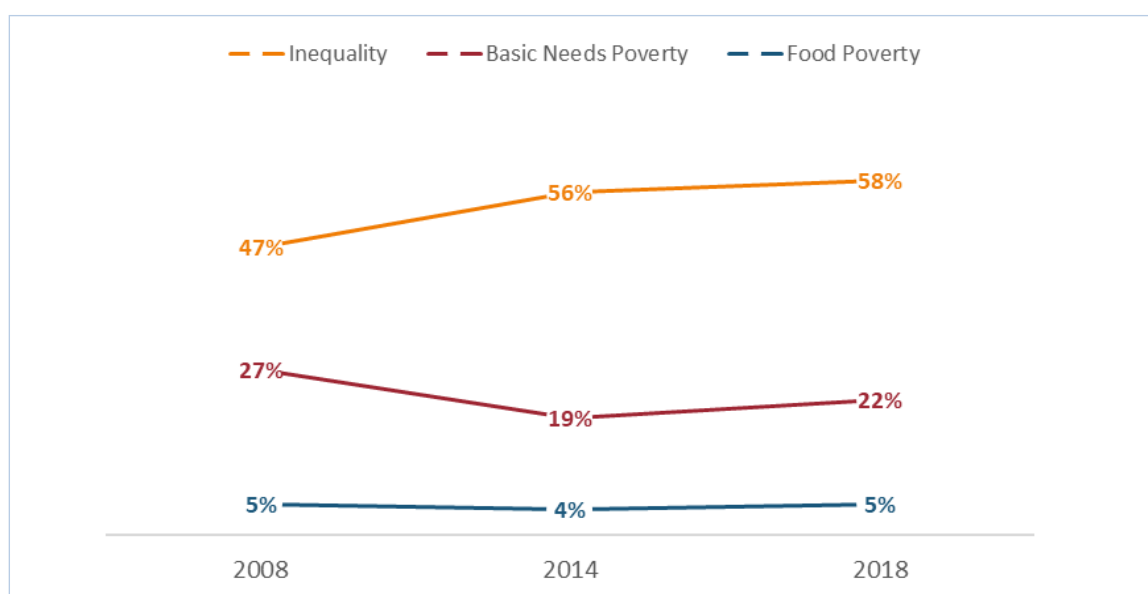


### 1.1.3. Hardship and poverty

The latest Hardship and Poverty report for Samoa was drawn from the 2018 Household Income and Economic Survey (HIES) results. The following are the key trend noted in the Report:

- ◆ Between 2013/14 and 2018 the incidence of both food and basic-needs poverty increased, rising to 5.2% and 21.9%, respectively. One of the reasons why these changes might have occurred is that, in most rural areas of Samoa the levels of economic activity and employment have slowed in both the agriculture and the tourism sectors.
- ◆ The relatively low average real GDP growth rate of 1.8% between 2013/14 and 2018 and the lower levels of household expenditure recorded by the HIES, point to a slight drop in the general level of living standards across the country. This is reflected in the increase in basic-needs poverty incidence in the Apia urban area, the rest of Upolu and Savaii.
- ◆ According to the HIES data, the cost of purchasing the minimum daily nutrition requirement of 2200 calories by households in the lowest three deciles, declined by about 10% (from SAT34.9 to SAT31.04 per capita per week) between 2013/14 and 2018.
- ◆ At the national level, the total weekly cost for the BNPL fell from SAT59.27 to SAT55.80 per capita per week, a decline of 5.8% and the proportion of the whole population experiencing extreme hardship rose from 4.3% in 2013/14 to 5.2% in 2018.

The following Figure 7 shows the trends for inequality, basic needs poverty, and food poverty over the past three Hardship and Poverty Reports for Samoa. Samoa has made significant progress towards achieving the SDGs, but providing rural and urban communities with formal employment and income generating opportunities remains a critical issue. The 2022 Samoa Labour Market Survey shows that 14,044 employees in the formal private sector, where 54% are male and 46% are female. Two-thirds of Samoans are informally employed relying on agricultural work alone for their food and livelihood. Therefore, in effect, the poverty rate in Samoa is tied to agricultural performance, which can be unstable and is particularly vulnerable to external shocks resulting in agriculture-dependent families being often deprived of stability.



**Figure 7: Hardship and poverty report trends, 2008-2018**

Source: Samoa Bureau of Statistics (SBS), Hardship and Poverty Reports (2008, 2013/14, 2018)



In 2018, the World Bank reclassified Samoa as an upper middle-income country (UMIC) with an International Poverty Line (IPL) of USD 5.50 (2011 prices) per capita per day (which was equivalent to SAT10.19 in 2018). Samoa is at the lowest end of the income range for this group and therefore the higher the IPL poverty does not necessarily reflect the true poverty situation. However, Samoa is experiencing a deep recession due in large to the economic effects of the COVID-19 pandemic, and therefore the World Bank downgraded Samoa's classification to "lower-middle income country" in July 2021.

## 1.2. Samoa's trade context

### 1.2.1. Trade in goods

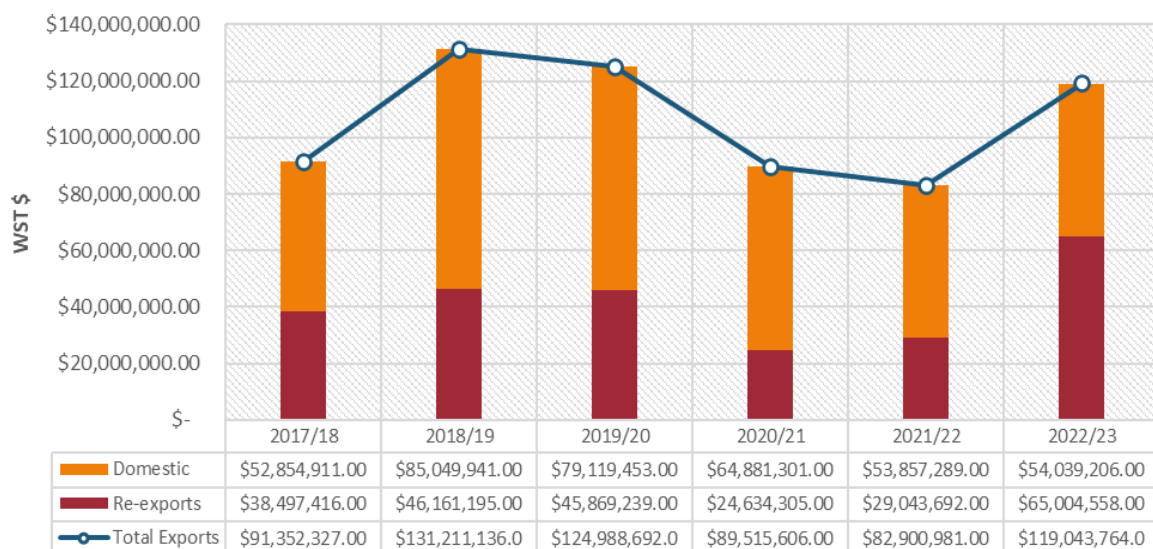
Samoa has a significant merchandise trade deficit due to the influx of imports against limited exports. The trade in goods deficit for the period from the fiscal year 2017/18 to 2022/23 averaged at SAT\$ -813,652,485. The following Table 7 shows the export value, import value and merchandise trade balance for 2017/18 to 2022/23.

**Table 7: Merchandise trade balance (exports less imports), 2017/18-2022/23**

Source: Central Bank of Samoa, Quarterly Bulletin (B2 – Merchandise Trade), August 2023

Period (FY)	Exports value (SAT\$)	Imports value (SAT\$)	Merchandise trade balance (SAT\$)
2017/18	91,352,327.00	-828,756,217.00	-737,403,890.00
2018/19	131,211,136.00	-914,661,884.00	-783,450,748.00
2019/20	124,988,692.00	-853,318,301.00	-728,329,609.00
2020/21	89,515,606.00	-820,662,199.00	-731,146,593.00
2021/22	82,900,981.00	-897,497,196.00	-814,596,215.00
2022/23	119,043,764.00	-1,206,031,618.00	-1,086,987,854.00

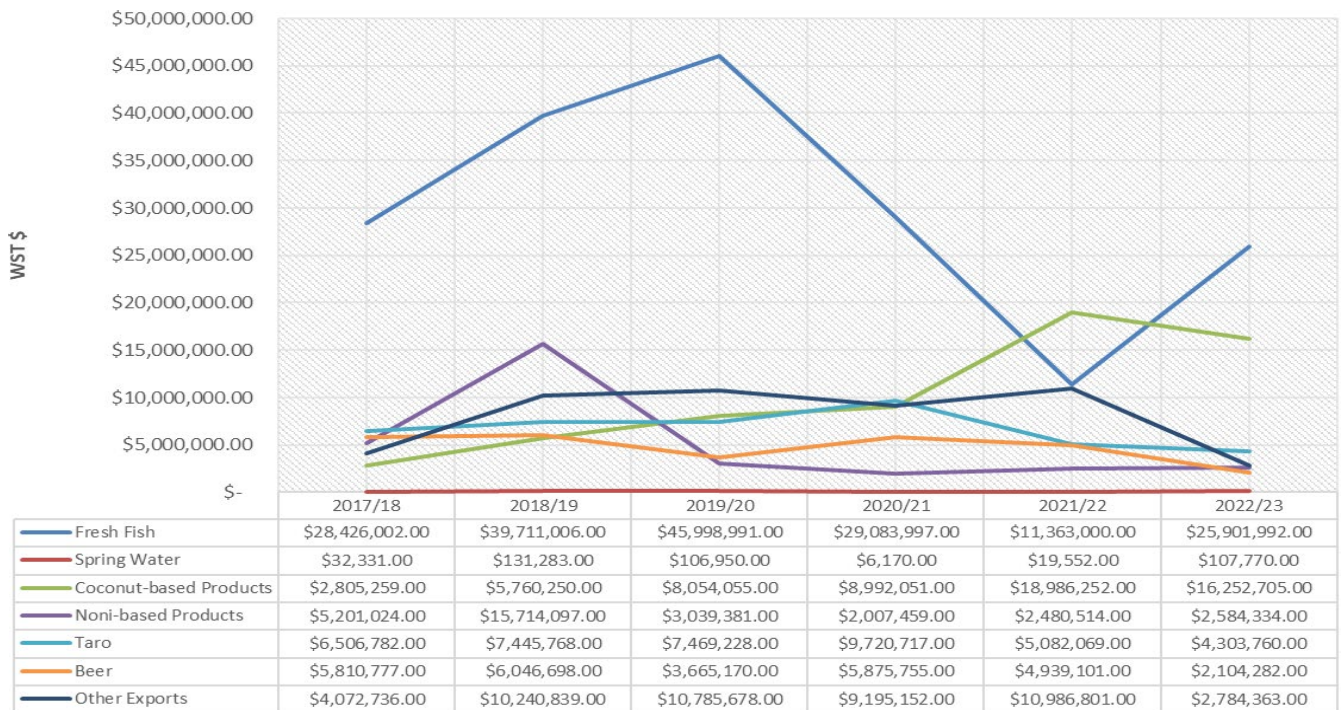
As shown in Figure 8 below, Samoa's domestic merchandise exports (locally-produced exports) averages at SAT\$64.9 million for the 2017/18 – 2022/23 period. Domestic exports peaked in FY2018/19 and started declining during COVID-19, with the latest figures for 2022/23 showing that it has not recovered to pre-Covid levels. Re-exports are goods that transit through Samoa and includes fuel for airlines; this has averaged at SAT\$41.5 million over the assessed period. The total exports averages SAT\$ 106.5 million.



**Figure 8: Samoa's merchandise exports profile, 2017/18-2022/23**

Source: CBS, Quarterly Bulletin (B2 – Merchandise Trade), August 2023

Furthermore, Figure 9 below shows the limited domestic exports from Samoa. Samoa's main export is fresh fish, which peaked before COVID-19, and hit its lowest in 2021/22, whereas coconut-based products peaked during the COVID-19 recovery period (i.e., 2021/22).

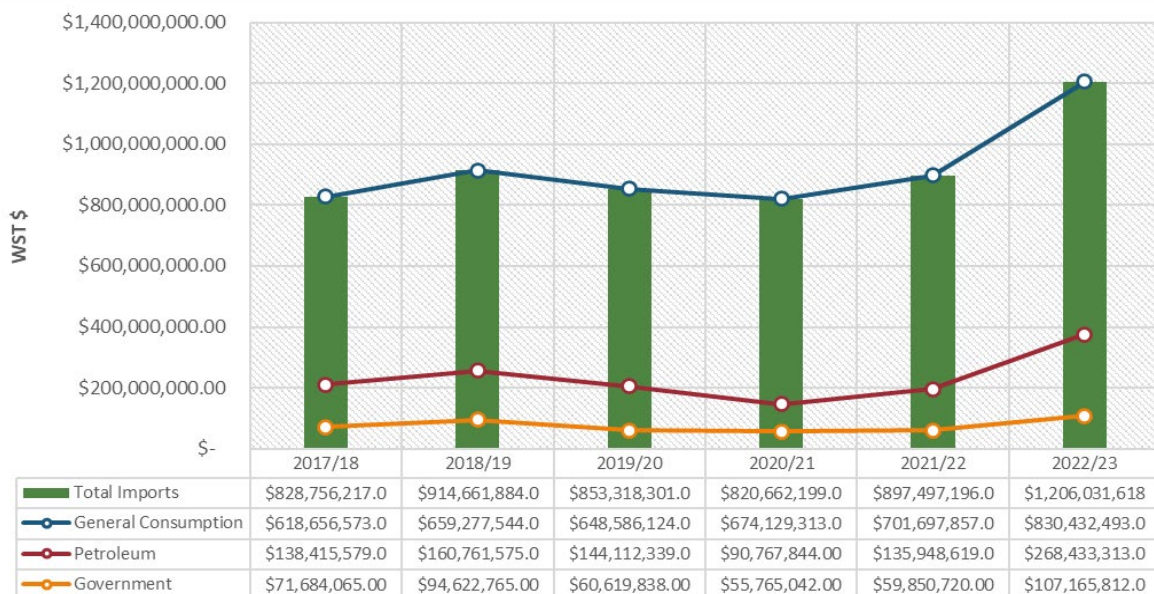


**Figure 9: Domestic exports by commodity, 2017/18-2022/23**

Source: CBS, Foreign Trade Report (T2a – Export by Commodity), August 2023

The destination for Samoa's domestic exports in the assessed period are: American Samoa (48%), New Zealand (18%), Australia (13%), USA (13%), and other markets (8%).

Samoa's imports are divided in three broad categories (Government, Petroleum, and General Consumption) as shown in Figure 10 below. The value of total imports averages SAT\$ 920 million over the assessed period.

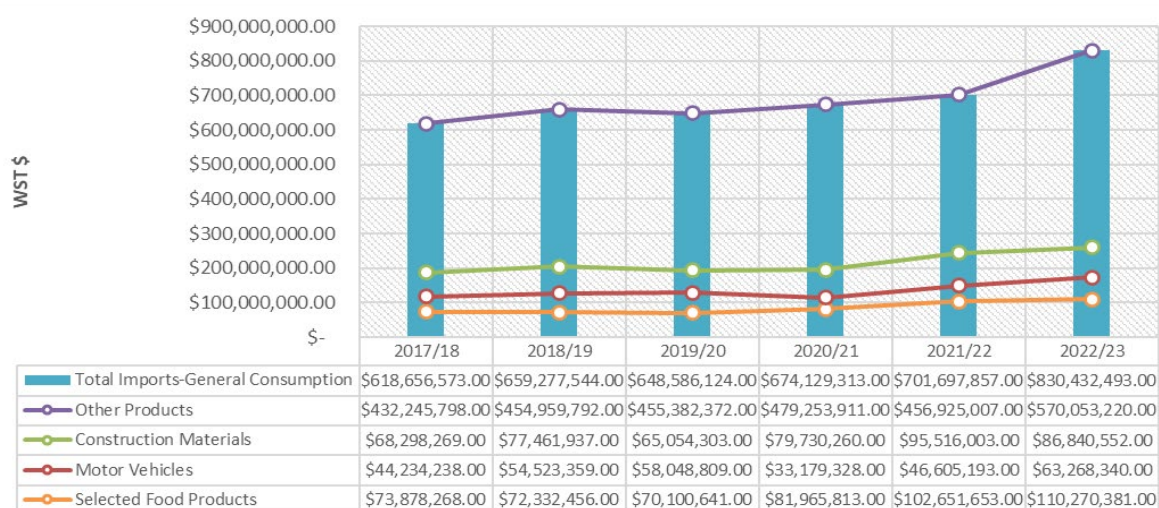


**Figure 10: Samoa's merchandise imports profile, 2017/18-2022/23**

Source: CBS, Quarterly Bulletin (B2 – Merchandise Trade), August 2023



The following 11 presents the breakdown of the “general consumption” imports by selected product groups. The “Selected Food Products” group includes chicken leg quarters, rice, flour, tin fish, mutton, and sugar. The “Construction Materials” group includes cement, timber, wires, aluminium, steel pipes, steel prefab, nails, screws, and plastics. Other products that could be considered as food or construction materials that are not explicitly mentioned in the above groups are included in “Other Products”.



**Figure 11: Breakdown of "general consumption" imports, 2017/18-2022/23**

Source: CBS, Foreign Trade Report (T4b – Imports Breakdown), August 2023

New Zealand remains the dominant source market of imports for Samoa at 28% during assessed period. Singapore comes in as the second dominant source market at 17%, as petroleum is sourced from there. The United States of America and Australia tie in at 10%. China is at 9%, with Fiji coming in at 7%, and other countries amounting to 19%.

### 1.2.2. Trade agreements with trade in goods coverage

Samoa is party to the following trade agreements which have a trade in goods coverage: Pacific Agreement on Closer Economic Relations (PACER) Plus, Pacific Island Countries Trade Agreement (PICTA), South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), and the World Trade Organization (WTO). This information is further elaborated below.

**Table 8: Trade agreements Samoa is party to that has trade in goods coverage**

Source: Ministry of Foreign Affairs and Trade (MFAT), 2023

Agreement	Type	Parties	Samoa's status	Reference flow
PACER Plus	Regional	Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu	Member since 2020. Samoa is a founding / negotiating party	Reciprocal
PICTA	Regional	Cook Islands, Fiji, Kiribati, Niue, Solomon Islands, Samoa, Tuvalu, Vanuatu	Member since 2003. Samoa is a founding / negotiating party	Reciprocal
SPARTECA	Regional	Forum Island Countries, Australia & New Zealand	Entered into force 1981	Non-Reciprocal
WTO	Multilateral	164 Member States	Samoa acceded to the WTO in 2012	Reciprocal
EU-PACP IEPA	Regional	EU + 79 Countries (African, Caribbean & Pacific)	Samoa acceded in December 2018	Reciprocal
UK-PACP IEPA	Regional	UK and PACP	Samoa acceded on 31 March 2022	Reciprocal

During the FY2017/18–FY2020/21 period, Samoa ratified and acceded three new free trade agreements: the EU-Pacific Interim Economic Partnership Agreement (iEPA) in 2018, the Pacific Agreement on Closer Economic Relations (PACER) Plus in 2020, and the UK-Pacific Interim Economic Partnership Agreement with the UK in 2022.

Samoa's accession to the EU iEPA was to ensure that trade preferences in the EU market was maintained. Graduation from LDC status in 2014 triggered a transitional period for Samoa under the EU's Everything-but-Arms scheme that was set to expire in January 2019. Under the iEPA, Samoa's trade preferences to the EU market remains undisturbed.

Samoa is the first Forum Island Country to ratify the PACER Plus, a signal of Samoa's continued commitment to regional integration and the belief that the implementation of the PACER Plus will provide the platform for Parties to expand trade opportunities including addressing trade constraints faced by our island economies. To date, the parties to the PACER Plus are Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The PPIU is located in Apia.

According to the WTO, 38.5% of Samoa's economic total exports of the year were directed to its trade agreement partners and 43.1% of its total imports came from trade agreement partners under the PACER Plus. The PACER Plus requires the different parties to keep liberalization commitments or faster liberalization in relation to goods. Over the next 25 years, Samoa is committed, under the PACER Plus, to gradually remove duties for PACER Plus signatories starting from the date the agreement entered into force.

Following the departure of the UK from the EU market in 2020, Samoa also engaged with the UK to negotiate a similar iEPA package to maintain trade preferences to the UK market. Samoa acceded to the UK – Pacific iEPA in March 2022.

Further, there is a need to accelerate the commitments in compliance with the 2016 ratified WTO Trade Facilitation Agreement (TFA). Samoa's current rate of implementation commitments stands at 67.6% as of October 2023, with the timeframe spanning from February 2017 to December 2040. Samoa's outstanding commitments under the TFA is inclusive of measures that are aimed at improving transparency and fees & formalities around trade. Table 9 below identifies the measures Samoa, as of 30 October 2023, has yet to be implemented organized by their definitive implementation date.

**Table 9: Samoa outstanding commitments under the WTO trade free agreements, 2023**

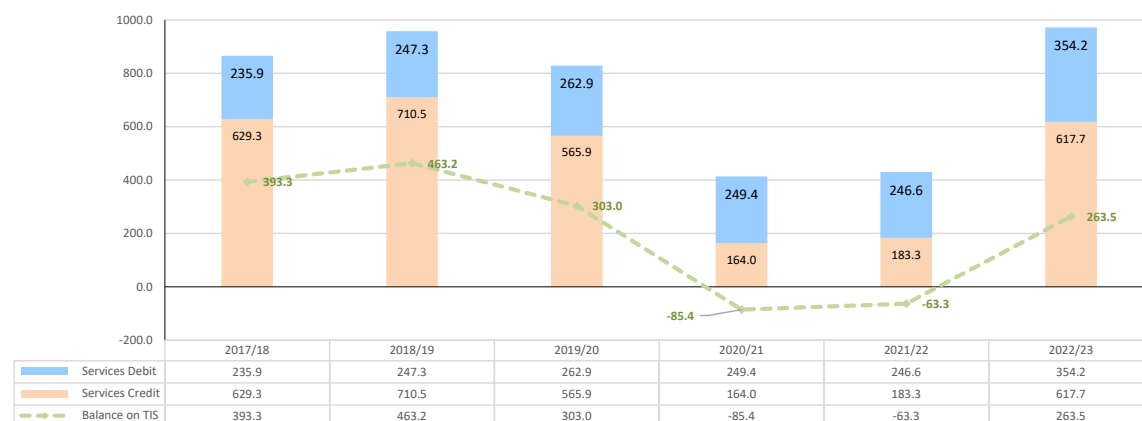
*Source: Trade Facilitation Agreement Database (Implementation Schedule – Samoa), October 2023*

Article	Measure	Definitive Implementation Date
1.2	Information available through the internet	31 December 2025
6.3	Penalty Disciplines	31 December 2025
7.1	Pre-Arrival Processing	31 December 2025
8	Border Agency Cooperation	31 December 2025
7.7	Authorized operators	31 December 2026
4	Procedures for appeal or review	31 December 2027
7.2	Electronic payment	31 December 2027
7.4	Risk management	31 December 2027
7.5	Post-clearance audit	31 December 2027
7.8	Expedited shipments	31 December 2027
10.1	Formalities	31 December 2027
10.4	Single window	31 December 2040

### 1.2.3. Trade in services

Unlike merchandise trade, data on trade in services are not as readily available at a granular level for many countries (Samoa included) to enable a complete and more detailed analysis of the sector as a whole and for each of the 12 services<sup>20</sup> of interest identified by the WTO (Services Trade, 2022). In fact, Samoa's official data sources only has data available on Travel, Transport, Telecommunication, Computer & Information System and the rest is categorized as other services. This huge gap in the data availability remains a challenge for nations across the globe, which includes many developed, and developing countries.

Over the 2017/18 – 2022/23 period, trading in services accounted for 35% of GDP (real) and 43% of Samoa's total trade. Under magnifying lenses, Samoa's trade figures and trends depicted a steady increase in its services sector's contribution to nearly 50% in 2019. Unfortunately, this was followed by a significant fall to 34% and 30% in 2020 and 2021, respectively. Travel restrictions and subsequently the closure of Samoa's borders due to COVID-19 is pinpointed as the main contributing source for this decline. (Central Bank of Samoa, 2023).



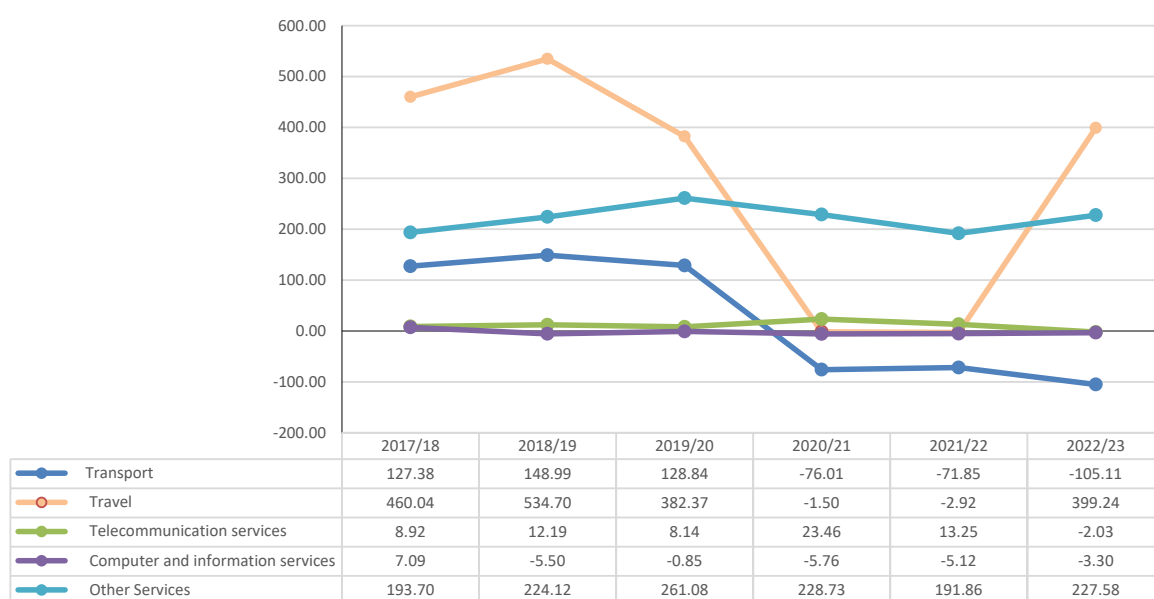
**Figure 12: Samoa trade in services profile, 2017/18-2022/23**

Source: CBS, Quarterly Bulletin (B3 – Services & Income Account), August 2023

As shown in Figure 12 above, Samoa earns a significant surplus in trade in services. Travel is attributed as the determining factor for trend fluctuations in the services trade of Samoa. In 2018/19, Samoa's trade in services increased by 18% (equivalent to SAT\$70 million) from the year 2017/18. However, as a result the COVID-19 global pandemic, Samoa (just like every other nation affected by the pandemic) suffered a massive loss in services trade when its trade in services balance fell significantly from a surplus of SAT\$303 in 2019/20 to a deficit of SAT\$-85 million in 2020/21. The decline continued to SAT\$-63 million in 2021/22 as travel restrictions and border lockdowns prolonged from multiple extensions of the COVID-19 State of Emergency Order declared for Samoa. Fortunately, Samoa re-opened its borders halfway through 2022, leading to a quick recovery of SAT\$264 million in surplus for its services trade balance in 2022/23.

Industry-wise, as shown in Figure 13 below, the "Travel Services" dominate trade in services, followed by "Other Services", then "Transport Services", and then "Telecommunication Services". The main driver for growth and decline in services exports for Samoa over the 2017-2022 period was Travel services. This was clearly illustrated in the trend for Samoa's balance in its services trade when international travel was impacted by COVID-19 restrictions and the closing of our national border to foreign travellers from March 2020 to August 2022 (Central Bank of Samoa, 2023).

<sup>20</sup> WTO identified 12 Services of Interest: Tourism services, Business and Professional services, Construction and related services, Recreation Services, Communication Services, Transport services, Health & Social services, Environmental services, Financial Services, Educational services, Energy services, and Logistics/Distribution services



**Figure 13: Samoa trade in services profile by industry, 2017-2022**

Source: CBS, Quarterly Bulletin (B3 – Services & Income Account), August 2023

#### 1.2.4. Trade agreements with trade in services coverage

The two trade agreements that Samoa is party to that have trade in services coverage are the WTO and the PACER Plus. Samoa remains committed to its multilateral trade liberalization obligations and commitments under the WTO. The PACER plus is the first trade agreement for the Pacific Island countries to include commitments on services and investment (for the different sectors covered) that is in line with the individual situations and capacities of each party or country member. Similar to merchandise trade, the aim is to develop and implement rules to facilitate trade in services by reducing barriers without infringing on the sovereign rights of governments to regulate services for prudential, sound regulatory or essential security reasons.

**Table 10: Trade agreements Samoa is party to that has trade in services coverage**

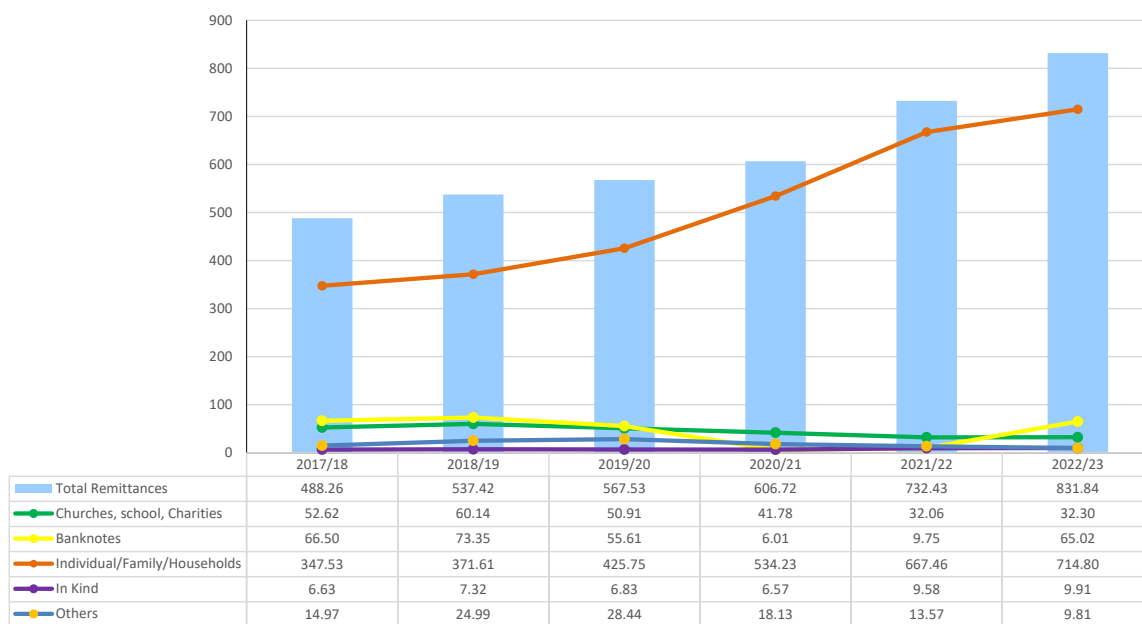
Source: MFAT, 2023

Agreement	Type	Parties	Status	Reference flow
WTO	Multilateral	164 Members	Samoa acceded to the WTO on 10 May 2012	Reciprocal
PACER Plus	Regional	Australia, New Zealand, Samoa, Cook Islands, Kiribati, Niue, Vanuatu Solomon Is, Tonga, Tuvalu	PACER plus Agreement Entered in to force on 13 Dec 2020.	Reciprocal

#### 1.2.5. Remittances

Total remittances for Samoa averaged at SAT\$627 million in the period 2017/18–2022/23. As shown in Figure 14 below, the bulk of remittances are for “Individuals/family/households” which also increased during the COVID-19 pandemic period. Moreover, the annual average for remittances for “Individuals/family/households” is estimated at SAT\$520 million. The sources of these remittances are New Zealand (41%), Australia (31%), USA (17%), American Samoa (6%), and other countries (5%). Furthermore, a significant proportion (84%) of the total remitted funds were transferred through non-banking financial institutions while the rest were channelled through commercial banks.



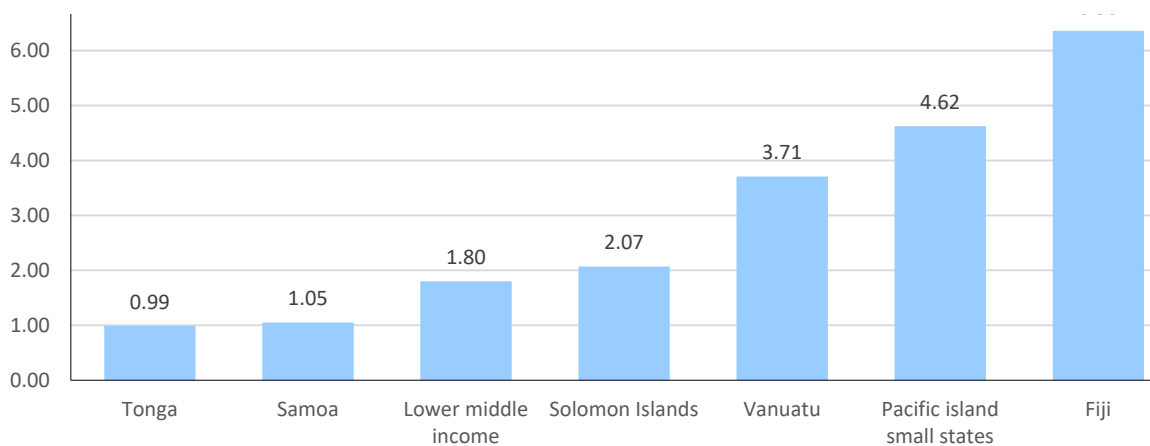


**Figure 14: Samoa gross private remittances trends 2017/18-2021/22**

Source: CBS, Visitor Earnings & Remittances (T2 – Gross Private Remittance), August 2023

### 1.2.6. Foreign direct investment

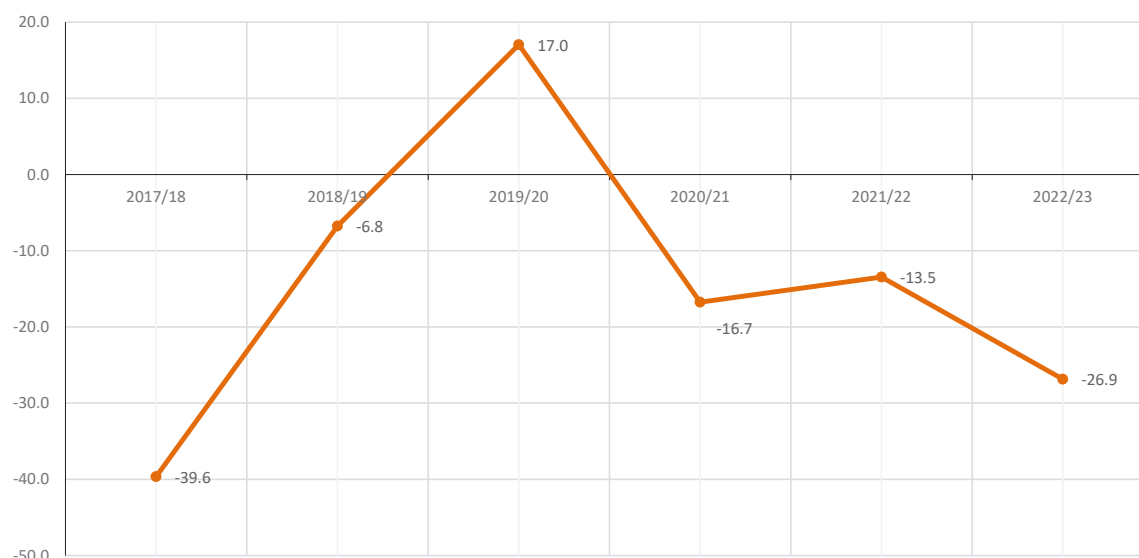
Foreign direct investment (FDI) is critical in helping the tourism sector and other sectors recover from the COVID-19 pandemic over the next five to ten years as a source of capital, technology and knowledge transfer. Net FDI inflows in Samoa was 1.05% of GDP per year in 2015-2022, well below the Pacific Island average of 4.62% of GDP (Figure 15 below). Through the Pathway for the Development of Samoa (PDS) development strategy, the government is promoting economic growth by facilitating an improved business environment that will foster private sector investment and engagement in national development. Reforms to Samoa's legal and regulatory framework governing investment will be key to attracting more investment from both domestic and foreign sources. The time lag between these reforms and new domestic and foreign investment will depend both upon the speed and quality of implementation of the reforms but also on exogenous factors, particularly the need for any additional travel restrictions in response to COVID-19.



**Figure 15: Samoa's foreign direct investment against comparator countries**

Source: World Bank Development Indicators

Samoa's annual Net Direct Investment (NDI) averaged at a deficit of -SAT\$14.4 million in the period 2017/18–2022/23, which is a decrease from the total -SAT\$24.9 million deficit annual average over the period 2011/12–2016/17. Figure 16 shows the trend of NDI over the period from 2017/18 to 2022/23.

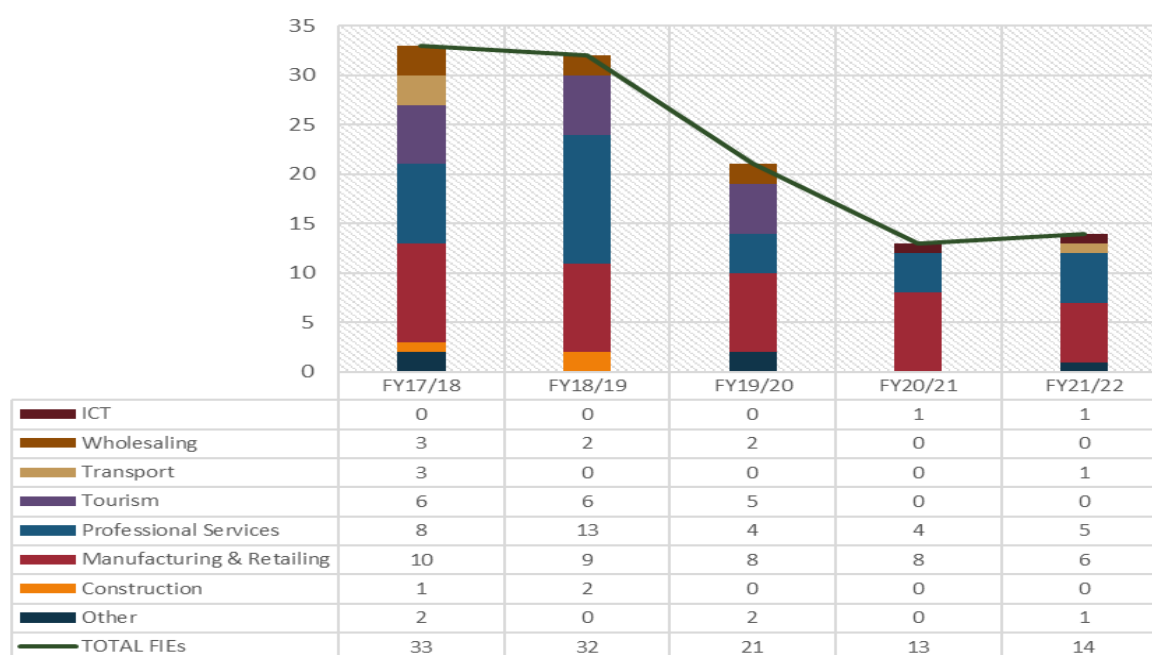


**Figure 16: Samoa net direct investment trends, 2017/18–2021/22**

Source: CBS, Quarterly Bulletin (B1 – Balance of Payment), August 2023

The deficit NDI trend for Samoa in FY2019/20 is consistent with the decrease in the number of foreign investment certificates issued to foreign investors within the same period as depicted in Figure 17 below. Moreover, the approved Foreign Investment Enterprises (FIEs) for the period 2017/18–2021/22 comprised of Manufacturing & Retailing businesses (36%), Professional Services (30%), Tourism (15%), and Wholesaling (6%).

In terms of FDI origination it comprised of China (39%), New Zealand (15%), Philippines (15%), Australia (6%), Pakistan (5%), Bangladesh (2%), Fiji (2%), USA (2%), and other countries (14%).



**Figure 17: Samoa foreign investment enterprises registration, 2017/18–2021/22**

Source: MCIL, Foreign Investment Enterprises register, July 2023

## 1.3. Business and employment context

### 1.3.1. Business activities

Samoa's industry base is presented in Table 11 below, with "Commerce" as the main industry, followed by financial services, public administration, and so forth.

**Table 11: Samoa's GDP disaggregated by Industry, 2017/18-2022/23**

Source: CBS, Quarterly Bulletin (E6 – GDP at Market Prices by Industry), March 2024

Industry	Value (SAT\$)	Percentage of GDP
Commerce	490,936	24%
Finance and business service	375,255	18%
Public administration	309,684	15%
Agriculture & fishing	232,529	11%
Ownership of dwellings	143,445	7%
Communication	101,658	5%
Construction	80,412	4%
Personal and other services	70,095	3%
Food & beverages manufacturing	64,381	3%
Electricity and water	53,609	3%
Transport	45,237	2%
Other manufacturing	43,563	2%
Accommodations & Restaurants	20,962	1%

There are two pathways for business registration in Samoa with the first being companies and foreign investment enterprises requiring prior registration with MCIL, before applying for business licensing with the Ministry of Customs and Revenue (MCR). The second are local sole-traders that could apply directly for business licensing with the MCR. In 2022, there were 1,472 companies registered with the MCIL with 246 of those companies registering foreign shareholders. These 1,472 companies noted a total of 4,950 shareholders (1,892 female; 3,058 male) and 4,410 directors (1,425 female; 2,985 male).

Since the national accounts are divided into only 15 sectors (2 primary, 4 secondary and 9 tertiary) the national accounts can only provide a general assessment of sectoral trends. A more detailed assessment can be obtained from assessing sectors according to the International Standard Industrial Classification (ISIC) system. ISIC classifies businesses into 21 sectors (A-U) and 86 divisions (2-digit codes). There are also much larger groups (3-digit codes) and classes (4-digit codes). The business licensing with MCR classifies registered businesses at class level. The number of registered businesses by sector and division provides a general indication of the pattern of business activity in Samoa.

The 2021 business license data from MCR indicated the total number of registrations being 6,242<sup>21</sup>, up from 4,182 in 2015. This is disaggregated by ISIC Sector in Table 12 below, where over 50% of the registrations are in two sectors: Sector G: wholesale and retail, repair of motor vehicles (31%); and Sector H: transportation and storage (20%). Most of these businesses are retailers and transport operators such as taxis, buses, and trucking businesses.


21 This is larger than the number of registered businesses since licenses are issued by activity and location.

**Table 12: MCR business licensing by ISIC Sector, 2021**

Source: Ministry of Customs &amp; Revenue (MCR), Business Licensing data, November 2021

ISIC sector	# of business license issued	% of total
G: Wholesale & retail trade; repair of motor vehicles	2,035	32.6
H: Transportation & storage	1,379	22.1
I: Accommodation & food services	419	6.7
N: Administrative & support services	400	6.4
F: Construction	386	6.2
C: Manufacturing	355	5.7
M: Professional, scientific & technical activities	311	5.0
K: Financial & insurance services	199	3.2
S: Other services	170	2.7
L: Real estate services	161	2.6
A: Agriculture, forestry, & fishing	133	2.1
J: Information & communication	99	1.6
Q: Human health & social work	49	0.7
E: Water supply, sewerage, waste management & remediation	42	0.7
R: Arts, entertainment, & recreation	41	0.7
P: Education	31	0.5
D: Electricity, gas, steam, & air conditioning supply	13	0.2
O: Public administration and defence; compulsory social security	12	0.2
B: Mining & quarrying	5	0.1
T: Activities of household as employers; undifferentiated goods- and services-producing activities of households for own use	2	0.0
<b>Total</b>	<b>6,242</b>	<b>100</b>

It is important to note the difference between “Informal Operations” (unregistered) and “Informally Employed” as most businesses operate formally and comply with business and taxation laws related to business setup but employ people informally by not fully complying with labour, taxation laws related to employing people. Furthermore, many businesses that fall into the MSME range hire employees seasonally and on an informal basis. Because businesses are often classified by the number of employees, the inability to properly account for their employees results in misclassification of the



businesses, which often leads to a lack of understanding of the business's needs. The lapse in the Government of Samoa's (MCR and MCIL) part is that they are not fully mining the data they collect annually. This information is crucial to better classifying businesses based on characteristics such as whether or not they are legally registered; if they formally employ people; if they prepare financial statements and have them audited by an accountant; if they borrow from a bank and related information, etc. This would provide a better understanding of the businesses and their needs. A more prominent route for this initiative would be through the Private Sector Organisations where it might be possible to ask their members to provide such information about their businesses.

### ***1.3.2. Ease of doing business***

The Ease of Doing Business in Samoa continues to improve with easy access to registering property, starting a business, paying taxes and enforcing contracts, regardless its 98th rank<sup>22</sup> (out of 190 countries) of Doing Business in 2020. The Distance to Frontier (DTF) is a more realistic measure for Ease of Doing Business as the score shows how far on average an economy is at a point in time from the best performance achieved by an economy on each doing business indicator since 2005 or the third year in which the data for the indicator were collected. As shown in the last available DTF report 2020, Samoa scored 62.1<sup>23</sup> against the frontier of 100. Moreover, Samoa was ahead of other Pacific island nations in this area. However, "Getting Credit" and "Resolving Insolvency" remained as Samoa's most problematic areas echoing accessing finance as a challenge. It is important to note that the doing business survey was discontinued due to irregularities.

### ***1.3.3. Employment in the formal private sector***

Employment data provide another perspective on the importance of various industry sectors. The median age in Samoa is 22 years, making it relatively a young population. The youthful population indicated continuous demands for development catering for the needs of the younger population such as education, health and employment opportunities. The 2022 Samoa Labour Force and Child Labour Survey (LFCLS) indicated the 61.5% (127,758) of the total population falls within the working age population (15+) with 49.2% (62,871) being male and 50.8% (64,887) are female. The labour force participation rate reported in the 2022 LFCLS stood at 43.8% (55,960), an increase of 0.5% from the LFS 2017 with the majority having obtained at least primary level education and are mostly based in Northwest Upolu and Apia Urban Upolu. The national unemployment rate stood at 5% (2,825) with the majority being female and mostly based in the rural areas. The limited involvement of women and young people in the formal job market results in their pursuit of employment in the informal sector, exposing those with lower education and training to heightened risks of poverty.

Table 3 below shows the pattern of employment in terms of the percentage change over the same period of the period year in total employed persons by industry. Table 13 below shows significant declines in employment numbers from 2019 to 2022 attributed mainly to the impacts of the COVID-19. The most affected industries during the peak of the COVID-19 period (i.e. 2019 to 2021) are accommodation, fishing, transport, other manufacturing (other than food), construction, and restaurants. The trends further suggest an increasing in employment in agriculture during this Covid-9 period of 2019-2021, but decline in 2022, indicating a trend of people reverting to agriculture to supplement income and food security during the COVID-19 period, with formal employment slowly recovering in 2022.

22 [https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020\\_rankings.pdf](https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020_rankings.pdf)

23 <https://archive.doingbusiness.org/content/dam/doingBusiness/country/s/samoa/WSM.pdf>



**Table 13:** % change over the same period of the previous year in total employed persons by industry, 2018 - 2022

Source: SBS employment statistics

	2018	2019	2020	2021	2022	Average (2019-2021)
Accommodation	1.0	-2.7	-35.0	-44.8	9.2	-27.5
Fishing	55.6	6.2	-6.6	-25.0	-24.7	-8.5
Transport	9.0	-2.6	-3.6	-4.0	0.5	-3.4
Other manufacturing	-51.0	-9.7	2.0	-1.7	-3.0	-3.1
Construction	6.9	8.1	-6.0	-9.9	-2.5	-2.6
Restaurants	16.9	-1.0	-9.8	3.5	-6.7	-2.4
Business Services	2.6	-3.3	3.5	0.6	-2.0	0.3
Personal services	8.0	-1.7	-2.7	6.9	-2.6	0.8
Health	-1.2	1.1	4.7	-0.2	-0.5	1.9
Public administration	4.2	1.4	1.9	3.0	0.8	2.1
Commerce	1.2	1.0	3.7	4.6	0.9	3.1
Finance services	2.8	-3.6	10.0	3.9	1.1	3.4
Electricity	0.3	5.8	3.1	3.8	1.3	4.2
Water	4.6	4.7	7.4	1.9	-0.8	4.7
Agriculture	-9.6	1.8	18.6	-2.5	-14.1	6.0
Food manufacturing	5.1	4.3	10.1	5.6	-2.2	6.7
Education	15.3	3.8	11.1	12.2	2.6	9.0
Communication	-2.7	3.0	13.7	11.7	-10.1	9.5
Other services	-4.2	2.3	-0.6	-4.5	-0.9	-0.9
Percentage change from previous periods	<b>0.7</b>	<b>0.5</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.3</b>	<b>0.2</b>



## Annex 2: TCMSP 2017/18-2020/21 implementation

The vision of the TCMSP 2017/18-2020/21 is 'Sustainable trade, commerce and manufacturing for enhanced growth and development'. The mission is to 'maximise gains from trade and enhance private sector development, to increase income generation opportunities for sustainable livelihoods.' It focuses on four Pillars:

- ◆ Pillar 1 – Improve industrial supply and productivity;
- ◆ Pillar 2 – Increase processing activities and value-addition;
- ◆ Pillar 3 – Enhance market access and visibility for Samoan goods and service; and
- ◆ Pillar 4 – Strengthen sector coordination, planning and support.

The sector plan 'living action matrix' outlined a total of 92 planned activities to be implemented corresponding to each of the four pillars and outputs. There has been no formal evaluation of the implementation of the TCMSP 2017/18-2020/21. This is a gap that needs to be addressed in the implementation of the next TCMSP. However, based on the internal monitoring by the sector coordination unit, the status of the implementation of the previous TCMSP 2017/18-2020/21 in relations to its outcome-based targets and planned activities are summarised in Table 14 below:

**Table 14: TCMSP 2017/18 – 2020/21 end of sector plan implementation achievements and progress**

Source: MCIL sector coordination unit

Pillars	End of Sector Plan Achievement (FY2020/21)	Post Implementation Status (FY2021/22)
<b>1 – Improve industrial supply and productivity.</b>	<u>61.5%</u> on track or completed, <u>30.8%</u> slowly progressed or reached an implementation block requiring assistance, <u>7.7%</u> behind schedule.	<u>100%</u> on track or completed
<b>2 – Increase processing activities and value-addition.</b>	<u>50%</u> on track or completed, <u>50%</u> slowly progressed or reached an implementation block requiring assistance.	<u>83.3%</u> on track or completed, <u>16.7%</u> slowly progressed or reached an implementation block requiring assistance.
<b>3 – Enhance market access and visibility for Samoan goods and service.</b>	<u>53%</u> on track or completed, <u>26%</u> slowly progressed or reached an implementation block requiring assistance, <u>21%</u> behind schedule.	<u>58%</u> on track or completed, <u>32%</u> slowly progressed or reached an implementation block requiring assistance, <u>10%</u> behind schedule.
<b>4 – Strengthen sector coordination, planning and support.</b>	<u>59%</u> on track or completed, <u>31%</u> slowly progressed or reached an implementation block requiring assistance, <u>10%</u> behind schedule.	<u>69%</u> on track or completed, <u>24%</u> slowly progressed or reached an implementation block requiring assistance, <u>7%</u> behind schedule.

