



Enhanced
Integrated
Framework

DIAGNOSTIC TRADE INTEGRATION STUDY



MINISTRY OF FOREIGN AFFAIRS AND TRADE
MINISTRY OF COMMERCE, INDUSTRY AND LABOUR

SAMOA 2016



Foreword

I am pleased to present the Diagnostic Trade Integration Study Report 2016 for Samoa.

This is an update of the Diagnostic Trade Integrated Study 2010 that provided the foundation for the formulation of the Trade, Commerce and Manufacturing Sector Plan (TCMSP) 2012-2016. It is a living document that has enabled the mapping out of how best Samoa could navigate through the rapid changing international and local trade environment since 2010. It was also an opportunity to take stock of the progress of the DTIS 2010.

This Report has been made possible through funding assistance from the Enhanced Integrated Framework (EIF) with guidance by the Ministry of Foreign Affairs and Trade (MFAT) and technical inputs from all key implementing agencies coordinated through the Trade, Commerce and Manufacturing Coordination Unit of the Ministry of Commerce, Industry and Labour (MCIL).

The 2016 DTISU has provided an opportunity to reposition the planning and implementation of trade, commerce and manufacturing activities and streamline the related action matrix, in the context of other complementary sectoral plans. Therefore the format of 2016 DTISU report has been structured to provide a bridge between the 2010 DTIS Report and the 2012-2016 Trade, Commerce and Manufacturing Sector Plan for the formulation of the next sector plan (TCMSP 2017-2021).

The Government of Samoa accords priority to securing ownership of the TCMSP by a wide cross section of stakeholders given the critical influence of these activities on achieving our development goals aligned to the Sustainable Development Goals and the new Strategy for the Development of Samoa. Therefore I commend all of those in government ministries, key development partners, the private sector and community groups, who participated in the extensive consultations of the preliminary and main missions during February to May 2016 and the public validation workshop in July 2016 with the sector stakeholders.

The 2016 DTISU report also identifies a number of possible improvements to the negotiations, implementation and monitoring of the international and regional trade agreements to focus on our increasing comparative advantages in services sectors.

The approved Revised Action Matrix provided in the Report anticipates to address key opportunities identified with the overall aim of strengthening Samoa's integration into the global trade environment and enhancing its trading performance at various levels.

I commend this Report to all our stakeholders, including our trade and development partners.

Tuilaepa Lupesoliai Sialele Malielegaoi

PRIME MINISTER

And MINISTER OF FOREIGN AFFAIRS AND TRADE

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List of Abbreviations and Acronyms

ACEO	Assistance Chief Executive Officer
ACP-EU	African Caribbean Pacific-European Union
ADB	Asian Development Bank
AG	Office of the Attorney General
AKL	Auckland
AM	Action Matrix
ANZ	Australia New Zealand
ASG	American Samoa Government
ASP	Agriculture Sector Plan
ASYCUDA	Automated System for Customs Data
AUA	Apia Urban Area
AW	ASYCUDA World
BPM6	Balance of Payment Manual
BPNL	Basic Needs Poverty Line
BOP	Balance of Payments
CBS	Central Bank of Samoa
CDC	Cabinet Development Committee
CDFI	Community Development Finance Institution
CEO	Chief Executive Officer
CET	Common External Tariff
CIT	Corporate Income Tax
CMP	Customs Modernisation Project
CPI	Consumer Price Index
CSO	Civil Society Organisations
DBS	Development Bank of Samoa
DRFI	Disaster Risk Financing and Insurance
DTA	Double Taxation Agreement
DTIS	Diagnostic Trade Integration Study
DTISU	Diagnostic Trade Integration Study Update
EBA	European Banking Authority
EC	European Commission
EDS	Export Development Scheme
EEZ	Exclusive Economic Zones
EIF	European Investment Fund
EPA	Economic Partnership Agreement
EPC	Electric Power Corporation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FICs	Forum Island Countries
FIE	Foreign Investment Enterprise
FSM	Federated States of Micronesia
FTA	Free Trade Agreement
FY	Financial Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
Gbps	Gigabit per second
GCT	General Consumption Tax
GDP	Gross Domestic Product
GoS	Government of Samoa
GPT	General Preferential Tariff
GSP	Generalised Scheme of Preferences

GST	Goods and Services Tax
HACCP	Hazard Analysis Critical Control Point
HIES	Household Income and Expenditure Survey
HS	Harmonised System
ICT	Information Communications and Technology
IDIP	Industry Development and Investment Promotion
IEPA	Interim Economic Partnership Agreement
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
INFORM	Index for Risk Management
IPI	Industrial Production Index
IPP	Independent Power Purchasing
ISO	International Organisation for Standardisation
IUU	Illegal Unreported and Unregulated (Fishing)
JPM	Joint Policy Matrix
JV	Joint Venture
kg	Kilogram
LDC	Least Developed Country
LEEP	Labour Export and Employment Programme
LMAP	Labour Mobility Assistance Programme
LSU	Labour Sending Unit
LTA	Land Transport Authority
MAF	Ministry of Agriculture and Fisheries
MCIL	Ministry of Commerce, Industry and Labour
MCIT	Ministry of Communications Information Technology
MFAT	Ministry of Foreign Affairs and Trade
MFN	Most Favoured Nation
MFR	Ministry for Revenue
MNRE	Ministry of Natural Resources and Environment
MOF	Ministry of Finance
MOH	Ministry of Health
MOU	Memorandum of Understanding
MPE	Ministry of Public Enterprise
MPMC	Ministry of the Prime Minister and Cabinet
MSME	Micro Small Medium sized Enterprise
mt	Metric tonne
MTEF	Medium Term Expenditure Framework
MTS	Multilateral Trading System
MWCSD	Ministry of Women Community and Social Development
MWTI	Ministry of Works, Transport and Infrastructure
NTCF	National Trade Facilitation Committee
NUS	National University of Samoa
NWCTA	National Working Committee on Trade Arrangements
NWU	North West Upolu
NZ	New Zealand
NZAP	New Zealand Aid Programme
NZD\$	New Zealand Dollar
NZ-S DTA	New Zealand – Samoa Double Tax Agreement
OCTA	Office of the Chief Trade Advisor
ODA	Overseas Development Assistance
PACER Plus	Pacific Agreement of Closer Economic Relations Plus
PACP	Pacific Africa Caribbean Pacific
PACP-EPA	Pacific Africa Caribbean Pacific Economic Partnership Agreement
PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative

PHAMA	Pacific Horticultural Agricultural Market Access Program
PICs	Pacific Island Countries
PICTA	Pacific Island Countries Trade Agreement
PIFS	Pacific Islands Forum Secretariat
PNA	Parties to the Nauru Agreement
PNG	Papua New Guinea
PPP	Public Private Partnership
PPSA	Personal Property Securities Act
PSC	Public Service Commission
PSRs	Product Specific Rules
PSSF	Private Sector Support Facility
RMI	Republic of the Marshall Islands
ROO	Rules of Origin
RSE	Recognised Seasonal Employers
SAA	Samoa Airport Authority
SACEP	Samoa Agricultural Competitiveness Enhancement Project
SAME	Samoa Association of Manufacturers and Exporters
SAMOA	SIDS Accelerated Modalities of Action
SAT\$	Samoa Tala
SBEC	Small Business Enterprise Centre
SBS	Samoa Bureau of Statistics
SCCI	Samoa Chamber of Commerce and Industry
SDGs	Sustainable Development Goals
SDS	Strategy for the Development of Samoa
SEZ	Special Economic Zones
SIDS	Small Island Development States
SIFA	Samoa International Finance Authority
SICs	Smaller Island Countries
SIS	Small Island State
SLRC	Samoa Law Reform Commission
SNPF	Samoa National Provident Fund
SPA	Samoa Ports Authority
SPARTECA	South Pacific Regional Trade and Economic Co-operation Agreement
SPBD	South Pacific Business Development
SPO	Sector Pillar Objective
SPS	Sanitary and Phytosanitary
SQA	Samoa Qualifications Authority
SROS	Scientific Research Organisation of Samoa
ST	Specific Tariff
STA	Samoa Tourism Authority
STEC	Samoa Trust Estates Corporation
SUNGO	Samoa Umbrella for Non-Government Organisations
SWA	Samoa Water Authority
SWP	Seasonal Workers Programme
SYD	Sydney
TBT	Technical Barriers to Trade
TCF	Textiles, Clothing and Footwear
TCIB	Trade, Commerce and Industry Board
TCM	Trade, Commerce and Manufacturing
TCMCU	Trade, Commerce and Manufacturing Coordination Unit of MCIL
TCMSC	Trade, Commerce and Manufacturing Steering Committee
TCMSP	Trade, Commerce and Manufacturing Sector Plan
TECA	Trade and Economic Cooperation Agreement
TFNA	Trade Facilitation Needs Assessment

TFP	ADB Trade Finance Programme
TiS	Trade in Services
TMNP	Temporary Movement of Natural Persons
TRIPS	Trade Related Aspects of Intellectual Properties
TRTA	Trade Related Technical Assistance
TSSP	Trade Sector Support Programme
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNV	United Nations Volunteers
USA	United States of America
USD	United States Dollar
USP	University of the South Pacific
VAGST	Value Added Goods and Services Tax
WB	World Bank
WIBDI	Women in Business Development Incorporated
WTO	World Trade Organisation
WTO –TFA	World Trade Organisation Trade Facilitation Agreement
YEP	Youth Employment Programme

Acknowledgements

The Samoa Diagnostic Trade Integration Study Update (DTISU) was undertaken in close collaboration with counterparts in the Government of Samoa including the Ministry of Foreign Affairs and Trade (MFAT) and the Ministry of Commerce, Industry and Labour (MCIL).

The DTISU Team included officials from MFAT, MCIL and was led by KVA Consult working in collaboration with ZeEn Consult Trade Specialist. The DTISU Team take this opportunity to thank the various stakeholders who provided valuable feedback during the Missions and the National Validation Workshop held on 20-21 July 2016.

Executive Summary and Updated Action Matrix

- a. In 2010, a Diagnostic Trade Integration Study (DTIS 2010) was undertaken to assess Samoa's economy, identify key trade sectors, outline constraints to trade and present an Action Plan (Action Matrix). The DTIS 2010 provided key analytical foundations for policy recommendations and interventions for Trade Related Technical Assistance (TRTA) and capacity building for greater trade and market integration of Samoa into the global trading system.
- b. The DTIS 2010 became the basis for the Trade, Commerce and Manufacturing Sector Plan 2012-2016 with the vision *"maximize the gains from domestic and foreign trade and enhance productivity, income generation opportunities and equitable sustainable livelihoods for all Samoans"*. It also provided the framework under which EIF funding of USD\$ 4.04 million was made available to implement the Tier I capacity building initiatives and Tier II Trade Sector Support Programme.
- c. The TCMSP was integrated into the Strategy for Development of Samoa (SDS) 2012-2016 to ensure *"Boosting productivity for Sustainable Development"*. The SDS strongly features measures to revitalize exports and support the agriculture and manufacturing sectors. The next SDS 2016/17 – 2020/21 is committed to reducing poverty through increasing employment-generating growth and has again prioritized the expansion and diversification of exports with an integrated approach that aims to mitigate climate change catastrophes that have and continue to inhibit trade-related prosperity.
- d. The DTIS Update 2016 (DTISU) aims to map the changes and progress since 2010, both in the economic environment, policy and legislative environment and implementation of activities identified in the Action Matrix and provides recommendations and strategic actions and activities for the next 5 year period (2017 to 2021). The DTISU will also inform the development of the new TCMSP 2016/17-2020/21 and provide the framework for seeking additional financing to implement priorities of the next sector plan.

Trade and Inclusive Growth

- e. The reconstruction programme following the natural disasters of 2009 and 2012 have led to a growing Government budget deficit which now constitutes at least 4.2% of real GDP in 2014/15 with external debt reaching 56% of real GDP in 2014/15. Internal price stability has improved since 2010 with the average inflation rate dropping below 2% per annum since 2012. Whilst the external position has not strengthened since 2010 with the widening trade balance, the increasing contributions from services and increased development assistance linked to the disaster recovery programmes have held the international reserves at 4.9 months of import cover which is considered relatively manageable.
- f. The latest World Bank country profile describes Samoa as a low middle income country. GDP per capita is estimated to have fully recovered in 2014/15 to the level of US\$2,751 recorded in 2011 following the declining trend during 2012/13. Since 2010 Samoa has been adapting to the opportunities and challenges from joining the World Trade Organisation in 2012 and official graduation from LDC status in 2014. In 2011, a Joint Policy Matrix was developed by the Government of Samoa and its major development partners to ensure a more coordinated approach for the delivery of performance linked aid.
- g. The latest hardship and poverty report indicates that the average incidence of basic needs poverty in rural households nationally has improved to 18.8% in 2013/14 when compared to 26.9% in 2008 and 22.9% in 2002. The incidence of food poverty at the national level has been declining given the proportion of population affected has dropped to 4.3% in 2013/14 compared to 4.6% in 2008 and 10.6% in 2002. In terms of inequality, there is a widening of the income

distribution gap reflected by the worsening of the overall Gini coefficient from 0.43 in 2002 to 0.56 in 2013/14.

- h. Since 2010 gender considerations in small business finance and insurance that promote 'income-generation' and 'sustainable growth' have been initiated. There have been some demonstrated successes in dealing with small business development in the villages and rural areas. Examples have been programmes by SPBD, CSOs, SBEC, WIBDI and MWCSO.

Trade Development Framework

- i. Samoa's balance of payments (BOP) is characterized by a large deficit in the balance of goods and a significant surplus in the balance of services as well as substantial transfer inflows (remittances). The BOP has weakened since 2010 where it recorded deficits in 2010/11 and 2013/14 following the natural disasters, however, it is now on the rebound with a surplus of SAT\$ 61.6 million in 2014/15. Nevertheless, international reserves have declined since 2010, although still considered to be at comfortable levels (above the medium term benchmark of 4.0 months of import of goods cover) for maintaining the country's long term international viability.

Trade in Goods

- j. Samoa's merchandise trade balance continues to widen with total imports expanding much faster than total exports since 2008 from an accumulated trade deficit of SAT\$ 605.7 million in 2010/11 to SAT\$ 714.8 million in 2014/15. The export base has not diversified much since 2008 with only 14 export commodities (approximately SAT\$ 68 million in 2014/15) plus Yazaki re-exports (approximately SAT\$ 50 million per annum). This is also reflected in the small number of total exporters registered with CBS (82 exporters). Fish accounts for almost 50% of total exports in terms of value and the remaining exports include coconut products (e.g. cream, oil and etcetera) beer, noni products and taro. Emerging products include spring water, cocoa products (pods and beans), cigarettes and scrap metal. This growing demand for coconut oil, copra and cocoa is reflected in the increase in commodity prices since 2004. The export products are mainly destined for Australia, New Zealand and American Samoa.
- k. The main imports continue to be dominated by petroleum 15%, construction materials 10%, food items 10%, motor vehicles 4% and others 60%. Efforts are currently underway through key initiatives such as the EIF Tier II funded Trade Sector Support Programme and the Samoa Agricultural Competitiveness Enhancement Project to improve the trade balance through increasing the consistent supply of coconut, cocoa (TSSP) as well as domestic production of livestock (sheep, cattle, chicken etc.), fruits and vegetables (SACEP). In addition to import substitution of food items, for 2017 to 2021, it is envisaged that there will be a significant reduction of approximately SAT\$ 55.0 million per annum of petroleum (particularly diesel) on the basis of the commitment by the Government for Samoa to produce electricity 100% from renewable energy sources as part of its renewable energy programme. The dominant source markets for imports continue to be New Zealand 30%, Australia 11% and USA 10%, although the Australia market share has significantly declined since 2010. There has been however, since 2010 been a growing market share of Asian countries mainly China and Singapore which have grown from 6% to 14% and 8% to 17% respectively.
- l. Industrial production in Samoa is tracked through 13 products by the CBS. The key products that have consistently performed well since 2011 include ready-mix cement, concrete blocks, electricity, cigarettes, beer and miscellaneous products (copra meal, soap, toilet tissue, tobacco and salted beef). Industrial production of coconut oil on the other hand has registered a decline in the domestic market which further highlights minimal value addition for coconut based products being exported.

Trade in Services & Transfer Inflows

- m. Samoa's economy continues to be dominated by services with 64% attributed to service based industries, 26% to industry and 10% to agriculture in 2014/15. The total balance of trade in services has improved from an accumulated trade surplus of SAT\$ 201.4 million 2010/11 to SAT\$ 319.8 million in 2014/15. Travel related services continue to be the highest earner followed by transport, telecommunications and computer and information services.
- n. Net direct investment (income on equity) has averaged -SAT\$ 32.7 million between 2010/11 and 2014/15 although a deficit in growth there is indication of a move towards positive growth and reinvestment of earnings. Foreign investment trends indicate an overall improvement in the number of registered Foreign Investment Enterprises with a total of 63 renewals in FY 2014/15 which has more than doubled since FY 2009/10. The key sectors driving the growth include Professional Services and Retailing. In addition to this, SIFA has incorporated 36,658 companies since 2010 and expanded the services and products on offer via the online registry.
- o. Total remittances recorded in 2014/15 was SAT\$ 393.5 million (20% of Real GDP) reflecting a total increase of SAT\$ 71.2 million from SAT\$ 322.3 million in 2009/10. Main sources markets are New Zealand, Australia, USA and American Samoa with growth in all markets since 2010 except for USA which has dropped by 25%. The main channel of funds is non-banks (average of 76%) and banks (average of 24%) with banks reducing from 29% in 2010 to 16% in 2015.

Economic Activity

- p. The main contributing industries to GDP are commerce, transport and communication, construction, finance and business service and public administration. Overall, GDP continues to be dominated by services based industries accounting for 64% of GDP in 2015.
- q. The enforcing of the Companies Act 2001 and the shift to an online Companies Registry which allows businesses to incorporate and register their companies online has significantly streamlined the procedures, reduced the timeframe for establishment and reduced the costs (% of income per capita) for starting a business and has remained the same since 2008. Based on the WB Ease of Doing Business Survey, Samoa's ranking for starting a new business improved from 132 to 39 between 2009 and 2016. Samoa has however, worsened its relative overall doing business ranking since 2010 and this is the same for comparator countries in the Pacific
- r. In terms of the labour force, the median age in Samoa is 20.5 years, making it a relatively young population. Out of the total population approximately 68% are the working age group (15-65 years of age). 18% (34,530 persons) of Samoa's total population is engaged in formal paid employment with 67% male and 33% female. The national unemployment rate was 6% or a total of 2,720 persons looking for jobs in 2011 compared to 1.3% in 2006 as noted in the DTIS 2010. There is relatively high unemployment in Northwest Upolu (6.7%) and Rest of Upolu (5.9%) compared to the Apia Urban Area and Savaii. Young females are the most vulnerable given their high unemployment in age groups 15-19 years, 20-24 years and 25-29 years. It is noted that the subsistence economy where agricultural production, informal manufacturing and fishing will always provide alternative work in the villages if paid jobs are not available elsewhere.

Trade Policy

- s. The Government of Samoa (GoS) developed the TCMSP 2012-2016 which established a road map aimed at diversifying the production base and puts in place an inter-governmental coordination mechanism for implementation. The TCMSP has also built upon the Trade Policy Statement 2008, the National Export Strategy for Samoa 2008-2012 and the DTIS 2010. At the national level, the SDS 2012-2016 with the vision of "Improved Quality of Life for All" has been reviewed in 2015 and widespread consultations have been undertaken for development of the SDS 2016/17-2020/21.

- t. The TCMSP's main aim is to boost structural transformation, value addition and exports. More specifically, the plan was designed to achieve six sector-wide policy objectives within a four year timeframe (2012-2016). The TCMSP was built on four pillars: i.e. Private Sector Development, Domestic Trade and Market Regulations, Foreign Trade, and Manufacturing and Linkages. These four pillars were subsequently revised in 2014 when the Medium Term Expenditure Framework was developed for the TCMSP: i.e. (1) Industry Supply and Productivity, (2) Processing and Value-Adding, (3) Market Access, and (4) Sector Coordination and Support.
- u. Building on the trends highlighted the key trade prospects and opportunities for 2017 to 2021 are summarised under three key categories below (i) Goods/Commodities; (ii) Services and (iii) Investments. The selection of these items are based primarily on their performance over the last five years and continuous monitoring is critical to ensure that Samoa's trade policies and arrangements continue to be responsive and up to date with global demand.

<i>Trade Prospects</i>	
COMMODITIES/GOODS	
Export Items	Export Markets
Fish	American Samoa
Coconut Products	New Zealand, Australia, Japan, Malaysia, United Kingdom
Beer	New Zealand, Australia, Japan
Noni Products	New Zealand, Australia, Japan, China, USA
Taro	New Zealand, Australia, American Samoa
General Goods	Tokelau
Import Items	Import Markets
Petroleum (Diesel)	Import Substitution
Livestock/Meat	Import Substitution
Fruits and Vegetables	Import Substitution
Other Commodities	New Zealand, Australia, USA, China, Singapore
SERVICES	
Export Services	Markets
Tourism	International
Labour Services	New Zealand, Australia
Telecommunications	Regional
Financial Services	International
INVESTMENT	
Type of Investment	Markets
Tourism	Regional
Telecommunications	Regional
Financial Services	Regional
Agriculture & Fisheries	Regional

- v. The 2010 Action Matrix made recommendations across 10 categories with a total of 82 actions, many with numerous sub-actions where responsibilities were identified across multiple sectors, ministries, agencies and other stakeholders. During the Main Mission consultations a traffic light system was adopted based on the status of implementation to reflect progress of the 82 actions under the 2010 Action Matrix. A summary of progress since 2010 is listed below:
- 36 actions were green (fully implemented) and these were driven by other strategies and programs in key sectors.
 - 37 actions were yellow/orange (half implemented with key areas missing)
 - 9 actions were red (significant delay or yet to start).
- w. Since 2010, a number of sector plans have been developed and have captured relevant activities earmarked under the 2010 Action Matrix. This reflects the cross-sectoral nature of the TCM sector and its linkages to 13 other sector plans in the SDS. It was further identified that the TCM

sector was directly responsible for the implementation of 34 of the 82 actions with the remaining 48 actions under the mandate of 10 other sector plans. This highlights a number of coordination challenges in terms of cross sectoral strategies that need to be addressed to optimize complementarity and synergies of the sector plans.

- x. Given this cross-sectoral nature of the TCM sector there is a need to align the recommended actions to be developed under the DTISU to the agreed scope of the next TCMSP. To complement the strategies in the current TCMSP and to help prioritize trade policy reforms, this DTISU focuses on the importance of promoting sustainable trade and consolidating the gains and lessons learnt from the implementation of the current TCMSP. The process map below has been developed to ensure that the key trade prospects and opportunities are realised by facilitating a Trade Development Framework for both commodities/goods and services as well as ensuring that the national accounts and statistics particularly for services are captured to monitor performance. This process map can be used as a basis for determining the priorities for the TCM sector over the next five years.



International Trade Arrangements and Negotiations

- y. There has been some progress on the implementation of recommendations prescribed in the DTIS 2010 with significant milestones that included Samoa's accession to the World Trade Organisation (WTO) in December 2011 and officially became the 155th WTO member on 10 May 2012; finalization and submission of conditional market access offers to the European Commission in progressing Pacific Africa Caribbean Pacific Economic Partnership Agreement (PACP-EPA) negotiations; advanced progress of Pacific Agreement of Closer Economic Relations Plus (PACER-Plus) negotiations; review of the Pacific Island Countries Trade Agreement (PICTA); and transitional arrangements for Samoa's Generalised Scheme of Preferences (GSP) schemes.
- z. The remaining activities/issues relate mainly: (1) implementation of obligations resulting from new membership to the WTO and effective participation of Samoa in WTO meetings, (2) finalisation and implementation of recommendations from the PICTA review; (3) conclusion of negotiations under the Economic Partnership Agreement (EPA) with the European Union (EU) and (4) PACER-Plus together with effective implementation of obligations that will accrue from those Agreements.
- aa. The overall objective of these trade agreements is to improve market access for Samoa's exports of goods and services, as well as securing development assistance to enable Samoa to build its productive capacity and enhance its competitiveness in international markets. Additionally, accession to WTO provides Samoa with an enhanced international platform to lobby for and negotiate for trade development of the economy as well as enabling Samoa to participate more fully in the global economy hence providing the country with a predictable and stable basis for growth and development. The objectives of the agreements are essential in mitigating National trade development needs especially in areas of enhancement of market access and addressing the most binding constraints to trade and investment development of Samoa.
- bb. Samoa continues to implement the post WTO Accession Implementation Matrix (Matrix) containing 39 commitments as agreed upon on accession and as contained in the Working Party Report of Samoa's WTO accession within agreed timelines of 2013-2021. Whilst Samoa is on track in terms of timelines towards implementation of obligations per the post accession matrix, resource and capacity related challenges continue to be encountered specifically in effectively implementing obligations relating to VAGST exemptions; reversing measures relating to the ban

on turkey tails and commitments made in relation to motor vehicles importation that were triggered by switch on road driving side earlier by responsible agencies.

Regional Trade Agreements

- cc. Samoa together with other PACP countries have been involved in EPA negotiations since 2004 although the conclusion of such negotiations have been hindered due to failure of parties to reach agreement on contentious issues. There is now an intention to pursue an interim EPA as a stepping stone towards a comprehensive EPA.
- dd. Samoa signed the SPARTECA in 1980 to access the benefits offered from the non-reciprocal trade agreement where Australia and New Zealand offer duty free and unrestricted concessional access for virtually all products originating from the developing island member countries. However, whilst SPARTECA has been instrumental in facilitating the exports from Samoa to Australia the imposition of stringent rules of origin have restricted the full access and benefits to the ANZ markets.
- ee. Samoa signed PICTA in 2001 and came into force in 2003 with the trade in goods amongst the 6 Forum Island Countries (FICs). The protection of infant industries using protective tariffs for Developing Countries are to be reduced to 0% by 2020 and for Least Developing Countries by 2021. This allows countries to take some safeguard measures in the event that there is a sudden and unforeseen influx of imports as a result of eliminating the tariffs. A review of the PICTA was undertaken by Samoa in 2015 and is currently being finalised. The PICTA Trade in Services Agreement negotiations were completed in 2012 but have yet to come into force.
- ff. PACER Plus negotiations are envisaged to be completed by end 2016 and will include trade, development and economic cooperation between FICs, Australia and New Zealand, specifically for rules of origin, regional labour mobility, development assistance and trade facilitation.

Bilateral Trade Agreements

- gg. Samoa has not actively sought to engage in bilateral trade agreements. Samoa has however commenced discussions with American Samoa on a framework of action for closer economic relations given that American Samoa is one of the most important trading partners for Samoa for exports, tourism, employment of semi-skilled labour and remittances. Since graduation from LDC status in 2014, Samoa has been granted a 3 year delay to January 2017 from exiting China's Zero-Tariff Treatment Scheme. With the pending exit and the increase in direct imports from China and other Asian markets, there is basis for Samoa to explore a more formal agreement with China.

Other Generalised System of Preferences

- hh. Samoa has continued to benefit from GSP arrangements with key trading partners, Australia and New Zealand although GSP arrangement with major economies like China, USA, EU, Japan and Canada are already been invalidated or in transition from these schemes due to Samoa's graduation from LDC status in 2014. The effect of Samoa's graduation has brought added challenges to the economy and obligates the country to explore new trade platforms.

Cross Cutting Issues

Climate Change/Disaster Risk Reduction

- ii. Samoa's trade regime and growth is constantly threatened by natural disasters and the impacts of climate change. The 2016 INFORM risk profile for Samoa indicates that it is relatively more susceptible to hazards and its ability to absorb the shocks from these hazards is very limited compared to similar peers. The process adopted in the DTISU has enabled integration of most binding factors towards trade development brought about by climate change factors. The proposed actions if effectively implemented would position Samoa to be more resilient and adaptive to climate change factors that would negatively impact and inhibit trade prosperity.

- jj. The green economy and green jobs are some of the initiatives now being considered by stakeholders to ensure the TCM sector builds its resilience in responding to the effects of climate change given the increasing frequency and intensity of natural disasters including cyclones, droughts and other climate related hazards. The adoption of the green economy/green jobs and associated standards will provide Samoa a comparative advantage in the international trade arena over countries that have not adopted the concepts.
- kk. Other key initiatives now in place to mitigate these challenges include the Pacific Catastrophe Risk Insurance Pilot which has improved the capacity of Samoa to meet post-disaster funding needs and the SIDS Accelerated Modalities of Action (SAMOA) Pathway which is linked to the Sustainable Development Goals (SDGs) advocating the development of measures to promote energy efficiency and foster sustainable energy systems from all energy sources, particularly renewable energy sources. EPC has progressed in this respect with the implementation of IPP arrangements for the generation of electricity from renewable energy sources. Opportunities also exist for Samoa to establish a carbon trading scheme given its perceived political, economic and social stability.

Trade Facilitation/Customs Reforms/Standards and Conformity (Sanitary Phytosanitary/Technical Barriers to Trade)

- ll. Trade facilitation continues to be a critical strategic area for Samoa if it is to become efficient and competitive in its domestic and international trading activities. The relative geographical isolation of Samoa from the main trading markets makes the trade facilitation challenges acute particularly in positioning Samoa to be competitive in the export markets it is targeting. Trade Facilitation in the context of this study covers (i) customs harmonisation, information, valuation, documentation and capacity; (ii) quarantine regulations and procedures of sanitary and phytosanitary measures, and export certifications; (iii) standards and conformance covering documentary standards, measurement, conformity assessment, testing, inspection and certifications and (iv) logistics and infrastructure highlighting ports of entry requirements and logistical networks required for improving trade facilitation.
- mm. Since 2010, Customs under Ministry for Revenue (MFR) embarked on a key programme to modernise its systems. The MFR Customs Modernisation Project (CMP) which was completed in June 2016 was mainly funded by the Government of Samoa with assistance from New Zealand. Significant improvements included the shift to the new operating platform ASYCUDA World which has facilitated and streamlined most of the border functions associated with trade such as the online access to HS and tax forms. The integration of export processes from different agencies such as MAF and CBS are also underway and expected to be online by June 2016. These improvements are expected to have a significant impact on improving Samoa's current 151 ranking trading across borders in the Doing Business index.
- nn. Capacity building for quarantine and agricultural officers under the CMP is ongoing, however, there is still a need, particularly in scientific areas such as laboratory testing, metrology and quarantine. The CMP has also assisted with improving the SPS architecture through establishment of SPS database with measures and specific handling requirements affecting Samoa's export products now established within the Quarantine division in MAF. There is ongoing dissemination of information to exporters; however, concerns have been raised regarding timeliness of information.
- oo. Numerous legislation on standards, measurement and conformity assessment on key areas including quarantine and fisheries have been updated. These standards have ensured imports meet international standards for products and processes, and have accredited test or inspection reports to prove this, remove risks to public health and safety and raises quality on the domestic market. Key associations including Samoa Association of Manufacturers and Exporters (SAME)

and Samoa Chamber of Commerce and Industry (SCCI) have made significant progress in terms of improving quality control measures and standards of their members through International Standards Organisation (ISO 9001:2008) and ISO 22000/HACCP certifications funded under EIF Tier 1 and the PSSF.

- pp. Infrastructure constraints remain a critical issue for Samoa and initiatives to address them are under way and need to be further supported. Samoa's trading across borders ranking has significantly dropped from 86 in 2009 to 151 in 2016. Whilst the time to export or import is well below the Asia Pacific average, the financial costs for compliance are significantly higher. Even if these process were to be improved, the geographical isolation of Samoa creates a number of transport challenges. These challenges have led to the Government considering some relatively difficult strategic infrastructural scaling and financing decisions for the development of the air and seaports which could create strategic positioning of Samoa in the regional and international routes.

Business Enabling Environment

- qq. Samoa has continued to maintain a track record as relatively successful economic reform managers, which is demonstrated by the recent economic recovery from the 2009 and 2012 natural disasters. Samoa has the potential to benefit in the medium to long term from this economic record as it attracts private investors who are further encouraged by the stable social and political environment it provides.
- rr. Since 2010, Government has implemented several specific measures to enhance the investment climate. These include the Citizenship Investment Act 2015, Government Land Lease Access (Lands, Survey and Environment Amendment Act(No.2) 2015, Unit Titles Amendment Act 2014, First Class Hotel Development Investment Tax Credits, Double Taxation Agreements, the Casino and Gambling Control Act 2010, the International Dateline Act 2011 and the recently launched ADB Trade Finance Program. Other key legislative initiatives that have been passed since 2010 include: review of the Companies Act, Intellectual Property Act 2011, Income Tax Act 2012, Samoa Tourism Development Act 2012, Labour and Employment Relations Act 2013, Personal Property Securities Act 2013, amendment of VAGST Act, Legal Metrology Act 2015, Fair Trading Amendment Act 2015 and the Intellectual Property Regulations 2015.
- ss. The other main sources of industry development assistance which have continued since 2010 include financial grants to private sector organisations, Duty Concession Scheme, Code 121 Scheme and Private Sector Support Facility (PSSF). A recent independent social and economic assessment report in 2015 recommended continuation of the PSSF due to a positive outcome and impacts delivered. The assessment further suggests that for every SAT\$ 1 of spending facilitated by PSSF, a SAT\$ 2.25 in GDP effect is delivered. The "One MCIL" concept which involves the integration of existing databases within MCIL as well as linkages to other key agencies including MFR, SNPF and SBS also advocates an integrated approach in terms of provision of business services to private sector and investors.

Selected Sectoral Studies (including Value Chain and Supply Analysis)

- tt. To emphasise the importance of value chains within the TCM sector five case studies have been developed to highlight key pillars that are considered essential for improving the value chain within the sector and its linkages to other key sectors. The case studies are:

Industrial Supply and Productivity (Agriculture)

- Trade Sector Support Programme – focus on building supply and production base for main export commodities including coconut and cocoa. The TSSP aims to strengthen linkages to the Agriculture sector in terms of supply and finance for provision of timely and reliable statistics.

Processing and Value Addition (Manufacturing)

- Special Economic Zone – focus on value addition for fisheries given that it is the top export commodity and incentivising investors in selected zones for development.

Market Access (Services Trade)

- Air Access and Tourism – expansion of aviation infrastructure and routes to support tourism arrivals.
- Submarine Cable – investment in a new cable to improve market access for core services in telecommunications and e-commerce.
- Labour Employment and Export Programme – improving the administration of the RSE and SWP to further support emerging labour services overseas.

Implementation Arrangement and Institutional Structures

- uu. The national institutional trade framework now in place strategically links the leading and support agencies of government and the necessary private institutions to implement the TCMSP. Cabinet has also approved in 2014 amendments to the membership of the Steering Committee and the Task Force as requested by MCIL. A functional analysis of all government ministries including MCIL and MFAT is expected to be finalised by end 2016.
- vv. The DTIS 2010 Action Matrix was re-prioritised following the 2013 Capacity Assessment Report. This re-prioritised Action Matrix was used as a basis for reconfirming priorities during consultations with key sector agencies during the development of the 2014 MTEF. In addition, additional lead implementing agencies were identified leading to a total of 13 agencies to be responsible for the implementation of existing and new policies within the sector: six ministries - MCIL, MFAT, MAF, MOH, MFR and SBS, two state-owned enterprises – SROS and STEC, the CBS, four private sector organisations – SCCI, SAME, SBEC and WIBDI.
- ww. The current TCMSP was further refined following the MTEF to better capture the sequencing of sector priority activities using a value chain approach. The refined sector plan now has four pillars, 15 outputs and contains a number of prioritised activities to be implemented over the period 2014/15 – 2016/17 through the annual government budget process.

Updated Action Matrix

- xx. The **DTISU Action Matrix 2016** presented in Table 1 below summarizes the recommended policy reforms identified in the 2016 DTISU. These actions are critical to reducing trade costs and thereby permitting and enhancing Samoan enterprises and farmers to compete more successfully in regional and global markets at the same time achieving the government's stated policy objectives of expanding and diversifying exports for increased economic growth. Implementing the recommendations of DTISU will be critical to the success of the TCMSP and other strategies.
- yy. Prioritisation of the actions in the DTISU Action Matrix 2016 will be completed by key stakeholders during the development of the new TCMSP.

Table 1: Proposed DTIS Update Action Matrix 2016

Reference Section in Report	Gaps and Issues	Actions	Lead Sector	Responsible Agency	Priority
Section 1: Trade and Inclusive Growth	1. Access to sustainable financing has been initiated but no overall strategy has been developed as outlined in 2010 Matrix.	1. Build on the JPM to capture sources of sustainable financing	Finance/TCM	MCIL, MOF, CBS	
	2. Defining and measuring Inclusive Growth	2. Statistics and performance monitoring indicators to be revisited (including disaggregation by age and gender) to measure Inclusive Growth as part of the Community Sector Plan 2016-2021 by MWCSO.	Finance/TCM/Community	MCIL, MFAT, MOF, SBS, CBS, MWCSO	
	3. Widening gap of inequality within key areas Apia Urban Area and North West Upolu	3. Develop trade related interventions such as the Labour Employment and Export Program (LEEP), promotion and utilisation of facilities such as ADB TFP, SPBD, SBEC and the Small Business Incubator to encourage employment, trade activities and economic empowerment for the vulnerable population.	TCM/Public Administration/Community	MCIL, MPMC, SBS, SCCI, SAME, SBEC, PSC, MWCSO	
Section 2: Trade Development Framework	4. Need for agreed monitoring framework and indicators to track the performance of the sector policies and actions	4. Build on findings and trends from DTISU 2016 to finalise performance monitoring indicators for the TCM sector for the next plan period.	TCM/Finance	MCIL, MFAT, SBS, MOF, CBS	
Section 3: International Trade Arrangements and Negotiations	5. Lack of full and consistent participation in WTO meetings due to constraints relating to distance, financial and technical personnel available in Geneva, where meetings are normally convened.	5. Assess the feasibility of establishing Samoa's mission in Geneva to enhance participation within the multilateral trading system and ensure that Samoa's economic and commercial interests are an integral part of the WTO's work programme and outcomes including strengthening strategic alignment with developing country Group of countries at the WTO.	TCM	MFAT, MCIL	
	6. High staff turnover and capacity constraints in facilitating the timely Implementation of Commitments as reflected in the Post-WTO Accession Matrix.	6. Enhance the country capacity to Implement its WTO obligations and continue to work with lead agencies in implementing the post Accession Matrix and effectively engage in trade negotiations through close collaboration with International institutional capacity strengthening	TCM/Public Administration	MFAT, MCIL, PSC	

		institutions.			
	7. PACP negotiations with the EU have reached an impasse specifically on fisheries issues relating to conservation and management measures which includes the Vessel Day scheme.	7. Exploration of the accession to the iEPA to promote investment for development of fisheries in Samoa.	TCM	MFAT, MAF, MCIL	
	8. Development Component provisions need strengthening in the context of suspended Comprehensive EPA Negotiations.	8. Continue to pursue the comprehensive EPA negotiations to secure legally binding development corporation.	TCM	MFAT, MCIL, MAF	
	9. Further liberalisation is expected under PACER-Plus.	9. Continue to maintain a liberal trade policy and at the same time enhance capacity to adjust to trade liberalization, including development of social safety nets in instances where it is envisaged that the liberalization may have negative effects.	TCM	MFAT, MFR, SUNGO	
	10. Strict Non-Tariff Barriers that complicate exports under PACER-Plus.	10. Enhance Co-operation with Australia and New Zealand in assisting Samoa to comply with standards including capacity building on conformity assessment, mutual recognition and equivalence of product standards in ANZ markets (PHAMA should be in addition to any other assistance secured under PACER Plus for Samoa)	TCM	MFAT, MAF, SAME, SCCI, SUNGO.	
	11. Lack of a formal trade and economic agreement between Samoa and American Samoa to enable boosting business confidence, predictable and a transparent trading environment.	11. To negotiate a formal trade and economic cooperation agreement bearing in mind the need to confirm a clear mandate for American Samoa to negotiate a Trade and Economic Cooperation Agreement (TECA) with Samoa that would be easy to implement with simplified rules of origin. Such a trade and economic cooperation agreement should include a limited number of key products that would be of great interest to both countries.	TCM	MFAT, MCIL, MAF, SAME, SCCI.	
	12. Lengthy process obtaining business license in American Samoa which inhibits exports to that market.	12. Business licensing procedures particularly in American Samoa need to be more streamlined and simplified through negotiation between the two Samoa's in order to encourage both foreign investment and new local businesses to be	TCM	MFAT, MCIL, SAME, SCCI	

		established.			
	13. Limited trade in services opportunities between Samoa and American Samoa	13. Include services liberalisation in the formal arrangement under negotiation.	TCM/Tourism	MFAT, CBS, MCIL, STA	
	14. The China Zero Tariff scheme expires in January 2017	14. Negotiate with China the possibilities of extending preferential access of Samoa's products in consideration of the climatic vulnerable nature of the economy and also in supporting trade development of Samoa.	TCM	MFAT	
	15. Impact of Samoa's graduation from LDC status on the utilisation of other GSPs	15. A survey to be conducted in collaboration with SCCI and SAME to establish the most utilised GSP schemes by exporters, identify challenges in utilisation and make recommendations towards enabling improved utilisation of the schemes.	TCM	MFAT, MCIL, SCCI, SAME	
	16. Under-utilization of MFN rates available from new markets of WTO member countries due to supply side constraints, insufficient value addition processes especially in organic agriculture.	16. Develop and implement a National Industry Development Strategy to focus on enhancing value addition to products in areas which have comparative advantage; develop and implement measures and strategies to improve the participation of Samoa's services industry in international services trade; and ensure that the necessary investment climate in terms of infrastructure, legislation is strengthened.	TCM	MCIL, MFAT, MAF, SCCI, SAME	
	17. Lack of Measurable indicators from progress of engagement in PICTA	17. To develop measurable and substantive indicators to monitor results and performance from Trade Agreements (e.g. employment statistics from firms involved in export and tax revenue resulting from preferences accorded and MSMEs exporting to markets).	TCM	MFAT, MCIL, SCCI, SAME, MFR, SBEC.	
	18. Trade especially of goods is somewhat unidirectional when compared with larger states.	18. PICTA requires focus on ease in intra and inter regional investment and support of key development support especially for SIDS where there is a need to work towards improvement in formulation of policies and building of business relationships through partnerships and persistent communications.	TCM	MCIL, MFAT, SCCI, SAME, MFR	
	19. Trade deficit and negative Balance of Trade Position with	19. Implement an Import Substitution and National Export Programme through implementation of the	TCM	MFAT, MCIL, MFR, MAF, SCCI,	

	trade among member countries to PICTA and also outside PICTA.	strategy contained in the TCMSP which aims for a realistic assessment of industries/ enterprises/ products to be targeted and implemented for import substitution and for export such as animal feed, livestock and non-alcoholic fruit based beverages and coolers.		SAME	
	20. Lack of visibility of Samoan products in overseas markets.	20. Improve marketing and branding skills so as to enhance competitiveness of Samoan products in regional and international markets (including names, date of manufacture, physical address, packaging material, country of origin and internet based marketing portal and e-competitiveness).	TCM	MFAT, MCIL, SROS, STA, SBEC, SAME, SCCI	
	21. Erratic trading with and persistent decline in output of traded products under PICTA.	21. The private sector to expand resources to evaluate overseas markets and develop relationships to secure market opportunities, including active participation in investment/trade missions and road shows.	TCM	MFAT, MCIL, SCCI, SAME	
	22. Ensuring that the private sector are knowledgeable and trade ready to fully capitalize on the benefits available under the various trade arrangements.	22. Design and implement an immediate educational enhancing program for the private sector in rapid participation in trade in services with industries being explored or integrated under modes (1) – (4) of PICTA. Work with training institutions to provide business/ entrepreneurial skills and other skills relevant to private sector development, competitiveness and trade policy. Promote the development of MSMEs and implement macroeconomic policies and practices that are consistent with Samoa's objective of increasing exports and enhancing competitiveness.	TCM/ Education	MCIL, SBEC, USP, NUS, SQA, CBS, STA, SAME, SCCI, DBS	
	23. Trade deficit between Samoa and ANZ.	23. Enhance the level of Competitiveness and market access of Samoan Products in ANZ markets through enhanced Government collaboration (SROS) with the Australia aid programme and NZAP to develop and implement sustainable training programs for companies on how to get certified and also provide technical guidance to	TCM/ Health/ Education	MFAT, SROS, MCIL, MOH, SAME, NUS, SCCI, SBEC	

		enable the implementation of good manufacturing and hygiene practices for businesses.			
	24. Lack of aggressiveness required to develop and expand domestic industries and targeting products and industries for export as a result of low investments to support actual trade development.	24. Initiate and implement Public Private Partnerships (PPP) risk-sharing models in providing access to capital for MSMEs by exploring utilisation of (i) Guaranteed lending through regulated banking financial firms; (ii) Intermediate Revolving lending through exempted non-bank financial firms and (iii) Other emerging financial instruments such as business angel financing and crowd funding.	TCM/Finance	MPE, MCIL, MOF, CBS, SBEC, SCCI, SAME	
Section 4: Cross-Cutting Issues	25. Increasing impact of climate change on trade activities	25. Develop integrated climate resilient investments in collaboration with key sectors like energy and environment.	TCM	MCIL, MNRE, MOF	
	26. Need to promote energy efficiency and foster sustainable energy systems from all energy sources	26. Incentivise investment in renewable energy to encourage fuel import substitution	TCM	MCIL, MNRE, MOF, EPC, LTA, SROS	
	27. Assess feasibility of green jobs within selected trade related industries	27. Develop and implement guidelines on promotion of green jobs within trade implementing agencies.	TCM	MCIL, SCCI, SAME	
	28. Assess feasibility of a carbon trading scheme or institution	28. Assess feasibility of establishing a carbon trading scheme/institution	TCM	MCIL, MNRE, MOF	
	29. Improved trading across borders but non-tariff measures still costly for small producers due to smaller trade volumes	29. Prioritise recommendation from 2014 Trade Facilitation Needs Assessment and implement	TCM/Health	MFR, MFAT, MAF, MOH, CBS, SCCI, SAME	
	30. Cumbersome processes and procedures result in a low turnaround	30. Assess procedures, processes and documentation required for streamlining and improve efficiency inter-agencies	TCM/Health	MFR, MAF, MOH, SPA	
	31. Trade costs (compliance, shipping/freight, handling and port charges) considered high.	31. Technical Assistance for study on all-inclusive trade costs	TCM/Transport	MCIL, MOF, MFR, MAF, SPA, SCCI	
	32. Inadequate infrastructure to support trade and limited transport (air and sea) routes to Samoa	32. Technical Assistance for Infrastructure study and Review of Access to Samoa	TCM/Transport/Tourism	MFAT, MCIL, MOF, MWTI, STA, SPA, SCCI	
	33. Ongoing capacity building for quarantine officers and improve	33. Training needs program developed in line with Customs	TCM	MAF, MFR	

	dissemination of information				
	34. Accreditation to ISO and HACCP standards within selected industries is expensive and need for support from development financing.	34. Prioritise selected industries (fisheries, coconut, cocoa etc) to roll out the ISO and HACCP certification process and consider avenues in which costs of compliance can be reduced	TCM/Health	MCIL, MAF, MOH, SROS, SAME, SCCI,	
	35. Capitalise on opportunity for Samoa to be a trans-shipment hub	35. Assess feasibility of Vaiusu Port to facilitate the trans-shipment hub initiative within the Pacific	TCM/Transport	SPA, MFR, MAF, MCIL, MWTI	
	36. Improve and strengthen trade legislative framework	36. Review trade and other relevant commercial laws to create and support a dynamic trade sector	TCM/Law and Justice	MFAT, MCIL, AG, SLRC	
	37. Numerous industry development assistance needs to be streamlined and consolidated.	37. Integrate overseas trade promotions and investment schemes (citizenship, tax incentives, customary land access etc) into targeted packages for investors and development of a financing strategy to assist the transition of small businesses for expansion and sustainability of initial support by Government that include initiatives through the DBS, SBEC, SACEP and SBI.	TCM/Tourism/ Finance/ Agriculture/ Community	MCIL, MFAT, STA, SAME, SCCI, SIFA, DBS, SBEC, MAF, MWCSO	
	38. Provision of timely and efficient services to private sector and investors needs to be improved.	38. Implement the “One MCIL” initiative and provide resources	TCM	MCIL	
Section 5: Selected Sectoral Studies	39. Lessons learnt from implementation of existing TSSP under Tier II indicates better coordination however there is a need for additional resources to further support the integrated work amongst key implementing agencies.	39. Review the achievements and challenges under existing TSSP and assess need for additional resources under Tier II.	Agriculture/ TCM	MCIL, STEC, WIBDI, SROS, MAF, SCCI	
	40. Need for competitive tax and incentives regime for the SEZs need to be developed; zone development and administration; environmental sustainability and climate change mitigation; and labour market and productivity	40. Undertake design and implementation of SEZ for fisheries hub in Samoa focussing on the four key issues highlighted.	Agriculture/ TCM	MCIL, MAF, MFR, MOF, SWA, EPC	

	41. Higher seat capacity with higher airfare prices on traditional routes including NZ and Australia	41. Assess feasibility of another airline (including incentives such as reduction or exemption of import taxes on aircrafts) and negotiate with existing air carriers on seat capacity, yields and more favourable flight schedules.	Tourism/ Transport/ Finance	STA, MWTI, MCIL, SAA, MOF	
	42. High cost internet services and need for faster connections to enable e-commerce platforms	42. Develop needs assessment for e-commerce readiness to take advantage of submarine cable.	TCM/ Communication	MCIL, MCIT, PSC	
	43. Low utilisation of quotas under RSE and SWP. Need for better administration and coordination of both schemes.	43. Implement and provide resources for the LEEP initiative that has been endorsed by Cabinet.	TCM/Finance	MCIL, MPMC, SBEC, DBS	
Section 6: Implementation Arrangement and Institutional Structures	44. Trade promotion functions under MFAT to be streamlined under MCIL	44. Finalise the Functional Analysis Report and Implement recommendations from the MFAT and MCIL functional analysis	TCM/Public Administration	MFAT, MCIL, MOF, PSC	
	45. Personnel under TCMCU with the exception of the ACEO are funded by EIF Tier I and Tier II resources. These are due to end in 2016 and 2017 respectively.	45. Review functions of existing personnel and absorb into the recurrent budget if functions are part of core ongoing role of TCMCU	TCM	MCIL, PSC, MOF	
	46. Existing TCMSP needs to be reviewed and scope to be agreed.	46. Build on the analysis from DTIS update and reconfirm scope of next TCMSP.	TCM	MCIL	

Introduction

1. In 2010, a Diagnostic Trade Integration Study (DTIS 2010) was undertaken to assess Samoa's economy, identify key trade sectors, outline constraints to trade and present an Action Plan (Action Matrix). The DTIS 2010 provided key analytical foundations for policy recommendations and interventions for Trade Related Technical Assistance (TRTA) and capacity building for greater trade and market integration of Samoa into the global trading system.
2. The DTIS 2010 became the basis for the Trade, Commerce and Manufacturing Sector Plan 2012-2016 (TCMSP) with the vision *"maximize the gains from domestic and foreign trade and enhance productivity, income generation opportunities and equitable sustainable livelihoods for all Samoans"*. The TCMSP was integrated into the Strategy for Development of Samoa (SDS) 2012-2016 to ensure *"Boosting productivity for Sustainable Development"*. The SDS strongly features measures to revitalize exports and support the agriculture and manufacturing sectors. The next SDS 2016/17 – 2020/21 is committed to reducing poverty through increasing employment-generating growth and has again prioritized the expansion and diversification of exports with an integrated approach that aims to mitigate climate change catastrophes that have and continue to inhibit trade-related prosperity. The DTIS 2010 Action Matrix, where a total of 82 implementation actions were identified, was incorporated as part of the activities for the sector through the transition process depicted in Figure 1 below.

Figure 1: DTIS Transition Process 2010 - 2016

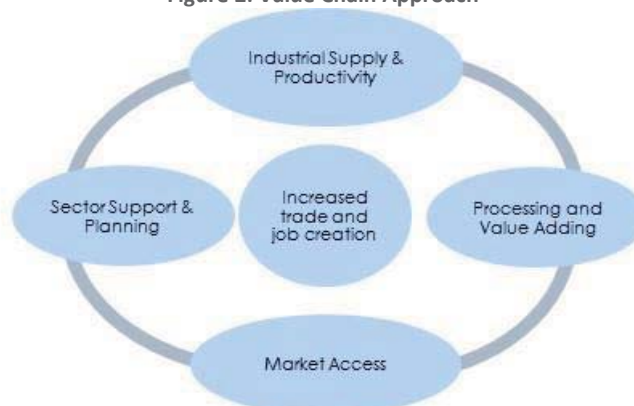


3. The TCMSP's main aim is to boost structural transformation, value addition and exports. More specifically, the TCMSP was designed to achieve six sector-wide policy objectives within a four year timeframe from 2012 to 2016. The TCMSP was built on four pillars (1) Private Sector Development, (2) Domestic Trade and Market Regulations, (3) Foreign Trade and (4) Manufacturing and Linkages.
4. The DTIS Update 2016 (DTISU) aims to map the changes and progress since 2010, both in the economic environment, policy and legislative environment and implementation of activities identified in the Action Matrix and provides recommendations and strategic actions and activities for the next 5 year period (2017 to 2021). The DTISU will also inform the development of the new TCMSP 2017-2021.
5. In developing the DTISU, a Preliminary Mission was conducted in February 2016 with the Preliminary Mission Report and Concept Note submitted in March 2016. As part of this activity, a literature review was undertaken based on the documents listed in Annex 4 to assess any policy changes over the period in review.
6. The Main Mission was conducted between March and May 2016 with the submission of the Main Mission Report at end June 2016. The Main Mission involved consultations with key development partners, representative of the various Government Ministries, the private sector and community groups (refer Annex 1). Overall, the consultations were comprehensive and included focus group discussions as well as follow up individual consultations with stakeholders

to further engage them and their views for the DTISU. Based on the outcomes of the consultations, a stock-take of the 82 actions outlined in the DTIS 2010 was completed to measure progress to date, and identify key strategies and activities to address supply-side constraints to trade and contribute to remedy challenges affecting Samoa's trade. A traffic light system was adopted to show progress of the 82 actions where the DTIS 2010 Action Matrix was subsequently amended and updated (refer Annex 2).

7. The consultations and detailed discussions with stakeholders were based on the refined pillars of the TCMSP which were premised on the value chain approach as per Figure 2 below. This was to ensure that the information captured would be aligned with the update of the next sector plan.

Figure 2: Value Chain Approach



8. The drafting of the DTISU chapters was undertaken between June and July 2016 with the submission of the draft DTISU to the TCM Steering Committee in mid-July 2016. The National Validation Workshop was completed during the EIF Mission on 20-21 July 2016. The final DTISU was completed and submitted on 12 August 2016. The format of the DTISU has been maintained to ensure consistency with the DTIS 2010.
9. The DTISU however is more streamlined than the DTIS 2010 on the basis that 14 sector plans had been developed post DTIS 2010 (with the exception of the health and information, communications and technology sector) which have captured some of the relevant activities earmarked under the 2010 Action Matrix. Specifically, of the 82 actions in the 2010 Action Matrix, only 34 actions are under the TCM sector. The DTISU is thus comprised of 6 key sections as follows:
10. Section 1: provides an overview of the structure and patterns of trade and economic growth since 2010.
11. Section 2: describes aggregate trends in trade performance since the 2010 DTIS and then examines the characteristics of the key trade areas using the existing dataset on trade development in Samoa and comparator countries between 2010 and 2015. This section also provides an update of the current trade policy regime and key lessons learned since the 2010 DTIS Action Matrix.
12. Section 3: examines the trade agreements currently in place and under negotiation and Samoa's resource requirements to effectively participate in the global trade system.
13. Section 4: focuses on three key cross-cutting areas that impact on improving trade, specifically Climate Change/Disaster Risk Reduction; Trade Facilitation/Customs Reforms/Standards and

Conformity (Sanitary Phyto-Sanitary/ Technical Barriers to Trade); and the Business Enabling Environment.

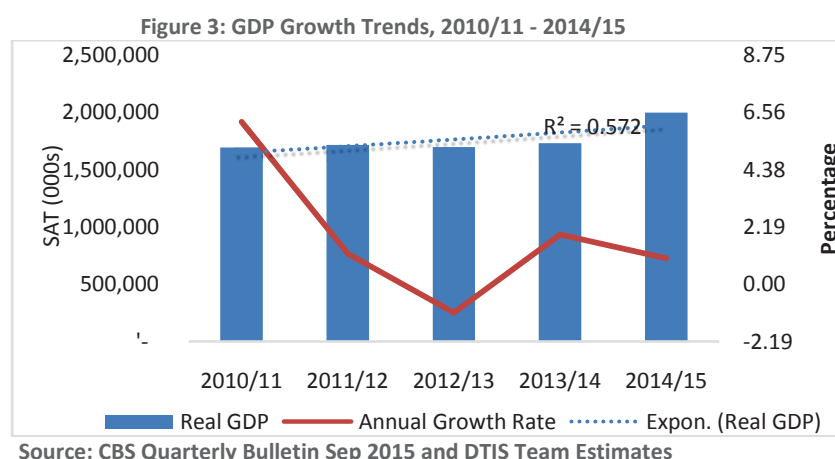
14. Section 5: focuses on specific case studies that highlight the recommended actions in sections 2-4 of the report. To emphasise the importance of value chains within the TCM sector, five case studies have been developed to highlight key pillars that are essential for improving the value chain within the sector and its linkages to other key sectors.
15. Section 6: presents the existing institutional structures, stakeholders and implementation modalities that have been established since 2010. This section also provides a framework for implementing the DTISU 2016 Action Matrix and development process for the next TCMSP.

Section 1: Trade and Inclusive Growth

16. This section provides an overview of the structure and patterns of trade and economic growth since 2010. Several initiatives have been implemented since 2010 to improve the quality and timeliness of core statistics including GDP, Balance of Payments and employment indicators. These include the development of the National Employment Policy (currently in final draft form) in 2015 through MCIL, ongoing rebasing of the national accounts by the Samoa Bureau of Statistics (SBS), undertaking of Business Activity Survey 2013, the shift by Central Bank of Samoa (CBS) to Balance of Payment Manual (BPM6) to ensure alignment with international standards and the updated HIES Survey 2014 and poverty report.

1.1 Macroeconomic Performance

17. In terms of macroeconomic performance, growth has been impacted by the natural disasters of 2009 and 2012 and was reflected in the contraction of GDP to -1.1% in 2012/13. However, the reconstruction following Cyclone Evan as well as hosting major events including the 2014 Small Islands Development States (SIDS) Conference and 2015 Commonwealth Youth Games has resulted in slightly improved total GDP noting a growth of 1.9% and 1% in 2013/14 and 2014/15 respectively (refer Figure 3). Average GDP growth for the 5 year period to 2014/15 is 1% compared to the targeted growth of 3-5% per annum envisaged in the SDS 2012-2016.

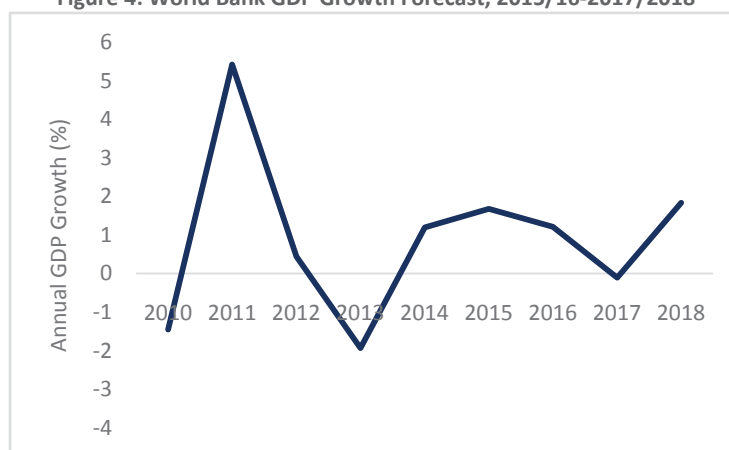


18. The World Bank GDP growth forecasts are depicted in the Figure 4 below, where negative growth of -0.104% is envisaged for 2017 which aligns with the planned closure of Yazaki in 2017. However, notwithstanding another major natural disaster, the Samoan economy is envisaged to grow at an annual average rate of 3% for the 2017 to 2021 period based on the DTIS Team optimistic scenario estimates where the growth will mainly be driven by services industries such as tourism, labour services, telecommunications and financial services. The pessimistic growth scenario which factors a natural disaster occurring during the period will result in an annual average growth rate of 2% with an expected recovery period of 2-3 years.
19. The 2009 and 2012 rebuilding and reconstruction programs have restored macroeconomic stability and improved the business enabling environment. While this provides a solid foundation for building competitiveness and increasing investment, the government also realizes that reducing trade costs will be essential to improve competitiveness, stimulate inclusive economic growth and encourage economic diversification. The reconstruction programme following the natural disasters of 2009 and 2012 have led to growing Government budget deficit which now constitutes at least 4.2% of real GDP¹ in 2014/15 and external debt

¹ Source: Ministry of Finance 2014/15 Budget Statement

reaching 56% of real GDP in 2014/15². Internal price stability has improved since 2010 with the average inflation rate dropping below 2% per annum since 2012. Whilst the external position has not strengthened since 2010 with the widening trade balance, the increasing contributions from services and increased development assistance linked to the disaster recovery programmes have held the international reserves at 4.9 months of import cover which is considered relatively manageable. Section 2 discusses this further.

Figure 4: World Bank GDP Growth Forecast, 2015/16-2017/2018



Source: World Bank Samoa Country Profile

1.2 Inclusive Growth, Trade Poverty Reduction and Sustainable Development

20. The World Bank describes Samoa as a low middle income country³. GDP per capita is estimated to have fully recovered in 2014/15 to the level of USD \$2,751 recorded in 2011 following the declining trend during 2012/13. Since 2010 Samoa has been adapting to the opportunities and challenges from joining the World Trade Organisation (WTO) in 2012 and official graduation from LDC status in 2014. In 2011, a Joint Policy Matrix (JPM) was developed by the Government of Samoa and its major development partners to ensure a more coordinated approach for the delivery of performance linked aid. The JPM has provided much needed assistance to date mainly in the form of grants towards Samoa's budgetary deficits. In that regard, the likelihood of continued grants as opposed to loans is dependent on the country's economic performance.
21. Based on a recent monitoring report on Samoa's progress since graduation in 2014, the level of aid flows from major development partners did not seem heavily impacted, with Australia accounting for 30% of net overseas development assistance (ODA) disbursement to Samoa in 2013, followed by New Zealand (19%), Japan (6%) and the European Union (EU) (3%). Australia's total estimated ODA to Samoa for 2014/15 budget was \$37.6 million with New Zealand's allocation standing at \$12 million in 2014⁴. Overall, the monitoring report indicated Samoa has managed to maintain high levels of human capital and national income. However, Samoa still continues to be highly vulnerable to external shocks due to its export structure, high portion of low lying areas, and small population size. Hence, diversification of Samoa's economic structure through agriculture and fisheries also remain highly vulnerable given its susceptibility to natural disasters and declining fish stocks.
22. To try and capture the extent of the inclusiveness of growth since 2010, the analysis has focused on the Samoa Hardship and Poverty Report supplemented by consultations with the Savaii business and grassroots community. Site visits of a number of projects in Savaii was

² Source: CBS Quarterly Bulletin Sep 2015

³ <http://data.worldbank.org/country/samoa>

⁴ http://www.un.org/en/development/desa/policy/cdp/cdp_news_archive/2015-cdp-plen-pre-8.pdf

undertaken where the cocoa improvement programme facilitated by the Whitakers Chocolate group in New Zealand linking with a cocoa grower and producer in Savaii for the sourcing and export of cocoa, is an example highlighting the important relationship between inclusive growth and trade. The recently launched ADB Trade Finance Programme will benefit grassroots trade related projects by providing financial support such as pre-export finance to facilitate trade.

23. The 2013/14 Household Income and Economic Survey (HIES) has been completed and the results have been utilised for the update of the Samoa Hardship and Poverty Report currently being finalised. The preliminary analysis in the draft report indicates that the average incidence of basic needs poverty in rural households nationally has improved to 18.8% in 2013/14 when compared to 26.9% in 2008 and 22.9% in 2002.
24. The incidence of food poverty⁵ at the national level has been declining given the proportion of population affected has dropped to 4.3% in 2013/14 compared to 4.6% in 2008 and 10.6% in 2002. Further analysis of specific areas within Samoa indicate that progress towards the eradication of food poverty is relatively uneven. There was significant decline in Savaii and the rest of Upolu, however, it increased in Apia Urban Area and nearly doubled in the North-West Upolu.
25. Poverty and hardship was seen to be exceptionally higher among the unemployed and individuals working, mainly, in the informal sector (including unpaid family and community work, household's duties and subsistence production). It was noted that within the formal sector, government and public sector employees are better off in comparison to their counterparts in the private sector. The most vulnerable groups include retirees and students (part-time and full-time). Approximately 31% of the extremely vulnerable live in North-West Upolu and are working primarily in subsistence agriculture. Interestingly, this is in contrast to people in the informal sector in Savaii who are significantly better off than their counterparts in the informal sector in other regions. Hence, geographical location and economic activity (combined) are strong determinants of poverty and vulnerability. This is suggested as a good basis for characteristics-based targeting of poverty.
26. In terms of inequality this was seen to have worsened by 10% to 20% in all the regions across the country with the situation being most acute in the Apia Urban area. A detailed analysis indicates that inequality is concentrated around the middle expenditure deciles as highlighted by the Gini coefficient in Table 2. This correlates to the increase in the proportion of the highly vulnerable (20% above BPNL) and the vulnerable (more than 20% but less than 50% above BPNL) population.

Table 2: Gini Coefficients of Inequality HIES 2013/2014

Region	HH Gini Coefficients		
	2002	2008	2013/14
National average	0.43	0.47	0.56
Apia Urban Area	0.40	0.48	0.61
North-West Upolu	0.40	0.46	0.55
Rest of Upolu	0.39	0.44	0.51
Savaii	0.41	0.46	0.51

Source: 2013/14 Household Income and Economic Survey

⁵While poverty in Samoa does not mean hunger or destitution in the traditional sense of its understanding; but families constantly have to make choice between the competing demands for household expenditure and the limited availability of cash income to meet those expenses. Households deemed to be experiencing basic-needs poverty are therefore facing hardship on a daily basis, where they struggle to pay bills and purchase adequate and suitably nutritious food.

27. These trends also highlight the vulnerability of the Samoan economy given the significant changes in inequalities over a relatively short span of time. Overall, geographical disparities and pockets of high poverty in North-West Upolu and Apia Urban Area will require timely targeted interventions to effectively arrest and reverse the adverse inequality trends.
28. Since 2010 however, gender considerations in small business finance and insurance that promote 'income-generation' and 'sustainable growth' have been encouraged and demonstrated successes in dealing with small business development in the villages and rural areas. The South Pacific Business Development Microfinance (SPBD Samoa) Ltd is a Grameen Bank replication that continues to work in nearly every village in Samoa and have been financially sustainable since 2007. The organization is dedicated to eradicating poverty by empowering women in rural villages with the opportunity to start, grown and maintain sustainable income generating micro-enterprise. SPBD is currently impacting over 13,000 families or 78,000 individuals (approximately 40% of the population).
29. The Civil Society Organisations (CSOs) working with emerging businesses at the village level recognize the small business owners, particularly women who have not earned income in the formal employment sector, have reduced access to capital for business development and for recovery from hazards. The Small Business Enterprise Centre (SBEC) has considered hazard risks in business development plans and encouraged clients to purchase insurance, however, there are few instruments available. Women's in Business Development (WIBDI) has further developed a strategy to diversify products and supply including training to other Pacific Island countries to ensure that market demand does not disappear. Organic farming cooperatives have been encouraged as an informal mechanism of support where insurance may not be available. Gender is further being mainstreamed into practices and programs that are implemented in coordination with MWCSO. These efforts demonstrate actions that can be pursued to mainstream gender systematically and programmatically.

1.3 Trade and Inclusive Growth Action Matrix Impact

30. Table 3 below presents the gaps and issues identified from consultations conducted during this DTISU process together with recommended actions to mitigate those issues and the prospective lead institutions to effect the actions.

Table 3: Trade and Inclusive Growth: Action Matrix

<i>Gap/Issues</i>	<i>Action</i>	<i>Responsible</i>
1. Access to sustainable financing has been initiated but no overall strategy has been developed as outlined in 2010 Matrix.	1. Build on the JPM to capture sources of sustainable financing	MCIL, MOF, CBS
2. Defining and measuring Inclusive Growth	2. Statistics and performance monitoring indicators to be revisited (including disaggregation by age and gender) to measure Inclusive Growth as part of the Community Sector Plan 2016-2021 by MWCSO.	MCIL (TCMCU), MFAT, MOF, SBS, CBS, MWCSO
3. Widening gap of inequality within key areas Apia Urban Area and North West Upolu	3. Develop trade related interventions such as the Labour Employment and Export Program (LEEP), promotion and utilisation of	MCIL, MPMC, SBS, SCCI, SAME, SBEC, PSC, MWCSO

	facilities such as ADB TFP, SPBD, SBEC and the Small Business Incubator to encourage employment, trade activities and economic empowerment for the vulnerable population.	
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Section 2: Trade Development Framework

31. This section describes aggregate trends in trade performance since the 2010 DTIS and then examines the characteristics of the key trade areas using the existing dataset on trade development in Samoa between 2010 and 2015. This is followed by an update of the current trade policy regime and refinement of the 2010 DTIS Action Matrix Framework.

2.1 Trade Performance

32. A brief snapshot of trade statistics is presented below to highlight main trends since the 2010 DTIS and subsequent development of the TCMSF. Based on the literature review, stakeholder consultations and data collected through the national agencies such as the Central Bank of Samoa (CBS) and the Samoa Bureau of Statistics (SBS), trends identified were categorised into three areas (i) External Trade – focus on exports, imports and trade in services as well as level of investments and remittances and (ii) Economic Activity – focus on industrial production, domestic market, Gross Domestic Product (GDP) and (iii) Prices – focus on Consumer Price Index and Selected Commodity Prices. The key trade prospects and opportunities for 2017 to 2021 have also been identified.

Table 4: External Trade Snapshot 2010-2015

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EXTERNAL TRADE																																																																																																																								
Balance of Payments	Samoa's balance of payments (BOP) is characterized by a large deficit in the balance of goods and a significant surplus in the balance of services as well as a substantial transfer inflow (remittances). The BOP has weakened since 2010 where it recorded deficits in 2010/11 and 2013/14 following the natural disasters, however, it is now on the rebound with a surplus of SAT\$ 61.6 million in 2014/15. Nevertheless, international reserves have declined since 2010, although still considered to be at comfortable levels (above the medium term benchmark of 4.0 months of import of goods cover) for maintaining the country's long term international viability. Table 5: Balance of Payments 2009/10 to 2014/15 <table><tr><th></th><th>2009/ 10</th><th>2010/ 11</th><th>2011/ 12</th><th>2012/ 13</th><th>2013/ 14</th><th>2014/ 15</th></tr><tr><td colspan="7">GOODS AND SERVICES</td></tr><tr><td>Exports (fob)</td><td>44.4</td><td>55.2</td><td>67.4</td><td>62.8</td><td>57.8</td><td>67.7</td></tr><tr><td>Imports (fob)</td><td>-650.1</td><td>-669.4</td><td>-772.8</td><td>-706.7</td><td>-777.2</td><td>-782.5</td></tr><tr><td>Balance on Trade in Goods</td><td>-605.7</td><td>-614.2</td><td>-705.5</td><td>-643.9</td><td>-719.4</td><td>-714.8</td></tr><tr><td>Balance on Trade in Services</td><td>201.4</td><td>261.6</td><td>262.4</td><td>283.6</td><td>259.5</td><td>319.8</td></tr><tr><td>Balance on Goods and Services</td><td>-404.4</td><td>-352.6</td><td>-443.1</td><td>-360.3</td><td>-460.0</td><td>-395.0</td></tr><tr><td colspan="7">PRIMARY INCOME</td></tr><tr><td>Balance on Primary Income</td><td>-52.3</td><td>-63.1</td><td>-84.5</td><td>-87.3</td><td>-69.2</td><td>-55.4</td></tr><tr><td>Balance on Goods, Services and Primary Income</td><td>-456.7</td><td>-415.7</td><td>-527.5</td><td>-447.6</td><td>-529.1</td><td>-450.4</td></tr><tr><td colspan="7">SECONDARY INCOME</td></tr><tr><td>Balance on Secondary Income</td><td>322.3</td><td>361.0</td><td>384.8</td><td>400.9</td><td>377.9</td><td>393.5</td></tr><tr><td>CURRENT ACCOUNT BALANCE</td><td>-134.4</td><td>-54.7</td><td>-142.7</td><td>-46.7</td><td>-151.2</td><td>-56.9</td></tr><tr><td>CAPITAL ACCOUNT BALANCE</td><td>202.8</td><td>143.8</td><td>155.7</td><td>164.7</td><td>156.1</td><td>136.9</td></tr><tr><td>FINANCIAL ACCOUNT N.I.E.</td><td>-64.11</td><td>54.51</td><td>-21.67</td><td>-31.94</td><td>-51.24</td><td>-112.54</td></tr><tr><td>NET ERRORS & OMISSIONS</td><td>18.0</td><td>-88.5</td><td>-24.7</td><td>-124.0</td><td>-94.3</td><td>-130.9</td></tr><tr><td>OVERALL BALANCE</td><td>150.4</td><td>-53.9</td><td>9.9</td><td>25.9</td><td>-38.2</td><td>61.6</td></tr></table> Source: Central Bank of Samoa		2009/ 10	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	GOODS AND SERVICES							Exports (fob)	44.4	55.2	67.4	62.8	57.8	67.7	Imports (fob)	-650.1	-669.4	-772.8	-706.7	-777.2	-782.5	Balance on Trade in Goods	-605.7	-614.2	-705.5	-643.9	-719.4	-714.8	Balance on Trade in Services	201.4	261.6	262.4	283.6	259.5	319.8	Balance on Goods and Services	-404.4	-352.6	-443.1	-360.3	-460.0	-395.0	PRIMARY INCOME							Balance on Primary Income	-52.3	-63.1	-84.5	-87.3	-69.2	-55.4	Balance on Goods, Services and Primary Income	-456.7	-415.7	-527.5	-447.6	-529.1	-450.4	SECONDARY INCOME							Balance on Secondary Income	322.3	361.0	384.8	400.9	377.9	393.5	CURRENT ACCOUNT BALANCE	-134.4	-54.7	-142.7	-46.7	-151.2	-56.9	CAPITAL ACCOUNT BALANCE	202.8	143.8	155.7	164.7	156.1	136.9	FINANCIAL ACCOUNT N.I.E.	-64.11	54.51	-21.67	-31.94	-51.24	-112.54	NET ERRORS & OMISSIONS	18.0	-88.5	-24.7	-124.0	-94.3	-130.9	OVERALL BALANCE	150.4	-53.9	9.9	25.9	-38.2	61.6
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Balance of Trade in Goods	Samoa's merchandise trade balance continues to widen with total imports expanding much faster than total exports since 2008 from an accumulated trade deficit of SAT\$ 605.7 million in 2009/10 to SAT\$ 714.8 million in 2014/15.																																																						
Exports	Commodities The export base has not diversified much since 2008 with only 14 export commodities plus Yazaki re-exports (approximately SAT\$ 50.0 million per annum) and 10 minor commodities being captured in national accounts. Total export now stands at SAT\$ 67.7 million in 2014/15. Key commodities driving this growth include fish, coconut products (e.g. cream, oil, copra and etcetera), beer, noni products and taro. Emerging products include spring water, cocoa products (pods and beans), and cigarettes and scrap metal. In addition to these export commodities, it is important to note that the annual exports of goods from Samoa to the Tokelau cooperative and bulk stores in 2014 was estimated at NZD\$ 5.2 million – this does not take into consideration the private exports directly by Tokelau residents which have yet to be quantified.⁶ Figure 5: Exports by Commodities 2008-2015 <table border="1"><caption>Estimated data for Figure 5: Exports by Commodities 2008-2015 (Value in ST\$000s)</caption><thead><tr><th>Year</th><th>Fresh Fish</th><th>Coconut and Coconut Products</th><th>Beer</th><th>Nonu and Nonu Products</th><th>Taro</th></tr></thead><tbody><tr><td>2008</td><td>12,000</td><td>2,500</td><td>2,000</td><td>2,500</td><td>1,000</td></tr><tr><td>2009</td><td>16,000</td><td>4,000</td><td>2,000</td><td>2,500</td><td>1,000</td></tr><tr><td>2010</td><td>13,000</td><td>5,000</td><td>2,000</td><td>2,500</td><td>1,000</td></tr><tr><td>2011</td><td>9,000</td><td>8,000</td><td>2,000</td><td>4,000</td><td>1,000</td></tr><tr><td>2012</td><td>10,000</td><td>10,000</td><td>3,000</td><td>3,000</td><td>1,000</td></tr><tr><td>2013</td><td>8,000</td><td>3,000</td><td>2,000</td><td>3,000</td><td>1,000</td></tr><tr><td>2014</td><td>5,000</td><td>5,000</td><td>3,000</td><td>4,000</td><td>2,000</td></tr><tr><td>2015</td><td>26,000</td><td>5,000</td><td>5,000</td><td>6,000</td><td>4,000</td></tr></tbody></table> Source: CBS Foreign Trade Report 2015 Given fisheries remains Samoa's top merchandise export, a special investment package has been developed and approved by Cabinet for the development of a fisheries hub in Samoa. The recent developments leading to the increased risks of relocation of the Yazaki plant in Apia proposed in 2017 and the fish canneries to Asia reflect the major changes to the international trade patterns with multi nationals rationalizing their dispersed supply chain networks making their integrated global production systems more cost and time competitive centres at the global level. Recent exploratory talks with multinationals in the fisheries sector have also shown that the interest in Samoa is to undertake an efficient processing facility with the final processing stages to be carried out in other geographical locations. Consideration of trialling out the SEZ for the development of an integrated fisheries hub in Samoa is seen to be viable given the current demand - this is further elaborated in Section 5. On the agricultural front, it is understood that a grant proposal has been submitted for taro multiplication to the Government of China. Number of Exporters The total number of exporters registered with CBS did not grow by much since 2009 with only 82 registered as at end of 2015. Markets There are 13 export markets tracked by CBS and the main markets for exports	Year	Fresh Fish	Coconut and Coconut Products	Beer	Nonu and Nonu Products	Taro	2008	12,000	2,500	2,000	2,500	1,000	2009	16,000	4,000	2,000	2,500	1,000	2010	13,000	5,000	2,000	2,500	1,000	2011	9,000	8,000	2,000	4,000	1,000	2012	10,000	10,000	3,000	3,000	1,000	2013	8,000	3,000	2,000	3,000	1,000	2014	5,000	5,000	3,000	4,000	2,000	2015	26,000	5,000	5,000	6,000	4,000
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⁶ Jasperse Jaap (2014) *Analysing 2014 imports from Samoa by Tokelau's co-operative and bulk stores*

	continue to be dominated by Australia, New Zealand and American Samoa. However, exports to American Samoa as a percentage of total exports significantly reduced from 52% in 2008 to 22% in 2015 based on the CBS foreign trade report. The closure of one of two canneries in Pago Pago, American Samoa in 2009 contributed to this decline and notably the long line fishery catches have continued to decrease in 2011-2014. The setup of an economical and energy efficient 5,000-plus metric ton cold storage facility in Pago Pago Harbour in 2013 as well as the opening of the Samoa Tuna Processors Inc. USD \$70 million cannery plant in Atu'u has also impacted on the rapid increase in fresh fish exports in 2015. The 7 key markets for the period 2017 to 2021 are Australia, New Zealand, American Samoa, USA, Japan, China, Malaysia and the United Kingdom which are based on the main export commodities identified above. In addition, Tokelau is another key export market to be considered over the next 5 year period.												
Imports	Commodities Imports have continued to grow with the total import bill standing at SAT \$763 million in 2015 – reflecting a 17% increase since 2008. The main imports continue to be dominated by petroleum at 15%, construction materials 10%, food items 10% (chicken leg, rice, flour, tin fish, mutton, sugar and etcetera), motor vehicles at 4% and others at 60% as reflected in the figure below. It was noted that there is currently technical assistance being provided to recalibrate the measurement of petroleum as part of the implementation of the recently approved Legal Metrology Act. Figure 6: Composition of Commodities Imports 2015 <table border="1"> <caption>Data for Figure 6: Composition of Commodities Imports 2015</caption> <thead> <tr> <th>Commodity</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Petroleum</td> <td>15%</td> </tr> <tr> <td>Construction Materials</td> <td>10%</td> </tr> <tr> <td>Food</td> <td>10%</td> </tr> <tr> <td>Others</td> <td>60%</td> </tr> <tr> <td>Motor Vehicles</td> <td>4%</td> </tr> </tbody> </table> Source: CBS Foreign Trade Report 2015 Efforts are currently underway through the EIF Tier II funded Trade Sector Support Programme and the Agriculture Sector with key initiatives including the Samoa Agricultural Competitiveness Enhancement Project (SACEP) to improve the trade balance through increasing the consistent supply of coconut, cocoa (TSSP) as well as domestic production of livestock (sheep, cattle, chicken and etcetera), fruits and vegetables (SACEP). In addition to import substitution of food items, for 2017 to 2021, it is envisaged that there will be a significant reduction of approximately SAT\$ 55.0 million per annum of petroleum (particularly diesel) on the basis of the commitment by the Government for Samoa to produce electricity 100% from renewable energy sources as part of its renewable energy programme.⁷ This reduction in diesel is equivalent to 70% of the average annual diesel imported over the past 4 years and will see a significant impact the balance on trade of goods. Markets	Commodity	Percentage	Petroleum	15%	Construction Materials	10%	Food	10%	Others	60%	Motor Vehicles	4%
Commodity	Percentage												
Petroleum	15%												
Construction Materials	10%												
Food	10%												
Others	60%												
Motor Vehicles	4%												

⁷ Electric Power Corporation Corporate Plan 2016-2018

	There are 13 main import markets with the dominant source markets being New Zealand 30%, Australia 11% and USA 10% in 2014/15. The figure below shows that since 2010, there has been a significant decline in imports from Australia and relatively flat growth for New Zealand and the USA. There has been however, since 2008 been a growing market share of Asian countries mainly China and Singapore which have grown from 6% to 14% and 8% to 17% respectively. Figure 7: Source of Imports 2008-2015 Source: CBS Foreign Trade Report 2015
Trading Across Borders	No. of documents to export, Days for export, Cost to export No change in number of documents and days for export since 2008. Cost to export per container slightly declined in 2008 but has remained the same since at USD \$490. No. of documents for import, Days for import, Cost to import No change in number of documents, days for import and cost per container to import (USD\$ 575) since 2008. However, fees and charges at the border are likely increase costs to both exporters and importers.
Balance of Trade in Services	Level and Type of Services Total balance of trade in services has improved by 59% from an accumulated trade surplus of SAT \$201.4 million 2009/10 to SAT \$319.8 million in 2014/15. Travel related services continue to be the highest earner whilst other services such as transport, telecommunications and computer and information services need to be further developed to ensure there is growth. Figure 8: Balance on Trade in Services 2008-2015 Source: CBS Quarterly Bulletin Sep 2015

	Based on the literature review, consultations undertaken during the Main Mission and analysis of key economic statistics, there has been a gradual shift from commodities and goods to services. Whilst it is envisaged that opportunities for the next 5 years are in commodities as identified above, the main driver for growth and trade is expected to be from services, particularly tourism, labour services through the RSE and SWP, telecommunications with the establishment of the TuiSamoa submarine cable and financial services. These opportunities in the services industries also provides an opportunity for the provision of training and upskilling for the Samoan people to ensure high quality delivery of service. The services opportunities and prospects are further discussed in Section 5.
Balance on Primary & Secondary Income Account	<i>Level and type of investments (Primary Income)</i> Net direct investment (income on equity) has averaged –SAT \$32.7 million between 2010/11 and 2014/15 although a deficit in growth there is indication of a move towards positive growth and reinvestment of earnings. There has been noted growth for net portfolio investments and net reserve assets. Other investment (net) has a negative balance. It has been noted that local businesses and investors have expanded operations and investment outside of Samoa where profits and dividends are repatriated to Samoa. Examples of these overseas investments include financial services, telecommunications and hotel services which have started to expand regionally. A review of existing trade arrangements or establishment of new arrangements needs to be in place to support these movements and further facilitate positive development. This is further discussed in Sections 3 and 5. <i>Number of Foreign Investment Enterprises</i> Foreign investment trends indicate an overall improvement in the number of registered Foreign Investment Enterprises (FIE's) with a total of 63 renewals in FY 2014/15 which has more than doubled since FY 2009/10. The key sectors driving the growth include Professional Services and Retailing with the lowest including Agriculture, Fisheries, Banks and Finance, Health and Entertainment and Recreational Services⁸. <i>Number of International Companies</i> Since 2010, SIFA has managed to incorporate 36,658 companies as at January 2016. Services or products offered by SFIA has expanded via its online registry to include 10 licensed Trustee Companies with physical presence, 6 International Banks, 4 International Insurance and 155 International Trust, 1 Limited Partnership and 1 Segregated Fund. Total revenue per annum has grown from \$18 million in 2010 to \$28 million in 2015. Key markets are Asian countries including China and Taiwan with emerging markets in Europe, Middle East and South America. <i>Level and recipients of remittances (Secondary Income)</i> Total remittances recorded in 2014/15 was SAT\$ 393.5 million (20% of Real GDP) reflecting a total increase of SAT\$ 71.2 million from SAT\$ 322.3 million in 2009/10. Main sources markets are New Zealand, Australia, USA and American Samoa with growth in all markets since 2010 except for USA which has dropped by 25%. The main channel of funds is non-banks (average of 76%) and banks (average of 24%) with banks reducing from 29% in 2010 to 16% in 2015.

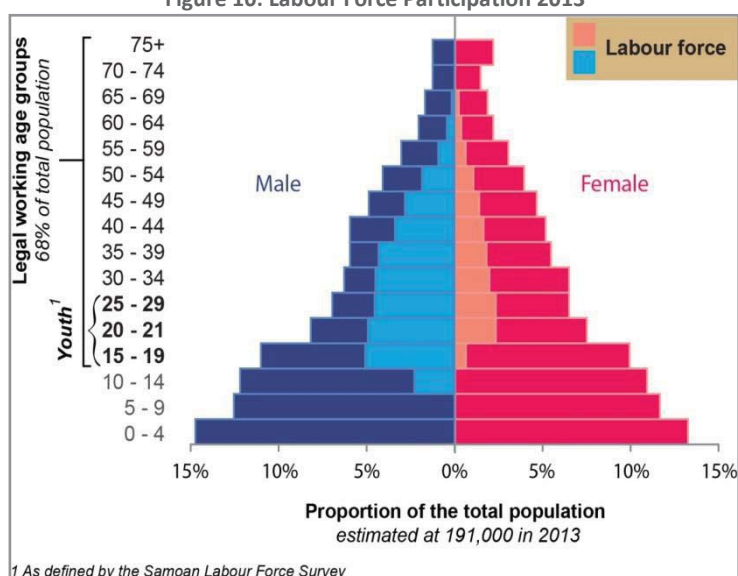
⁸ MCIL Annual Report for year ended 30 June 2015

Table 6: Economic Activity Snapshot 2010-2015

ECONOMIC ACTIVITY																																																										
Industrial Production Index (IPI)	Industrial production in Samoa is tracked through 13 products by the CBS. The key products that have consistently performed well since 2011 include ready-mix cement, concrete blocks, electricity, cigarettes, beer and miscellaneous products (copra meal, soap, toilet tissue, tobacco and salted beef). Industrial production of coconut oil on the other hand has registered a decline in the domestic market which further highlights minimal value addition for coconut based products being exported.																																																									
GDP by Industry	12 industries tracked through National Accounts by SBS. The top 5 contributing industries to GDP are commerce, transport and communication, construction, finance and business service and public administration. Overall, GDP continues to be dominated by services based industries accounting for 64% of GDP in 2015. Figure 9: Comparative GDP Composition 2010/2011 and 2014/2015 <table border="1"><caption>Estimated data for Figure 9: Comparative GDP Composition 2010/2011 and 2014/2015</caption><thead><tr><th>Industry</th><th>2010/2011 (%)</th><th>2014/2015 (%)</th></tr></thead><tbody><tr><td>Agriculture</td><td>8</td><td>6</td></tr><tr><td>Fishing</td><td>2</td><td>2</td></tr><tr><td>F&B Mfrg</td><td>3</td><td>3</td></tr><tr><td>Other Mfrg</td><td>7</td><td>5</td></tr><tr><td>Construction</td><td>11</td><td>9</td></tr><tr><td>Electricity and water</td><td>3</td><td>3</td></tr><tr><td>Commerce</td><td>28</td><td>26</td></tr><tr><td>Accomodation & Restaurants</td><td>1</td><td>1</td></tr><tr><td>Transport & Communication</td><td>9</td><td>7</td></tr><tr><td>Transport</td><td>4</td><td>4</td></tr><tr><td>Communication</td><td>4</td><td>4</td></tr><tr><td>Public administration</td><td>7</td><td>6</td></tr><tr><td>Finance and business service</td><td>6</td><td>5</td></tr><tr><td>Financial services</td><td>3</td><td>3</td></tr><tr><td>Less: Enterprise share of FISIM</td><td>-1</td><td>-1</td></tr><tr><td>Business services</td><td>3</td><td>3</td></tr><tr><td>Ownership of dwellings</td><td>5</td><td>4</td></tr><tr><td>Personal and other service</td><td>4</td><td>4</td></tr></tbody></table> Source: Samoa Bureau of Statistics The figure above depicts the relative movement in GDP composition between 2010/11 and 2014/15, where commerce continues to be the biggest contributor to GDP.	Industry	2010/2011 (%)	2014/2015 (%)	Agriculture	8	6	Fishing	2	2	F&B Mfrg	3	3	Other Mfrg	7	5	Construction	11	9	Electricity and water	3	3	Commerce	28	26	Accomodation & Restaurants	1	1	Transport & Communication	9	7	Transport	4	4	Communication	4	4	Public administration	7	6	Finance and business service	6	5	Financial services	3	3	Less: Enterprise share of FISIM	-1	-1	Business services	3	3	Ownership of dwellings	5	4	Personal and other service	4	4
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Domestic Market for Agricultural Produce	Fugalei Market Survey The Fugalei Market Survey is undertaken on a monthly basis by the CBS and measures and records the volume of produce supplied, the weighted average price per pound, value of produce, volume and price index as well as the number of seller. There are 12 crops that are included in the survey, namely – taro, banana, taro palagi, taamu, coconut, breadfruit, yam, head cabbage, tomatoes, Chinese cabbage, cucumber and pumpkin. Consistently high level of supply for taro, banana, coconut, pumpkin and taamu. Overall price of produce is steadily increasing, with some items (taro, taamu and yam) slightly declining and some (tomato, head cabbage) significantly increasing. MAF Livestock Survey The Livestock Survey keeps track of 4 types of meat (cattle, sheep, poultry and pigs). Poultry is the most popular meat imported.																																																									
Ease of Doing Business	Ease of Doing Business Rank Samoa has worsened its overall doing business ranking since 2010 however this trend is the same with comparator countries in the Pacific.																																																									

	Table 7: Ease of Doing Business Ranking 2010 vs 2016 <table><tr><th>Country</th><th>2010</th><th>2016</th><th>Ranking Change</th></tr><tr><td>Samoa</td><td>57</td><td>96</td><td>-39</td></tr><tr><td>Tonga</td><td>52</td><td>78</td><td>-26</td></tr><tr><td>Vanuatu</td><td>59</td><td>94</td><td>-35</td></tr><tr><td>Fiji</td><td>54</td><td>88</td><td>-34</td></tr><tr><td>Solomon Islands</td><td>96</td><td>112</td><td>-16</td></tr><tr><td>Palau</td><td>97</td><td>136</td><td>-39</td></tr><tr><td>PNG</td><td>102</td><td>145</td><td>-43</td></tr><tr><td>Kiribati</td><td>79</td><td>149</td><td>-70</td></tr><tr><td>Marshall Islands</td><td>98</td><td>140</td><td>-42</td></tr><tr><td>Micronesia, Fed States</td><td>127</td><td>148</td><td>-21</td></tr><tr><td>Timor Leste</td><td>164</td><td>173</td><td>-9</td></tr></table> Source: World Bank Ease of Doing Business Survey Starting a Business The enforcing of the Companies Act 2001 and the shift to an online Companies Registry which allows businesses to incorporate and register their companies online has significantly streamlined the procedures, reduced the timeframe for establishment and reduced the costs (% of income per capita) for starting a business and has remained the same since 2008. Based on the WB Ease of Doing Business Survey, Samoa’s ranking for starting a new business improved from 132 to 39 between 2009 and 2016. Enforcing contracts There has been no change in time, procedure and cost (% in claim) taken to enforce contracts since 2004. Resolving insolvency The recovery rate from businesses declared bankrupt is very low and has averaged 18 cents on the dollar over the past 10 years.	Country	2010	2016	Ranking Change	Samoa	57	96	-39	Tonga	52	78	-26	Vanuatu	59	94	-35	Fiji	54	88	-34	Solomon Islands	96	112	-16	Palau	97	136	-39	PNG	102	145	-43	Kiribati	79	149	-70	Marshall Islands	98	140	-42	Micronesia, Fed States	127	148	-21	Timor Leste	164	173	-9
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	Timor Leste	164	173	-9																																													
Micro, Small and Medium-sized Enterprises (MSMEs)	Number of MSMEs SBEC currently plays a critical role in the development of small and medium sized enterprises with around 2,500 jobs created through businesses supported and averaging 400 jobs per year. Approximately more than 3,500 trainees have gone through SBEC with an average of 450 trainees per annum. For business advisory there is an annual average of 300 businesses seeking SBEC advisory support accounting for an average 200 business plans produce per year. Total number of Small Business Loan Guarantee Scheme is 1,377 (for period 2002 to 2010). At the national level, MCIL has been leading the development of a mechanism for counting the number of active companies and a MSME policy to ensure a consistent platform for the development of these business.																																																
Labour Force	Employed by Region, Gender, Occupation, Education Level and Age Group. The median age in Samoa is 20.5 years, making it a relatively young population. Out of the total population approximately 68% are the working age group (between 15 and 65 years of age) where 18% or 34,530 persons of Samoa’s total population is engaged in formal paid employment with 67% male and 33% female. The formal segment is estimated to about 40% of the total labour force and the non-formal segment with the vast majority of workers oriented toward agriculture and fishing account for about 60% of the total labour force. Majority obtained at least secondary level education and are mostly based in North West Upolu (NWU) and Apia Urban Area (AUA).																																																

Figure 10: Labour Force Participation 2013



Source: Labour Force Survey 2013

Given the relatively young working population there is now an emphasis on supporting youth entrepreneurship and the development of micro and small-businesses. This is reflected in the new National Youth Policy 2016-2020 and the Economic Empowerment objectives of the Community Sector Plan under MWCSO.

Creating a Small Business Incubator for Youth is an initiative of the Samoa One-UN Youth Employment Programme (YEP), a programme led by the Ministry of Women, Community and Social Development (MWCSO) with support from six UN agencies (UNDP, IFAD, ILO, FAO, UNESCO and UNV). The initiative has built upon the successes and lessons learnt from the MWCSO TALAVOU project and aims to help create and grow businesses from an early stage where youth entrepreneurs are supported to develop their idea, make it viable and able to survive in a competitive marketplace. The facility will offer youth entrepreneurs a variety of technical and financial services and provide working space, facilitates networks and access to information and help reduce the cost of launching an enterprise. In April 2016, Cabinet gave its approval to renovate the former Ministry of Internal Affairs / Fale Puleuu site to convert the disused buildings into a new Small Business Incubator for Youth. The MWCSO, through the YEP programme, is developing a new partnership with SBEC for the management of the incubator facility and the coordination of service delivery to youth entrepreneurs in the rural communities.

Unemployed by Region, Gender, Occupation, Education Level and Age Group

The national unemployment rate⁹ was 6% or a total of 2,720 persons looking for jobs in 2011 compared to 1.3% in 2006 as noted in the DTIS 2010. There is relatively high unemployment in Northwest Upolu (6.7%) and Rest of Upolu (5.9%) compared to AUA and Savaii. Young females are the most vulnerable given their high unemployment in age groups 15-19 years, 20-24 years and 25-29 years. It is noted that the subsistence economy where agricultural production, informal manufacturing and fishing will always provide alternative work in the villages if paid jobs are not available elsewhere.

⁹ Unemployment rate defined by the Labour Force Survey as persons 15 years and over and who were actively looking for jobs.

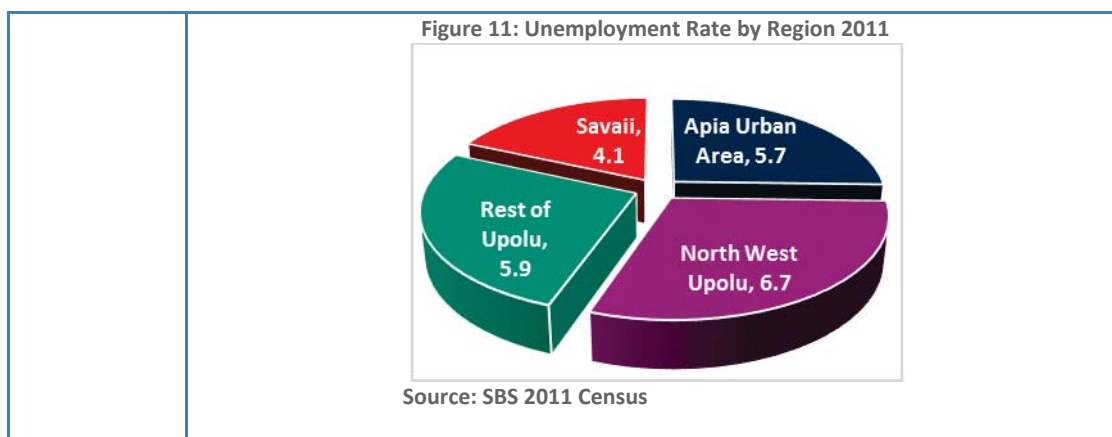


Table 8: Prices Snapshot 2010-2015

PRICES	
Consumer Price Index (CPI)	Underlying CPI 9 categories of expense are currently captured by the CBS to measure long run inflation as experienced by consumers in their day-to-day living. Consumer prices trended upwards for most of 2014/15. Supply at the local produce markets were mixed with those for taro down compared to previous years. As a result, domestic inflation has increased to 2.9% in 2014/15 from 2.5% in 2010/2011. Main increase in average prices since 2010 in four categories of expense: (i) clothing & footwear, (ii) food & non-alcoholic beverages, (iii) furnishings, HI/Hid equipment and maintenance and (iv) restaurants. Reduced prices reflected in (i) housing, water, electricity, gas & other fuels, (ii) health, (iii) transport, (iv) recreation & culture and (v) miscellaneous. Headline CPI Annual inflation for all categories including volatile items such as imported fuel has grown from 1% in 2010/11 to 8% in 2012/13. It dropped again to 1.9% in 2014/15.
Selected Commodity Prices	Selected prices for 20 commodities including cocoa, coconut oil, copra and banana are tracked by CBS on a monthly basis. The price for coconut oil (USD/mt) has grown from USD\$ 584 in 2004 to USD\$ 1, 155 in 2015. Cocoa price (USD/kg) has grown from USD\$ 1.63 in 2004 to USD\$ 2.50 in 2015. Copra price (USD/mt) has grown from USD\$ 388 to USD\$ 760 in 2015 and banana (USD/kg) from USD\$ 0.94 to USD\$ 0.99 in the same period. This indicates a growing demand for coconut oil, copra and cocoa.

2.2 Trade Policy

33. Samoa has continued to take steps to develop a whole of government approach to policy development and sector wide strategies through a series of sector plans anchored to sector steering committees. The TCMSP recognizes that achieving economic diversification requires a positive business enabling environment, appropriate supporting institutions, a robust monitoring and evaluation framework and increased training and empowerment for workforce development.
34. Recent changes in the global economy have changed the economic landscape, with many industrial markets stagnating while strong economic growth took place in emerging countries, including Samoa's neighbours. There are significant new opportunities in neighbouring

countries that could be exploited, and a number of companies indicated they had already identified potential opportunities, demonstrating opportunities for regional linkages in the short run.

35. Recognizing the necessity for this transition, the GoS developed the TCMSP 2012-2016, which established a road map aimed at diversifying the production base and puts in place an inter-governmental coordination mechanism for implementation. The TCMSP has also built upon the Trade Policy Statement 2008, the National Export Strategy for Samoa 2008-2012 and the 2010 DTIS. At the national level, the 2012-2016 SDS with the vision of "Improved Quality of Life for All" has been reviewed in 2015 and wide spread consultations have been undertaken for development of the 2016/17-2020/21 SDS.
36. To complement the strategies in the current TCMSP and to help prioritize trade policy reforms, this DTISU focuses on the importance of promoting sustainable trade and consolidating the gains and lessons learnt from the implementation of the current TCMSP. The process map in Figure 12 below has been developed to ensure that the key trade prospects and opportunities are realised by facilitating a Trade Development Framework for both commodities/goods and services as well as ensuring that the national accounts and statistics particularly for services are captured to monitor performance. This process map can be used as a basis for determining the priorities for the TCM sector over the next five years.



37. Lowering trade costs is essential if Samoa is to move from being dependent on a narrow range of resource based activities to more diverse higher value activities. Successfully diversifying into new production and service sectors requires increasing engagement in international trade both regionally and internationally.
38. Building on the trends highlighted in Section 2.1 the key trade prospects and opportunities for 2017 to 2021 are summarised under three key categories below (i) Goods/Commodities; (ii) Services and (iii) Investments in the Table below. The selection of these items are based primarily their performance over the last five years where continuous monitoring is critical to ensure that Samoa's trade policies and arrangements continue to be responsive and up to date with global demand.

Table 9: Summary of Key Trade Prospects and Opportunities 2017-2021

COMMODITIES/GOODS	
Export Items	Export Markets
Fish	American Samoa
Coconut Products	New Zealand, Australia, Japan, Malaysia, United Kingdom
Beer	New Zealand, Australia, Japan
Noni Products	New Zealand, Australia, Japan, China, USA
Taro	New Zealand, Australia, American Samoa
General Goods	Tokelau
Import Items	Import Markets
Petroleum (Diesel)	Import Substitution
Livestock/Meat	Import Substitution
Fruits and Vegetables	Import Substitution
Other Commodities	New Zealand, Australia, USA, China, Singapore
SERVICES	

Export Services	Markets
Tourism	International
Labour Services	New Zealand, Australia
Telecommunications	Regional
Financial Services	International
INVESTMENT	
Type of Investment	Markets
Tourism	Regional
Telecommunications	Regional
Financial Services	Regional
Agriculture & Fisheries	Regional

39. Simplifying and streamlining trade policies will create a more neutral environment between producing for the domestic or international market. Provision of targeted export oriented incentives will encourage investment in a wider range of economic activities that promise to expand linkages to the existing domestic agro-industries and manufacturing sectors. Furthermore, these incentives will increase Samoa's attractiveness as a location for activities linked to either regional or global value chains. These are discussed further in Sections 4 and 6. Trade Agreements Policies must also be stringently reviewed for an enabling and a beneficial scene for Samoa given the graduation from LDC Status and other agreements as discussed in Section 3.

2.3 Refinement of the 2010 Action Matrix Framework

40. Since 2010, a number of sector plans have been developed and have captured relevant activities earmarked under the 2010 Action Matrix. This reflects the cross-sectoral nature of the TCM sector and its linkages to various sectors within the economy.

Table 10: Overview of Economic Sectors and Sector Plans

Strategy for Development of Samoa			
Economic Sectors	Social Sectors	Infrastructure Sectors	Cross-Sector
1. Agriculture Sector Plan 2011 - 2015 Vol I & II	5. Law and Justice Sector Plan 2012 - 2016	11. Energy Sector Plan 2012 – 2016	16. Environment Sector Plan 2013 – 2016
2. Trade, Commerce and Manufacturing Sector Plan 2012 - 2016 Vol I&II	6. Community Sector Plan 2010 – 2015	12. Water and Sanitation Sector Plan 2012 - 2016	
3. Finance Sector Plan 2012-2017	7.	13.	
4. Tourism Sector Plan 2014-2019	8. Health Sector Plan 2008 – 2018	14. Transport Sector Plan 2013-2018	
	9. Education Sector Plan 2013 – 2018	15. Communication Sector Plan (draft form – needs to be updated)	
	10. Public Administration Sector Plan 2014-2018		

41. The 2010 Action Matrix made recommendations across 10 categories with a total of 82 actions, many with numerous sub-actions where responsibilities were identified across multiple sectors, ministries, agencies and other stakeholders. During the Main Mission consultations a traffic light system was adopted to reflect progress of the 82 actions under the 2010 Action Matrix. A summary of the progress is contained in the table below, where the detailed assessment of each recommended action in the Action Matrix is appended in Annex 2.
- 36 actions were green (fully implemented) and these were driven by other strategies and programs in key sectors.
 - 37 actions were yellow/orange (half implemented with key areas missing)

- 9 actions were red (significant delay or yet to start).
42. The actions implemented include a comprehensive modernization program by the Ministry for Revenue which resulted in some advances in trade facilitation, opening the long-haul international flight routes resulted in more competitive international transport costs (although internal transportation remains expensive), and the updating of several commercial laws and regulations. However in many areas there was either limited progress or no action. These include: strengthening institutional capacity for ensuring effective coordination, negotiation and implementation of trade agreements, reducing the adverse trade impact of nontariff measures on imports and exports, diversifying exports and benefiting from increased investment and growth through advancing regional integration. Given this cross-sectoral nature of the TCM sector there is a need to align the recommended actions to be developed under the DTISU to the agreed scope of the next TCM Sector Plan.

Table 11: Summary of Implementation of 2010 Action Matrix

Action Category	Number of Recommendations	Implementation Status by Traffic Light	Lead Sectors Involved
Macroeconomic environment	6	4 – green, 1 – yellow 1 – red	TCM and Finance
Trade Development Framework	8	2 – green, 5 – yellow 1 – red	TCM and Community
International Trade Arrangements and Negotiations	7	3 – green, 3 – yellow 1 – red	TCM
Business Enabling Environment and Investment Policy	13	6 – green, 5 – yellow 2 – red	TCM, Finance, Communication and Energy
Trade Facilitation	6	5 – green, 1 – yellow	TCM and Transport
Climate Change and Energy	2	1 – green, 1 – yellow	Environment and Agriculture
Agriculture	11	1 – green, 10 – yellow	Agriculture
Fisheries	4	2 – green, 2 – yellow	Agriculture
Manufacturing	6	5 – green, 1 – yellow	TCM, Health and Agriculture
Tourism	10	7 – green, 2 – yellow 1 – red	Tourism
Emerging Services	9	6 – yellow, 3 – red	TCM, Education and Communication
Total	82	36 – green (44%) 37 – yellow (45%) 9 – red (11%)	

43. It was identified that the TCM sector was directly responsible for the implementation of the 34 of the 82 actions with the remaining 48 actions coming under the mandate of 10 other sector plans. This highlights a number of coordination challenges in terms of cross sectoral strategies that need to be addressed to optimize complementarity and synergies of the sector plans.

2.4 Trade Development Framework Action Matrix Impact

44. Table 12 below presents a status update on the current gaps and issues identified from consultations conducted during the DTISU process together with recommended actions to mitigate those issues and prospective lead institutions to effect the actions.

Table 12: Trade Development Framework: Action Matrix

<i>Gap/Issues</i>	<i>Actions</i>	<i>Responsible</i>
4. Need for agreed monitoring framework and indicators to track the performance of the sector policies and actions.	4. Build on findings and trends from DTISU 2016 to finalise performance monitoring indicators for the TCM sector for the next plan period.	MCIL (TCMCU), MFAT, SBS, MOF, CBS

Section 3: International Trade Arrangements and Negotiations

45. This section examines the trade agreements currently in place and under negotiation and Samoa's resource requirements to effectively participate in the global trade system. Samoa, similar to the rest of the Pacific Island countries, continues to face increasing pressure to adapt to regional integration and time-bound trade liberalization with the rest of the world. Significant time and resources have been invested over the past several years in negotiating membership and strategic positions in a number of trade agreements.
46. There has been some progress on the implementation of recommendations prescribed in the DTIS 2010 with significant milestones that included Samoa's accession to the World Trade Organisation (WTO) in December 2011 and officially became the 155th WTO member on 10 May 2012; finalization and submission of conditional market access offers to the European Commission in progressing Pacific Africa Caribbean Pacific Economic Partnership Agreement (PACP-EPA) negotiations; advanced progress of Pacific Agreement of Closer Economic Relations Plus (PACER-Plus) negotiations; review of the Pacific Island Countries Trade Agreement (PICTA); and transitional arrangements for Samoa's Generalised Scheme of Preferences (GSP) schemes.
47. The remaining activities/issues relate mainly:(1) implementation of obligations resulting from new membership to the WTO and effective participation of Samoa in WTO meetings, (2) finalisation and implementation of recommendations from the PICTA review;(3) conclusion of negotiations under the Economic Partnership Agreement (EPA) with the European Union (EU) and (4) PACER-Plus together with effective implementation of obligations that will accrue from those Agreements.
48. The overall objective of these trade agreements is to improve market access for Samoa's exports of goods and services, as well as securing development assistance to enable Samoa to build its productive capacity and enhance its competitiveness in international markets. Additionally, accession to WTO provides Samoa with an enhanced international platform to lobby for and negotiate for trade development of the economy as well as enabling Samoa to participate more fully in the global economy hence providing the country with a predictable and stable basis for growth and development. The objectives of the agreements are essential in mitigating National trade development needs especially in areas of enhancement of market access and addressing the most binding constraints to trade and investment development of Samoa.

3.1 Multilateral Trade Agreements

49. Since 2010, the trade policy and tax reforms have continued to be aligned to the WTO guidelines since formalising membership in 2012. Samoa continues to participate in the WTO forums and negotiations at the multilateral level and continues to implement its post-accession obligations and commitments in areas of: tariff liberalization; Trade-related aspects of Intellectual Properties (TRIPS) Agreement; issues relating to the Value Added Goods and Services Tax (VAGST) exemptions; measures relating to the ban on turkey tails and motor vehicles and transparency obligations. Samoa has submitted all relevant notifications on relevant WTO Agreements and continues to implement the post-accession plan in line with the agreed timeframes.
50. Despite the significant milestone in Samoa's accession to the WTO, the country continues to face challenges including resource related constraints which continue to hinder the effective participation of Samoa into the Multilateral Trading System (MTS) at the WTO. By its very

nature, WTO negotiations are complex across a broad range of Agreements and given that Samoa does not have a Mission in Geneva to strongly support representation of Samoa's interest at WTO negotiations in various sub-committee meetings therefore this has compounded Samoa's effort in these negotiation tasks.

51. Samoa continues to implement the post WTO Accession Implementation Matrix (Matrix) as agreed upon on the accession and contained in the Working Party Report of Samoa's WTO accession within agreed timelines. Having committed to implement 39 obligations within set timelines, the obligations were compressed within the Matrix which highlights the specific obligation, actions to be undertaken, identification of technical and financial assistance if required, the lead Ministry, timelines and current status update towards implementation. The comprehensive Matrix and commitments undertaken together with status of implementation and outstanding work are presented in Annex 3. Whilst Samoa is on track in terms of timelines towards implementation of obligations per the post accession matrix, resource and capacity related challenges continue to be encountered specifically in effectively implementing obligations relating to VAGST exemptions; reversing measures relating to the ban on turkey tails and commitments made in relation to motor vehicles importation that were triggered by switch on road driving side earlier by responsible agencies.
52. Of the 39 commitments undertaken, at the time of this DTISU:
 - 5 which require specific action have been to a great extent successfully implemented,
 - 22 actions relating to awareness raising on WTO specific related issues continue to be implemented both at the national level and in co-operation with international organizations (namely Paras: 15, 22, 42, 53, 54, 67, 68, 73, 75, 90, 109, 115, 120, 122, 124, 127, 134, 141, 167, 172, 180 and 239),
 - 11 actions relating to notifications to be provided on a continuous basis and actions to which line Ministries would need to update the National Working Committee on current status in subsequent monitoring meetings towards implementation of the obligations per Post accession Schedule (namely Paras: 39, 40, 79, 98, 101, 115, 116, 162, 223, 243 and 253), and
 - 1 item requires no specific action as it was simply an update (namely Para 58).
53. In terms of the specific achievements in implementing the Matrix, the actions below have been successfully implemented to date:
 - Turkey Tail ban repealed via the Customs Prohibited Imports (Turkey Tails) Order 2013. Tariff rate at 300%. MFR to advise on reduction of duties in other categories. Samoa has made a commitment under Para 71 of the working party report towards addressing this in 2013.
 - IP Act 2011 is TRIPS compliant. Membership of the Paris Convention was achieved in August 2013. Samoa is eligible for extension for a transitional period for implementation of TRIPS Agreement until July 2021 (as an LDC only). Samoa had made the commitment under para 221 of the working party report to ensure that the above actions are implemented in moving towards WTO compliance by 1 July 2013.
 - The VAGST study by KVAConsult was completed in 2013 proposing 4 options for implementation. The NWCTA in 2014 agreed for a more detailed study to be completed. MFR to update as progressing with Option 1. Recruitment of a consultant for the legislative review/study underway.
 - TOR for the TT Study has now been approved by the CEO of MOH with a funding allocation of USD\$ 147,600 to conduct the study. USD\$ 13,500 under Tier 1 can be allocated for assistance. Commitment fulfilled as undertaken under para 106.
 - Notification completed and submitted to WTO Secretariat in 2013. Awaiting official source publication per commitment under para 145 and was completed in 2013.

- Post accession commitments continue to be consistently monitored towards implementation within the NWCTA and is in line with the annexed Matrix on a continuous basis.

3.2 Regional Trade Arrangements

African Caribbean Pacific – European Union Economic Partnership Agreement

54. Samoa together with other Pacific Africa Caribbean Pacific (PACP) countries have been involved in EPA negotiations since 2004. The regional EPA negotiations between the PACPs and the European Commission (EC) commenced in September 2004 and intensified throughout 2007. According to Article 37.1 of the Cotonou Agreement, EPAs were supposed to enter into force on 1 January 2008. Whilst Samoa has always pursued her national interests in engaging in the negotiations, her position is aligned to that of the region.
55. Samoa continues to negotiate with other PACPS for a comprehensive EPA and submitted a market access offer to the European Union during implementation of the 2010 DTIS. The EC acknowledged the technical soundness of market access offer submitted by the region including Samoa.
56. The progression of the EPA negotiations have been hindered due to failure of the parties to reach Agreement on a number of 'contentious issues'. While Fiji and PNG concluded Interim EPA (IEPA) arrangements with the EU to prevent market access disruption for their exports into the EU market, other PACPs with limited or no exports continue to push for a comprehensive EPA. The IEPA was negotiated by all PACPs until November 2007 as a stepping stone towards the Comprehensive EPA. IEPA was negotiated mainly to avoid market disruption for fish and sugar (only PNG and Fiji signed it). IEPA provides that the EC and the PACPs are committed to the continuation of ongoing negotiations for a comprehensive EPA (Art. 69 IEPA). The full EPA shall upon its entry into force, replace the IEPA which shall cease to exist (Art.69 IEPA).The IEPA shall remain open for accession of all PACPs (Art. 80 IEPA).
57. There is no available data between the level of trade between Samoa and the EU as a block. However Samoa exports and imports from specific member countries within the European Union. During implementation of the 2010 DTIS the PACPs agreed for suspension of services negotiations to an unspecified later date, through the insertion of a rendezvous clause in the draft comprehensive EPA Agreement to that effect.
58. Under the fisheries component, Samoa like other PACPs are proposed a multilateral fisheries treaty with the EU that would offer long term access to EU, promote domestic fish processing and promote sustainable fisheries management. For Samoa to benefit from the proposed liberal rules of origin under EPAs including those in fisheries, Samoa will be required to sign a trade in goods agreement. A trade in goods agreement was intended to include agricultural, forestry, fisheries, and manufactured products. The advantage of doing so is that Samoa stands to benefit from liberal rules of origin which will make it easier for Samoa to venture into value addition and processing of fish for eventual exportation to the EU market under chapters 1604 and 1605. The EU is one of the biggest high value markets for tuna and is expected to remain so in the foreseeable future. Samoa should utilise the IEPA as a tool to enhance co-operation through trade development by enhancement investments from the EU.
59. The EC has encouraged the other PACPs not party to the IEPA to consider acceding to the IEPA. On 30 September 2011, the EC adopted a proposal to amend Council Regulation (EC) No 1528/2007 to remove countries from Annex 1 of the Regulation if they fail to sign and/or ratify

the interim EPAs by 2014¹⁰. The EC has submitted this proposal to the Council of the EU and the European Parliament for approval.

60. Samoa is now exploring alternative options for preferential access to the EU after 2019 when access under the Everything but Arms agreement will no longer be accessible by Samoa following graduation from LDC status in 2014. Samoa is considering accession to the IEPA with a focus on accessing the preferences for fish products. Informal dialogue with EU in this regard have commenced through the Samoan mission in Belgium.
61. The main challenges for EPA negotiations include:
 - PACP negotiations with the EU have reached an impasse specifically on fisheries issues relating to conservation and management measures which includes the Vessel Day scheme. Samoa is exploring alternative arrangements that includes accession to the IEPA.
 - Development Component provisions need strengthening in the context of suspended Comprehensive EPA Negotiations.
 - EU deferred EPA negotiations for 3 years until the Parties to the Nauru Agreement (PNA) impact study is completed.

South Pacific Regional Trade and Economic Agreement (SPARTECA)

62. The South Pacific Regional Trade and Economic Agreement (SPARTECA) is a non-reciprocal trade agreement under which two developed member countries of the South Pacific Forum, Australia and New Zealand offer duty free and unrestricted concessional access for virtually all products originating from the developing island member countries of the forum. SPARTECA was signed by most Forum members at the Forum's Eleventh meeting in Kiribati on 14 July 1980. It came into effect for most Forum Island countries from 1 January 1981.
63. SPARTECA includes provisions for general economic, commercial and technical cooperation, safeguard provisions relating to antidumping and countervailing measures, suspension of obligations and provisions for general exceptions, as well as for impact on fiscal revenue. The agreement also provides for special treatment of and assistance to the Smaller Island Countries (SICs), namely the Cook Islands, Kiribati, Nauru, Niue, Tonga, Tuvalu and Samoa. Since 1 July 1986, FIC exporters have been eligible for free and unrestricted access to the Australian market except for textiles, clothing and footwear and sugar. Australia removed the limitations on textile, clothing and footwear products as from 1 March 1993 and on sugar as from 1 July 1997 when it eliminated its sugar tariffs. New Zealand provides duty-free and unrestricted access to all products originating in the FICs. SPARTECA specifies rules of origin to qualify for the duty-free and unrestricted or preferential access benefits. These rules require the last process of manufacture to be carried out in the country claiming the preference and for products to have at least 50% local content deriving from that country. Inputs from FICs, Australia and New Zealand are also counted as local content (accumulation) up to 25% of the required 50% minimum value added requirement. The use of SPARTECA varies amongst the beneficiaries.
64. Samoa signed onto this Agreement to access the benefits it offered especially considering that Australia and New Zealand are key markets for Samoa. However one of the contentious issues that Samoa and other Forum Island countries face under SPARTECA is in relation to the stringent Rules of Origin (ROO) that are imposed.

Pacific Island Countries Trade Agreement (PICTA)

65. Samoa signed onto PICTA on the 18 August 2001, and ratified on 10 October of the same year. PICTA came into force on 13 April 2003. By 2015, 12 out of the 14 Forum Island Countries (FICs)

¹⁰EPA Update Paper: 10TH JOINT ACP-EU MINISTERIAL TRADE COMMITTEE MEETING(12 DECEMBER 2011) Brussels, Belgium

had signed the Agreement, 11 of the 12 signatory FICs had ratified it and 7 of the FICs that ratified the agreement declared their readiness to trade under the agreement. Palau and Republic of Marshall Islands have not acceded to the agreement. FICs who are in the process of completing the remaining domestic arrangements (readiness to trade) are supported by the Forum Secretariat on a regular basis.

66. As highlighted in the final draft report on the review of PICTA undertaken by Samoa in 2015, a summary of key information regarding the status of member countries' signature, ratification, adoption of the amended tariff elimination schedules, "readiness to trade" and revision of negative lists is presented in the table below.

Table 13: PICTA Status by FIC 2015

Country	Signed	Ratified	Adopted Revised Concessions	Ready to Trade	Revised Negative List
Fiji	Yes	Yes	Yes	Yes	No*
PNG	Yes	Yes	No	No	No
Tonga	Yes	Yes	Yes	No	No
Cook Is	Yes	Yes	Yes	Yes	Yes*
Kiribati	Yes	Yes			
Nauru	Yes	Yes	No	No	No*
Niue	Yes	Yes	Yes	Yes	No
Samoa	Yes	Yes	Yes	Yes	No
Solomon Is	Yes	Yes	Yes	Yes	Yes
Tuvalu	Yes	Yes	No	No	No
Vanuatu	Yes	Yes	Yes	Yes	No
FSM	Yes	No	No	No	No
RMI	No	No	No	No	No
Palau	No	No	No	No	No*

67. PICTA allows members to protect their infant industries using protective tariffs for a maximum period of 10 years for developing countries and 15 years for LDCs and SISs. The Agreement also allows countries to take some safeguard measures in the event that there is a sudden and unforeseen influx of imports as a result of eliminating the tariffs. Other flexibilities that are built into the agreement include the general exceptions, balance of payment exceptions, the provisions on amendment of the agreement and even withdrawal.
68. In undertaking commitments under PICTA, countries were granted flexibility to develop negative lists of products they wished to be excluded from the agreed liberalisation schedule. This was essentially to enable countries to protect sensitive sectors under development. The numbers of tariff lines on the "negative lists" of PICTA signatories are as follows – PNG 90, Vanuatu 18, Solomon Islands 16, Tonga 12, Kiribati 9, Tuvalu 5, Samoa 5 (as reflected in the table below), Niue 3 and none for Fiji, Nauru and the Cook Islands.

Table 14: Samoa's Negative List of Products and Tariff Levels

Product	HS	Tariff
Paints and vanishes including enamel and lacquer (oil based)	3208.0000	20%
Paints and vanishes including enamel and lacquer (water based)	3209.0000	20%
Mineral Water and aerated water in sealed containers containing 2.5 litre or less	2201.1010	Specific Tariff \$1 per Litre
Bird eggs in shells preserved or cooked	0407.0000	20%
Building Blocks and bricks – cement and Concrete	6810.1100	10%

Source: PICTA Agreement, 2003

69. In the light of the above, Samoa's stakeholders want to discuss and explore ways of expanding the negative list as recourse of trading on a level playing field. However, in terms of justification, the process must be guided in the principles set forth under the agreement stated as follows. *"For locally produced sensitive products to be exempted or included in the negative list and be entitled to a longer period of protection with higher tariffs, they must be locally produced, be produced by another PICTA member (risk of competition) and not currently being exported. This protection is not permanent and tariffs on such goods must be reduced to zero by 2020 for developing countries and 2021 for LDCs and SIs. States must come up with a negative list of products that they want to shield from liberalization for a limited period of time".*
70. The PICTA Trade in Services (TiS) ¹¹has not entered into force, however data has shown that Samoa continues to do well in service exports. In fact, over the period 2011-2014, service exports were three times the value of Goods exports¹². Samoa's balance of trade can be improved over time, but there are significant challenges in terms of mitigating supply constraints, improved markets, reducing productive capacity bottlenecks, improving the business savviness and aggressiveness of the private sector to optimize the opportunities under various trade agreements. Once these are addressed substantial results can be realized as Small Open Economies participate in international business and trade. Significant opportunities exist in the following areas of service exports:
- Agricultural, Forestry and Fisheries
 - Construction
 - Tourism and Hospitality
 - Healthcare
 - Domestic and Household
 - Education
 - Financial
 - Legal, Accounting and Professional
 - Manufacturing/Factory
 - Consulting
 - Transportation and Logistics
 - Information Communication Technology
71. During the PICTA Review consultations undertaken in 2015, private sector representatives reported that such participation has knock-on effects of technology transfers and development of business acumen, as workers in these occupations overseas return with improved know-how and appetite to become engaged in entrepreneurship. It can be stated that service exports must become a major part of Samoa's economic development program if its balance of trade is to improve in the short to medium term. Samoa has completed the review of PICTA on their economy and other PICTA members are expected to follow suit.

Pacific Island Agreement for Closer Economic Relations Plus (PACER Plus)

72. The PACER Plus Agreement proposes trade, development and economic cooperation between Forum Island Countries (FICs), Australia and New Zealand. Those who have a vested interest and are part of this agreement seek to promote gradual regional collaboration and integration in a manner that boosts and facilitates the economic development of FICs and takes into consideration the different make up of parties. The Forum Trade Ministers discussed in 2009 the need to assess and reprioritise certain components such as - Rules of Origin, Regional Labour Mobility, Development Assistance and Trade Facilitation. Negotiations have since

¹¹ Negotiations on trade in services (TiS) were concluded in 2012. For Temporary movement of natural persons (TMNP) work on this will commence again next year but at present Samoa is working with PIFS to finalize its labor market assessment report by end Nov 2015.

¹² Data review from ComSec Trade and Trade Policy: Guide for Commonwealth Parliamentarian in the Pacific Region, Overseas Development Institute, Commonwealth Secretariat, 2010, Update by Dan Lai, 2015, London, UK.

progressed in these areas, with some of the issues being close to finalization such as the chapter on Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT).

73. In 2013, the Forum Trade Ministers advanced the scope of negotiations to include priority issues such as Trade in Services, Investment and Trade in Goods. The establishment of the Office of the Chief Trade Advisor in the same year (OCTA) was to ensure there was support provided as the Secretariat to PACER Plus mainly for the negotiations, coordination of meetings involving FICs and to provide strategic policy advice and capacity building to FICs. Furthermore, it is understood that SPARTECA, which has lost importance owing to mainly erosion of tariff preferences and restrictive rules of origin, will be superseded by PACER-Plus.
74. There has been tremendous progress with PACER Plus negotiations since the last DTIS implementation with negotiations anticipated to be concluded by December 2016. The Parties have made good progress in the negotiations since March 2012 when they decided to work Inter-sessionally. Negotiations have already been concluded on Customs Procedures (Trade Facilitation), Trade in Services, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Initial Provisions, Final Provisions, Transparency, Labour Mobility, Development Assistance, Investment, Institutional Provisions and Dispute Settlement. Good progress has been made in the negotiations on General Provisions and Exceptions and Chapters and Rules of Origin (including the development of the PSR Schedule), as well as in the negotiations on Trade in Goods and Movement of Natural Persons. The Parties are aiming to bridge the gaps in their on-going negotiations under the direction of the Forum Trade Ministers Meeting to conclude before the end of 2016.

3.3 Bilateral Trade Arrangements

75. Samoa has not actively sought to engage in bilateral trade agreements. Trade relations with American Samoa and increasingly, investment and trade links with China are however worth highlighting.

American Samoa – Two Samoa Talks

76. At the bilateral level, the two Samoas (American Samoa and Samoa) have engaged in on-going discussions on a framework of action for closer economic relations. In view of the amount of services and investments shared between the two countries and the fact that American Samoa is Samoa's closest trading partner, this has paved the way for discussions on an agreement which will also account for cultural ties that exist. Discussions are ongoing between both governments and private sectors on the key elements including trade in goods, trade in services, investment and labour movement.
77. American Samoa has close cultural and economic ties with Samoa. Samoa has three times the population of American Samoa but the economies are of similar size in terms of GDP. There are extensive shipping, airlines and telecommunication links between the two countries which have been recently enhanced by the re-opening of the Fagalii Airport in Samoa which shortened the flight times; the laying of the telecommunications cable to increase the data communications capacities; and the proposed re development of the Aleipata wharf which will also shorten route times.
78. American Samoa is at present one of the most important trading partners for Samoa for exports, tourism, employment of semi-skilled labour and remittances. Since 2007 American Samoa has taken an average of 50% of Samoa's total exports consisting mainly of agricultural, beer and fresh fish products although stringent SPS measures have made it difficult for Samoan exports to make further inroads in the market. Tourist arrivals from American Samoa total an average of 24,000 per annum making it the third most important tourist market for Samoa closely behind Australia and half of the New Zealand source markets. In the services account,

remittances from American Samoa, mainly from the Samoan workers at the canneries used to be an important flow until 2007 when the canneries started to phase out of American Samoa.

79. The canneries in American Samoa before 2007 used to employ around 6,000 workers of which around 4,000 were from Samoa. However the passing of the Fair Minimum Wage Act in 2007 in the face of increasing competition from canneries based in Asia has prompted the phasing out the two canneries in American Samoa. By end of 2010 employment at the canneries was estimated at 1,000 employees. Although there has been interest in exploring fish-joining plants to be combined with the final processing at the canneries in American Samoa, the phasing of the canneries will have a significant adverse impact on the economic/trade prospects for Samoa not only in unemployment of approximately 4,000 semi-skilled workers and related drop in remittances, but also the fresh fish markets (which had purchasing capacity was at least USD \$110 million) and drop in discretionary incomes for tourists.
80. In the light of the above developments with the canneries and their expected impact on trade, reallocation of cannery processing costs between Samoa and American Samoa to make the cannery operations out of American Samoa globally competitive would be in the mutual economic and trade interests of Samoa and American Samoa. Nevertheless, better understanding and quantifying the implications of the canneries closures in American Samoa for Samoa would be critical for deciding on flanking measures and assessing policy alternatives for Samoa.
81. As American Samoa continues to be a prominent market for Samoa, it is important that trade relations be improved through the negotiation of a bilateral trade agreement. The private sector, mainly through SAME, has been on the forefront of promoting such a trade agreement with American Samoa but there is lack of clarity regarding the appropriate instrument for formalizing such a relationship.

China

82. In 2010, China launched the Zero-Tariff Treatment scheme to assist LDCs. After Samoa's graduation from LDC status in 2014, China granted a 3 year transitional period that would delay Samoa's eventual exit from the scheme in January 2017. With this looming exit from GSP and given the rise in direct imports from China and other Asian markets (estimated at 41% of total imports for the year 2014/15 compared to 24% in 2009/2010), there is basis for Samoa to explore a more formal agreement with these trading partners.

3.4 Other Generalised System of Preferences (GSPs)

83. Samoa has continued to benefit from GSP arrangements with key trading partners, Australia and New Zealand although GSP arrangement with major economies like China, USA, EU, Japan and Canada are already been invalidated or in transition from these schemes due to Samoa's graduation from LDC status in 2014. The effect of Samoa's graduation has brought added challenges to the economy and obligates the country to explore new trade platforms.
84. The Australia GSP includes: (a) Goods wholly obtained in Samoa; or (b) At least 50% of the total factory or work costs of the goods must consist of the value of labour and/or materials of one or more developing countries; (c) The final process of manufacture must be carried out in Samoa. Samoa can claim the Developing Country concession reduction of 5% when exporting Textiles, Clothing and Footwear (TCF) products to Australia. As of 1 January 2015, all Australia's import tariffs on TCF products are 5%. This means that by claiming the duty concessions, it may be possible for Samoa's TCF exports to enter Australia free of duty, although the importer still has to pay 10% Goods and Services Tax (GST) on the goods. There is no direct shipment requirement in the Australian GSP.

85. The NZ GSP ROOs includes: (a) Goods wholly obtained in Samoa; or (b) At least 50%¹³ of the total factory or work costs originate from Samoa, New Zealand, eligible Developing Countries or LDCs; and (c) the last process of manufacture must be performed in Samoa. There is no direct shipment requirement in the New Zealand GSP. However, the goods must not be manufactured further in another country (other than in another FIC).
86. The Canada GPT ROOs includes (a) Goods wholly obtained in Samoa; or (b) At least 40% of the ex-factory price of the goods must originate in one or more LDC beneficiary countries or Canada, for all products except textile, apparel articles where product specific rules apply. Effective since 1 September 2000, the existing 40% of the ex-factory price of the goods packed for shipment to Canada can now include a value of up to 20% of the ex-factory price of the goods from GPT (General Preferential Tariff eligible countries). Canada does not require the GSP Certificate of Origin Form A to be stamped or signed by an authority designated by the beneficiary country. Thus, Form A does not have to be an original and Field No. 11 in the certificate may be left blank. A special certificate of origin is used for textile and clothing. Direct shipment is required under this scheme. Transshipment is allowed but is subject to conditions.
87. The USA GSP program expired as of July 31 2013. The USA Congress is considering legislation that would extend the authorization of the GSP beyond this date. As of 1 January 2014 Samoa is no longer eligible for the Japan GSP scheme due to its graduation from LDC status. The EU GSP ROOs include: (a) wholly obtained in Samoa; or (b) Products manufactured with inputs from other countries are considered eligible only if they have undergone sufficient working or processing. Direct Shipment from Samoa is required. Goods which pass through an intermediary country are allowed, subject to conditions. Samoa no longer eligible to trade under EBA Preference. After expiry of a 3 year transition period which ends on 1 January 2017 after which normal tariffs will apply a 3 year transition period which ends on 1 January 2017 after which normal tariffs will apply.

3.5 Trade Agreements and Trade Prospects

88. Table 15 below summarises the main trade prospects and markets and trade agreements/arrangements that are in place and what needs to be done to enhance the prospects identified:

Table 15: Trade Agreements and Trade Prospects

Prospects	Identified Market	Trade Agreements and Arrangements
GOODS for Export		WTO GATT Agreements applicable to WTO member Trade Partners.
Fresh Fish	American Samoa	Under Negotiation under two Samoa Talks.
Coconut and Coconut Products	NZ, Australia, Japan, Malaysia, UK	SPARTECA, Australia GSP scheme, NZ GSP Rules of Origin, Canada GPT Rules of Origin, EBA.
Nonu	China, Japan, USA, NZ, Australia	China Zero-Tariff Treatment GSP scheme for LDCs, USA GSP program, Japan GSP Programme (expired)
Beer	Australia, NZ, American Samoa	SPARTECA, NZ GSP Rules of Origin.
Taro	NZ, Australia, American Samoa	SPARTECA, Australia GSP schemes, Rules of Origin.
General Exports	Tokelau	Not Applicable
GOODS imported		WTO GATT Agreements applicable for WTO member Trade Partners

¹³ Regarding TCF products, if the product is not classified in one of the tariff classification specified in regulation 45(2) (b) of the NZ Customs and Excise Regulations 1996, the goods will have to contain qualifying area content of not less than 50% to be eligible for duty free entry, although the importer still has to pay 15% GST on the goods.

Fuel		N/A
SERVICES		WTO GATS Agreement applicable for WTO member Trade Partners.
Tourism	NZ, Australia, Am Samoa (current) North America, Asia (prospect)	SPARTECA.
Labour Services	New Zealand and Australia under the RSE and SWP	SPARTECA and Bilateral M.O.Us
Telecommunications	Regional	Bilateral Agreements.
Financial Services	International	Samoa Tax Information Exchange Agreements (Bilateral) ¹⁴ with 16 countries, namely: San Marino, Monaco, Netherlands, Ireland, Australia, Sweden, Finland, Greenland, Iceland, Norway, The Faroe Islands, Denmark, New Zealand, Mexico, South Africa and Japan.

3.5 International Trade Arrangements and Negotiations Action Matrix Impact

89. Considering the challenges, gaps and issues identified during the consultations and discussions of the DTISU, the table below presents an update on the current issues, recommended actions to mitigate those issues and identification of prospective lead institutions to effect the actions to achieve the following primary objectives:
- a. Multilateral Trade Agreements
 - i. To ensure timely implementation of WTO obligations and effective participation in WTO meetings.
 - ii. To ensure Samoan exporters capital on benefits available under WTO.
 - b. Regional Trade Agreements
 - i. ACP-EU: to (i) secure Market Access of Goods and Services to the EU market and (ii) conclude a comprehensive market access agreement with the EU.
 - ii. PICTA: to (i) encourage PICs to sign onto PICTA including PICTA TiS and thereby increasing regional export markets, (ii) promote utilization of PICTA preferences by Samoa private sector and (iii) strengthen data and statistics on PICTA trade.
 - iii. PACER Plus: to (i) improve market access to Australia and New Zealand, (ii) grow and maximize employment opportunities under labour mobility schemes, (iii) improve competitiveness of Samoan businesses and (iv) improve the ability of Samoan products to meet entry requirements into Australia and New Zealand.
 - c. Bilateral Trade Agreements
 - i. To conclude an arrangement to facilitate trade with American Samoa.
 - ii. To extend preferential access of Samoa's products to China and Japan.
 - d. Other GSPs
 - i. To determine the most preferred GSPs, identify challenges in utilisation and make recommendations towards enabling improved utilisation of the GSPs.
90. The gaps and current issues are categorized as follows: progressing negotiations and implementation of trade arrangements, creating a conducive trade environment and improving trade performance and improving the capacity of the private sector to be trade ready and capitalize on the benefits arising from these arrangements:

¹⁴ http://sifa.ws/index.php/international_agreements/

Table 16: International Trade Arrangements and Negotiations: Action Matrix

Gap/Issues	Actions	Responsible
Progressing negotiations and implementation of trade arrangements		
5. Lack of full and consistent participation in WTO meetings due to constraints relating to distance, financial and technical personnel available in Geneva, where meetings are normally convened.	5. Assess the feasibility of establishing Samoa's mission in Geneva to enhance participation within the multilateral trading system and ensure that Samoa's economic and commercial interests are an integral part of the WTO's work programme and outcomes including strengthening strategic alignment with developing country Group of countries at the WTO.	MFAT, MCIL
6. High staff turnover and capacity constraints in facilitating the timely Implementation of Commitments as reflected in the Post-WTO Accession Matrix.	6. Enhance the country capacity to Implement its WTO obligations and continue to work with lead agencies in implementing the post Accession Matrix and effectively engage in trade negotiations through close collaboration with International institutional capacity strengthening institutions.	MFAT, MCIL, PSC
7. PACP negotiations with the EU have reached an impasse specifically on fisheries issues relating to conservation and management measures which includes the Vessel Day scheme.	7. Exploration of the accession to the IEPA to promote investment for development of fisheries in Samoa.	MFAT, MCIL, MAF
8. Development Component provisions need strengthening in the context of suspended Comprehensive EPA Negotiations.	8. Continue to pursue the comprehensive EPA negotiations to secure legally binding development corporation.	MFAT, MCIL, MAF
9. Further Liberalisation is expected under PACER-Plus.	9. Continue to maintain a liberal trade policy and at the same time enhance capacity to adjust to trade liberalization, including development of social safety nets in instances where it is envisaged that the liberalization may have negative effects.	MFAT, SUNGO, MFR
10. Strict Non-Tariff Barriers that complicate exports under PACER-Plus.	10. Enhance Co-operation with Australia and New Zealand in assisting Samoa comply with standards including capacity building on conformity assessment, mutual recognition and equivalence of product standards in ANZ markets (PHAMA should be in addition to any other assistance secured	MFAT, SAME, SUNGO, MAF, SCCI

	under PACER Plus for Samoa)	
11. Lack of a formal trade and economic agreement between Samoa and American Samoa to enable boosting business confidence, predictable and a transparent trading environment.	11. To negotiate a formal trade and economic cooperation agreement bearing in mind the need to confirm a clear mandate for American Samoa to negotiate an Agreement (TECA) with Samoa that would be easy to implement with simplified rules of origin. Such a trade and economic cooperation agreement should include a limited number of key products that would be of great interest to both countries.	MFAT, MCIL, MAF, SAME, SCCI.
12. Lengthy process obtaining business license in American Samoa which inhibits exports to that market.	12. Business licensing procedures particularly in American Samoa need to be more streamlined and simplified through negotiation between the two Samoa's in order to encourage both foreign investment and new local businesses to be established.	MFAT, MCIL, SAME, SCCI
13. Limited trade in services opportunities between Samoa and American Samoa	13. Include services Liberalisation in the Formal arrangement under negotiation.	MFAT, CBS, MCIL, STA
14. The China Zero Tariff scheme expires in January 2017	14. Negotiate with China the possibilities of extending preferential access of Samoa's products in consideration of the climatic vulnerable nature of the economy and also in supporting trade development of Samoa.	MFAT
15. Impact of Samoa's graduation from LDC status on the utilisation of other GSPs	15. A survey to be conducted in collaboration with SCCI and SAME to establish the most utilised GSP schemes by exporters, identify challenges in utilisation and make recommendations towards enabling improved utilisation of the schemes.	MFAT, MCIL, SCCI, SAME
<i>Creating a conducive trade environment and improving trade performance</i>		
16. Under-utilization of MFN rates available from new markets of WTO member countries due to supply side constraints, insufficient value addition processes especially in organic agriculture.	16. Develop and implement a National Industry Development Strategy to focus on enhancing value addition to products in areas where products have a comparative advantage; develop and implement measures and strategies to improve the participation of Samoa's services industry in international (services) trade; and ensure that the necessary investment	MCIL, MFAT, MAF, SCCI, SAME

	climate in terms of infrastructure, legislation is strengthened.	
17. Lack of Measurable indicators from progress of engagement in PICTA	17. To develop measurable and substantive indicators to monitor results and performance from Trade Agreements (e.g. employment statistics from firms involved in export and tax revenue resulting from preferences accorded and MSMEs exporting to markets).	MFAT, MCIL, SCCI, SAME, MFR, SBEC.
18. Trade especially of goods is somewhat unidirectional when compared with larger states.	18. PICTA requires focus on ease in intra and inter regional investment and support of key development support especially for SIDS where there is a need to work towards improvement in formulation of policies and building of business relationships through partnerships and persistent communications.	MCIL, MFAT, SCCI, SAME, MFR
19. Trade deficit and negative Balance of Trade Position with trade among member countries to PICTA and also outside PICTA.	19. Implement an Import Substitution and National Export Programme through implementation of the strategy contained in the TCMSP which aims for a realistic assessment of industries/enterprises/products to be targeted and implemented for import substitution and for export such as animal feed, livestock and non-alcoholic fruit based beverages and coolers.	MFAT, MCIL, MFR, MAF, SCCI, SAME
<i>Improving the capacity of the private sector to be trade ready and capitalize on the benefits</i>		
20. Lack of visibility of Samoan products in overseas markets.	20. Improve marketing and branding skills so as to enhance competitiveness of Samoan products in regional and international markets (including names, date of manufacture, physical address, packaging material, country of origin and internet based marketing portal and e-competitiveness).	MFAT, MCIL, SROS, STA, SBEC, SAME, SCCI
21. Erratic trading with and persistent decline in output of traded products under PICTA.	21. The private sector to expand resources to evaluate overseas markets and develop relationships to secure market opportunities, including active participation in investment/trade missions and road shows.	MFAT, MCIL, SCCI, SAME

22. Ensuring that the private sector are knowledgeable and trade ready to fully capitalize on the benefits available under the various trade arrangements.	22. Design and implement an immediate educational enhancing program for the private sector in rapid participation in trade in services with industries being explored or integrated under modes (1) – (4) of PICTA. Work with training institutions to provide business and entrepreneurial skills and other skills relevant to private sector development, competitiveness and trade policy. Promote the development of MSMEs and implement macroeconomic policies and practices that are consistent with Samoa's objective of increasing exports and enhancing competitiveness.	MCIL, SBEC, USP, NUS, SQA, CBS, STA, SAME, SCCI, DBS
23. Trade deficit between Samoa and ANZ.	23. Enhance the level of Competiveness and market access of Samoan Products in ANZ markets through enhanced Government collaboration (SROS) with the Australia aid programme and NZAP to develop and implement sustainable training programs for companies on how to get certified and also provide technical guidance to enable the implementation of good manufacturing and hygiene practices for businesses.	MFAT, SROS, MCIL, MOH, SAME, NUS, SCCI, SBEC
24. Lack of aggressiveness required to develop and expand domestic industries and targeting products and industries for export as a result of low investments to support actual trade development.	24. Initiate and implement Public Private Partnerships (PPP) risk-sharing models in providing access to capital for MSMEs by exploring utilisation of (i) Guaranteed lending through regulated banking financial firms; (ii) Intermediate Revolving lending through exempted non-bank financial firms and (iii) Other emerging financial instruments such as business angel financing and crowd funding.	MPE, MCIL, MOF, CBS, SBEC, SCCI, SAME

Section 4: Cross Cutting Issues

91. This section focuses on three key cross-cutting areas that impact on improving trade, namely (i) Climate Change/Disaster Risk Reduction, (ii) Trade Facilitation/Customs Reforms/Standards and Conformity (SPS/TBT) and (iii) the Business Enabling Environment.

4.1 Climate Change and Disaster Risk Reduction

92. Samoa's economic and trade environment have become increasingly threatened by natural disasters and the impacts of climate change. The process adopted in updating the DTIS has enabled integration of most binding factors towards trade development brought about by climate change factors. The proposed actions if effectively implemented would position Samoa to be more resilient and adaptive to climate change factors that would negatively impact and inhibit trade prosperity.
93. According to the Index for Risk Management – INFORM – Samoa's risk profile is measured across three dimensions which include (i) Hazard and exposure – events that could occur and the people or assets potentially affected by them; (ii) Vulnerability – the susceptibility of communities to those hazards and; (iii) Lack of capacity – lack of resources available that can help absorb the shock. The 2016 risk profile¹⁵ for Samoa indicates that it is relatively more susceptible to hazards and its ability to absorb the shocks from these hazards is very limited compared to similar peers as depicted in the table below.

Table 17: Samoa INFORM Risk Profile

Country	INFORM	Hazards & Exposure	Vulnerability	Lack of Coping Capacity
Guyana	2.9	1.4	2.9	5.8
Saint Kitts & Nevis	2.9	3.0	2.5	3.1
Costa Rica	2.8	2.8	2.8	2.9
Samoa	2.8	1.2	3.9	4.6
Seychelles	2.8	1.6	3.9	3.4
Cabo Verde	2.8	1.1	4.2	4.8
Canada	2.7	3.9	2.0	2.6

Source: Index for Risk Management INFORM

94. The impact of natural disasters on economic growth patterns during 2010-2015 have shown that it averages 2-3 years for the economy to recover. The response rate of economic recovery from the damages inflicted by natural disasters is dictated mainly by access to financial resources. Whilst the relatively comfortable level of foreign reserves and rapid responses of the development partners in the aftermath of the natural disasters, had resulted in the recent relatively fast recovery, the Government has worked with its development partners and neighbouring countries to set up a pilot insurance facility which is envisaged to improve the response rate to financing of natural disaster recovery efforts. The Pacific Catastrophe Risk Insurance Pilot (which is part of the broader Pacific Disaster Risk Financing and Insurance (DRFI) program designed to increase the financial resilience of PICs against natural disasters) which was initiated in 2014 has improved the capacity of Samoa to meet post-disaster funding needs. Samoa is one of 5 countries participating in the PCRAFI.

¹⁵ It should be noted that the results of the global INFORM model are not directly comparable with regional or national models. This is because INFORM measures relative risk, so the results depend on the risk level of other countries or subnational units in the model. At all levels of the INFORM model, a lower value (closer to 0) always represents a lower risk and a higher value (closer to 10) always represents a higher risk.

95. PCRAFI enables countries to increase their financial resilience against natural disasters by improving their capacity to meet post disaster funding needs without compromising their fiscal balance. It is comprised of two core components, (i) the PCRAFI Facility, that will provide disaster and climate related insurance to the region once established; and (ii) the technical assistance program implemented by the World Bank designed to provide support at the national and regional level to help strengthen the public financial management of natural disasters, contingency planning and the development of disaster risk financing strategies.
96. The commitments by Samoa to respond to the climate change challenges are having significant impacts on its trading and economic development strategies. At the 2014 SIDS Conference held in Samoa, the importance of Green Economy in sustainable development and poverty reduction was recognised. In light of this, the SIDS Accelerated Modalities of Action (SAMOA) Pathway recognised that implementation of sustainable development depends on national action and leadership as well as the role private sector plays in achieving economic development and capitalising on public-private partnerships. It is also through these mechanisms that the SAMOA pathways conduces the need to develop measures to promote energy efficiency and foster sustainable energy systems from all energy sources, particularly renewable energy sources such as wind, sustainable biomass, solar, hydroelectric, biofuel and geothermal energy.
97. The SAMOA Pathway Green Economy initiatives also link to the bigger picture of achieving the Sustainable Development Goals (SDGs). That is, a Green Economy is the vehicle to achieve sustainable development, according to the three pillars outlined in the post-2015 development agenda. Some of the key SDGs addressed by a Green Economy are: promotion of sustainable agriculture; ensure access to sustainable and modern energy for all; promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; conserve, restore and promote sustainable use of environmental resources; and strengthen the means of implementation and revitalize the global partnership for sustainable development.
98. The 2014 SIDS Conference also recognised the net lack of jobs, and reaffirmed the need to capitalise on climate change resilience, adaptation and mitigation funds by: (a) creating sustainable jobs, and, (b) initiating national dialogue on integration of job creation and enterprise development not only in climate change but continuous technical agricultural training support to boost/ strengthen/ improve and sustain agricultural initiatives and services. Notably, proper management of climate change actions leads to more and better employment opportunities. In light of this, both adaptation to climate change and measures to mitigate greenhouse gas emissions offer opportunities to create new jobs, while securing existing ones.
99. These key concepts of green economy and green jobs¹⁶ are some of the initiatives now being considered by stakeholders to ensure the TCM sector builds its resilience in responding to the effects of climate change given the increasing frequency and intensity of natural disasters including cyclones, droughts and other climate related hazards. The adoption of the green economy and green jobs and associated standards will provide Samoa a comparative advantage in the international trade arena over countries that have not adopted the concepts.
100. In addition, Samoa with its relatively high socio-political global ratings which have facilitated the growth of the offshore financial centre could provide a platform for Samoa to be considered to become a hub in the Pacific for carbon trading.

¹⁶ According to ILO, Green Jobs are decent jobs that contribute to preserve or restore the ecosystems and biodiversity, reduce energy consumption, raw materials and water, reduce greenhouse gas emissions and minimize or altogether avoid the generation of all forms of waste and pollution.

101. The aggressive pursuit of the renewable energy development programme under its climate change initiatives is expected to lead to significant foreign exchange savings from reduction of fuel imports and also the reduction in carbon emissions in the energy sector. The Government through the Electric Power Corporation (EPC) has committed that by 2017, it will be fully producing electricity via renewable and alternative energy. The EPC has in the past 3 years implemented its energy efficient programme by securing development assistance for its own renewable energy development projects and at the same time progressively outsourcing some generation of electricity to independent power producers who then sell back to the EPC for distribution. In addition to this initiative, EPC in 2015 commenced its rehabilitation programme for the hydro-stations that were damaged during the 2012 cyclone. The fuel, particularly diesel savings from utilisation of renewable energy sources will have a direct impact on external trade and will reduce some of the pressure on the BOP. The net effect of savings is still considered to be positive after factoring in the capital import costs of renewable energy equipment such as storage batteries and etcetera.

4.1.1 Climate Change and Disaster Risk Reduction Action Matrix Impact

102. Table 18 below presents a status update on the current issues from consultations conducted during this DTISU process together with recommended actions to mitigate those issues and prospective lead institutions to effect the actions.

Table 18: Climate Change and Disaster Risk Reduction: Action Matrix

Gap/Issues	Actions	Responsible
25. Increasing impact of climate change on trade activities	25. Develop integrated climate resilient investments in collaboration with key sectors like energy and environment.	MCIL, MNRE, MOF, EPC
26. Need to promote energy efficiency and foster sustainable energy systems from all energy sources	26. Incentivise investment in renewable energy to encourage fuel import substitution	MCIL, MNRE, MOF, EPC, LTA, SROS
27. Assess feasibility of green jobs within selected trade related industries	27. Develop and implement guidelines on promotion of green jobs within trade implementing agencies.	MCIL
28. Assess feasibility of a carbon trading scheme or institution	28. Assess feasibility of establishing a carbon trading scheme/institution	MCIL, MNRE, MOF, EPC

4.2 Trade Facilitation/Customs Reforms/Standards and Conformity (SPS/TBT)

103. Trade facilitation has become a critical strategic area for Samoa if it is to become efficient and competitive in its domestic and international trading activities. The relative geographical isolation of Samoa from the main trading markets makes the trade facilitation challenges acute particularly in positioning Samoa to be competitive in the export markets it is targeting. Trade Facilitation in the context of this study covers (i) customs harmonisation, information, valuation, documentation and capacity; (ii) quarantine regulations and procedures of sanitary and phyto-sanitary measures, and export certifications; (iii) standards and conformance covering documentary standards, measurement, conformity assessment, testing, inspection and certifications and (iv) logistics and infrastructure highlighting ports of entry requirements and logistical networks required for improving trade facilitation.

Customs

104. Since 2010, Customs under MFR embarked on a key programme to modernise its systems. The MFR Customs Modernisation Project (CMP) was mainly funded by the Government of Samoa with assistance from New Zealand. The project was completed in June 2016. The overall objective of the CMP was to make the Revenue Administration, in particularly the Customs Services more efficient and effective. It aimed to strengthen the quality of Revenue Administration, which was critical to improve the revenue flows for the provision of Government services, whilst strengthening the economy through better services to the trading community, improved border management procedures and strengthen the capacity to monitor and provide timely statistics on international trade. The completion of the project would greatly assist MFR to increase efficiency in the Customs clearance process, improve revenue control, minimise revenue leakage and identify potential improvements to systems, workflow processes and practices through the implementation of the latest ASYCUDA World (AW) computerized system. The six main components and deliverables of the Project were:
1. Review of the existing Customs automated processes;
 2. Review of the Legislative Framework;
 3. Review of the Human Resource Structure;
 4. Deployment of the infrastructure for the AW knowledge transfer to the National Project Team;
 5. Provide the AW expertise to the National Project Team; and
 6. Deployment of AW.
105. Significant improvements included the shift to the new operating platform AW which has facilitated and streamlined most of the border functions associated with trade such as the online access to HS and tax forms. The integration of export processes from different agencies such as MAF and CBS are also underway and expected to be online by June 2016. This is expected to have a significant impact on improving Samoa's current 151 ranking trading across borders in the Doing Business index.
106. In 2015, Samoa updated its Trade Facilitation Needs Assessment (TFNA) where 41 Sub Articles of the WTO Trade Facilitation Agreement (WTO-TFA) were considered in the assessment. Seven Sub Articles are not applicable in the context of Samoa. Out of the remainder, Samoa is fully compliant with 11 Sub Articles (Category A), substantially or partially compliant with 18 Sub Articles (Category B) and not compliant with 5 Sub Articles (Category C).

Table 19: Assessment of WTO-TFA Articles for Samoa

Recommended Assessment	Articles	Total Actions
A	Articles 2.1, 3, 5.3, 6.1, 6.2, 10.3, 10.5, 10.6, 10.7, 10.8, 12	11
B	Articles 1.1, 1.3, 2.2, 4, 5.1, 5.2, 6.3, 7.1, 7.2, 7.3, 7.6, 7.8, 7.9, 8, 10.1, 10.2, 10.9, 23	18
C	Article 1.2, 7.4, 7.5, 7.7, 10.4,	05
Not Applicable	Article 11.1, 11.2, 11.3, 11.4, 11.5	05
Not assessed – internal arrangements	Article 1.4	01
Not practicable	Article 9	01

Source: Samoa WTO TFA Needs Assessment and Reform Map (Draft) October 2015

107. With regard to the Category B and C Sub Articles, the non-availability of self-assessment in the cargo clearance process is one of the main reasons for non-compliance. This situation has been

further aggravated by the fact that both Customs and the trading community are adapting to a new automated system as well as a new regulatory environment. It is apparent that from a user perspective Customs has not fully grasped the potential of AW and interpretation of the new Act and Regulation.

108. The report further noted that consultations with Customs revealed that it was aware of the issues relating to the low level of trade facilitation. The CMP, with its staged introduction of new procedures, will address many of the Category B articles in the next two to three years and other Category B articles are capable of being finalized within a twelve-month time frame. Plans have already been drawn up aiming to solve some of the issues. For example, Customs has re-introduced self-assessments in 2016.
109. Overall, Samoa needs strong and continuous technical support at the agency level, specifically Customs, as well as whole of government level through a 3-5 year plan in order to fill the Category C gaps identified in the TFNA.

Quarantine

110. The role of quarantine and agricultural officers in trade facilitation is essential. Capacity building is ongoing, however, there is still a need, particularly in scientific areas such as laboratory testing, metrology and quarantine. Improved quarantine services are required to protect against bio security risks to agricultural production and the environment. There has been ongoing support provided through WTO on training regarding legislation and procedures on WTO SPS issues.
111. The Customs modernisation program has also assisted with capturing SPS measures needed to improve the SPS architecture with the database of SPS measures and specific handling requirements affecting Samoa's export products now established within the Quarantine division in MAF. There is ongoing dissemination of information to exporters, however, concerns have been raised regarding the timeliness.

Standards and Conformance

112. Numerous legislation on standards, measurement and conformity assessment on key areas including quarantine and fisheries have been updated. These standards have ensured imports meet international standards for products and processes, and have accredited test or inspection reports to prove this, removes risks to public health and safety and raises quality on the domestic market. Under WTO rules of national treatment, however, as specified in the TBT and SPS Agreements, any regulations covering imported products must also be applied to the same goods produced domestically. Hence, strict regulations may create impossible hurdles for local producers.
113. Ongoing market research support and a market information resource is required if Samoa is going to benefit from the opportunities of trade with key markets including China and Europe. For example fisheries authorities and exporters may have difficulty in interpreting and meeting the complex requirements of these markets for the import of fish. Ongoing training and support in meeting these market access requirements for fish would enable Samoa to become reliable and safe suppliers.
114. Key associations including SAME and SCCI have made significant progress in terms of improving quality control measures and standards of their members through International Standards Organisation (ISO 9001:2008) and ISO 22000/HACCP certifications. The main sources of funding to date for ISO and HACCP certification include EIF Tier 1 and the PSSF.

Logistics and Infrastructure

115. Infrastructure constraints remain a critical issue for Samoa and initiatives to address them are under way and need to be further supported however, it is also necessary to focus on the 'soft infrastructure'. Samoa's trading across borders has had a significant slip from a ranking of 86 in 2009 to 151 in 2016¹⁷. Whilst the time to export or import is well below the Asia Pacific average, the financial costs for compliance are significantly higher than the Asia Pacific average. Smaller producers and farmers often face particular difficulties in overcoming trade costs which are incurred per transaction and need to be distributed over smaller trade volumes. Reducing trade costs will therefore allow particularly smaller producers and farmers to enter new markets, thereby generating new growth and employment opportunities for a wider range of economic actors.
116. Consultations with key agencies involved with trade logistics indicated that there are significant improvements in terms of processing time at the border since 2010. However, challenges still remain with cumbersome processes/ procedures resulting in slow turnaround time, the level of cost and limited number of shipping and airline routes to Samoa. These challenges have led to the Government considering some relatively difficult strategic infrastructural scaling and financing decisions for the development of the air and seaports which could create strategic positioning of Samoa in the regional and international routes.
117. The Apia port and the air cargo unit at the Faleolo international airport are the two main cargo processing points. Entry processing for all cargo is done only at the Customs head office which is located adjacent to the port. Its office hours are 8.30am to 4.30pm. The air cargo office is serviced by staff deployed to work at the passenger processing terminal. This is mainly a 24/7 service depending on the flight schedules. Additionally there are 7 cargo depots into which LCL – Consolidated cargo are transferred from the port or airport. The cargo depots are located in close proximity to the port. The latest upgrading of the Faleolo airport to be completed in late 2017 is expected to not only increase significantly the capacity to handle increase in cargo and passengers but would also improve the efficiency of the cargo processing facilities.
118. Institutional reforms at the Samoa Port Authority has improved but continues to be a concern as the administrative journey in clearing documents and the verification process between MFR (Customs) continue to delay the clearing of goods. In addition, it is perceived as one of the vehicles that are used to implement tariff neutral procedures through the high charges for port fees and shipping charges. There is relatively high costs from bureaucratic clearance procedures at Ports of entry. Both public and private sectors see a major challenge in the lack of support for the development of infrastructure to support trade in terms logistics (ports and transportation), for example: transportation to support inter island trade especially with Cook Islands, Tokelau, Kiribati, Fiji and PNG.
119. The low volumes of exports going out has exacerbated the relatively high cost of shipping empty containers on a regular basis. This situation has provided an opportunity for some shipping agents to capitalise on turning Samoa into a transshipment hub given the volume of containers being shipped in for imports. However, there are physical constraints in terms of the existing storage capacity for empty containers at the Apia Port which has impacted on the volume that can be stored. Recent studies have indicated that the Apia Port has reached its full capacity in terms of expansion and this provides a basis for assessing the feasibility of another possible port at Vaiusu Bay.
120. Further improvements is envisaged for Samoa's main economic corridor along North West Upolu to facilitate better logistics, transport and address some of the SPS issues identified in the TFNA and reform map.

¹⁷ <http://www.doingbusiness.org/data/exploreeconomies/samoa/#trading-across-borders>

4.2.1 Trade Facilitation, Customs Reforms, Standards and Conformity Action Matrix Impact

121. Table 20 below presents a status update on the current issues from consultations conducted during DTISU process together with recommended actions to mitigate those issues and prospective lead institutions to effect the actions.

Table 20: Trade Facilitation, Customs Reforms, Standards and Conformity: Action Matrix

Gap/Issues	Actions	Responsible
29. Improved trading across borders but non-tariff measures still costly for small producers due to smaller trade volumes	29. Prioritise recommendation from 2014 Trade Facilitation Needs Assessment and implement	MFR (Customs), MFAT, MAF (Quarantine), MoH, CBS, SCCI, SAME
30. Cumbersome processes and procedures result in a low turnaround	30. Assess procedures, processes and documentation required for streamlining and improve efficiency inter-agencies	MFR (Customs), MAF (Quarantine), MOH, SPA
31. Trade costs (compliance, shipping/freight, handling and port charges) considered high.	31. Technical Assistance for study on all-inclusive trade costs.	MCIL, MOF, MFR, MAF, SPA, SCCI
32. Inadequate infrastructure to support trade and limited transport (air and sea) routes to Samoa	32. Technical Assistance for Infrastructure study and Review of Access to Samoa	MCIL, MFAT, MOF, MWTI, STA, SPA, SCCI
33. Ongoing capacity building for quarantine officers and improve dissemination of information	33. Training needs program developed in line with Customs	MAF, MFR
34. Accreditation to ISO and HACCP standards within selected industries is expensive and need for support from development financing.	34. Prioritise selected industries (fisheries, coconut, cocoa etc) to roll out the ISO and HACCP certification process and consider avenues in which costs of compliance can be reduced	MCIL, MAF, MOH, SROS, SAME, SCCI,
35. Capitalise on opportunity for Samoa to be a trans-shipment hub	35. Assess feasibility of Vaiusu Port to facilitate the trans-shipment hub initiative within the Pacific	SPA, MFR, MAF, MCIL, MWTI

4.3 Business Enabling Environment

122. Samoa has continued to maintain a track record as relatively successful economic reform managers, which is demonstrated by the recent economic recovery from the 2009 and 2012 natural disasters. Samoa has the potential to benefit immensely in the medium to long term from this economic record as it attracts private investors, both local and foreign, who are further encouraged by the stable social and political environment it provides.¹⁸

¹⁸ Samoa is ranked 16th in the world as most politically stable countries.

123. Based on the World Bank Ease of Doing Business Survey, Samoa's rank has slipped from 64 in 2009 to 96 in 2016, whereas starting of new businesses ranking has improved from 132 to 39 due largely to the online registration of businesses as from February 2013¹⁹. Samoa's rank for getting credit or accessing finance has worsened slightly from 54 to 57 between 2015 and 2016 (as there was no 2009 ranking).
124. At the national level, the Business Activity Survey 2013²⁰ provides valuable baseline information which can be used to track and monitor the progress of the next TCMSP. The total number of businesses which registered for the survey was 1,588 of which 75% responded (approximately 1,257). The scope of the survey included all enterprises including government owned or partly owned enterprises that operated in a market competitive environment.
125. Since 2010 the following specific measures have been instituted by the Government to enhance the investment climate:

Table 21: Measures to Enhance Investment Climate

Measure	Commentary
Citizenship Investment Act 2015	To capitalize on the socio-political stability and adopting precedence already used by other Commonwealth countries for citizenship eligibility, the Government has put in place legislation to attract private foreign investment by linking it to application for Samoan citizenship. An investor who shows an ability and willingness to invest a minimum determined amount (\$4million) and at time of application has a minimum net worth of \$2.5million is eligible to apply for Samoan citizenship by investment. The Citizenship Investment Committee which is chaired by the CEO of MCIL carries out the due diligence and makes recommendations to the Minister of Immigration on the applications lodged by those investors who apply for citizenship after compliance with the investment terms and conditions as set out in the Citizenship Act 2015. The countries which allow dual citizenship and could be eligible for the citizenship investment initiative include: Austria; Denmark; Grenada; Latvia; Philippines; Switzerland; Australia; Dominica; Hungary; Lebanon; Poland; Syria; Bangladesh; Ecuador; Iceland; Lithuania; Portugal; Thailand; Belgium; Egypt; Iran; Macedonia, Romania; Turkey; Belize; El Salvador; Iraq; Malta; Russia; United Kingdom; Brazil; Fiji; Ireland; Mexico; Serbia; United States of America; Canada; Finland; Israel, Montenegro; Spain (only in certain cases); Vietnam; Chile; France; Italy; New Zealand, Sri Lanka; Samoa; Colombia; Germany; Jordan; Pakistan; St. Kitts & Nevis; Cyprus, Greece; Kenya; Peru The main trading partners with potential foreign investors, who do not allow dual citizenship include China, Singapore and Japan.
Unit Titles Amendment Act 2014	Passing of this amendment has now enabled the activation of the Unit Titles Act 2009 and regulations which will facilitate the subdivision of land into units to be owned by individual proprietors, and common property to be owned by all unit proprietors as tenants in common, and for the issue of computer folio certificates of title with respect to those units, and to provide for the use and management of the units and common property and related purposes. Activation of this legislation is expected to facilitate the financial structuring of large commercial and tourism development properties, particularly in reducing the debt levels through sale of units off the plans. A number of hotel and resort properties are looking at this unit title structure for their financing arrangements now.

¹⁹ <http://www.doingbusiness.org/data/exploreeconomies/samoa/>

²⁰ SBS Business Activity Survey 2013 Report

Government Land Lease Access (Lands, Survey and Environment Amendment Act(No.2) 2015	This legislative amendment provides improved certainty to leasing of Government lands for relatively large investments requiring long term time horizons. The Act gives the Land Board authority to 99 year lease of government land without competition where the purpose of the lease is for a hotel, resort, services apartment or tourism related development approved by the Land Board and involves a capital investment in the development of at least \$10million and the area of land to be leased is not greater than 10 acres. This measure expected to encourage relatively large resorts chains who want to develop tourist properties on Government lands. In addition to facilitation in the leasing of Government lands, a number of measures are also being developed based on an extensive community consultative process for improved economic use of customary owned lands. However the delicate and complicated socio political issues surrounding use of customary lands, have led to the accelerated processes for granting of long term leases of Government lands for tourist resorts.
First Class Hotel Development Investment Tax Credits	Since the 2010 DTIS report which outlined the incentives available to tourism investors under the Tourism and Hotel Development Incentives Act 2003, Customs Amendment Act 2007, the Government has further extended the incentives through Income Tax Act 2012, Income Tax Amendment Act 2013 as listed below and which are set to expire on 30 June 2018: • Tax Credit: Investment of at least ST\$100,000 in an approved tourism development held for a period of five years is allowed a credit against income tax payable for the person's income at the rate of 100% of the investment. • Duty Concessions: exemption from duty for approved goods for qualifying hotel projects approved by the Minister of Finance. • Income Tax Holiday: exemption from income taxes for 5 to 15 years dependent upon the level of capital investment. With the expected strong growth in the tourism sector in the next 5 years and the relatively aggressive Government strategies and development plans for tourism development, there will be a lot of interest on a further extension of the incentives beyond 30 June 2018 to encourage further investment in the tourism sector and provide confidence to investors of Government support in the sector.
Double Taxation Agreements (DTA)	In 2015, Samoa went into an agreement with New Zealand for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance (the NZ-S DTA). New Zealand is Samoa's second largest trading partner and the NZ-S DTA seeks to provide a platform for increased trade and investment between the two countries. The NZ-S DTA will replace the existing tax information exchange agreement between New Zealand and Samoa when it enters into force. Like a growing number of DTAs, the NZ-S DTA contains a limitation of benefits article. Unlike recent DTAs, the NZ-S DTA does not contain a non-discrimination article. China had been approached regarding entering into a DTA with Samoa but this did not eventuate.

ADB Trade Finance Program (TFP)	The Asian Development Bank's (ADB) TFP was launched in Samoa in July 2016. The agreements mark the first time that banks from Pacific countries have participated in the TFP. The TFP expansion into the Pacific is supported and co-funded by the Government of Australia's Department of Foreign Affairs and Trade. Backed by ADB's AAA credit rating, the Trade Finance Program provides guarantees and loans to over 200 partner banks to support trade, enabling more companies throughout Asia to engage in import and export activities. The signing of guarantee and loan agreements with the National Bank of Samoa and Samoa Commercial Bank in July 2016 will see the TFP provide up to \$12 million annually to support trade activity in Samoa. The TFP is extending extra financial support to companies and banks engaged in trade finance, to create growth and jobs, particularly in small and medium-sized enterprises. Expanding trade in the Pacific is hampered by its geography and some of the highest trade costs in the world. A 2015 Pacific exporter's survey found that access to finance is consistently identified as one of the greatest barriers to business and that trade finance guarantee programs are relatively limited. Currently many Samoan importers pay for goods upfront, which can mean strained cash flows and a risk of not receiving goods. Under the TFP, ADB will work with the local banks to increase the use of financial products such as letters of credit, which will enable importers to pay safely, while ADB will also look at ways to support exporters through products like loans for pre-export finance.
Samoa International Companies Amendment Act 2014	The checks and balances for registration of international companies has been improved with the passing of the amendment to the Samoa International Companies Act 2014. Essentially, the amendment has improved transparency with Trustee Companies required to have a physical presence in Samoa as well as keeping financial records that could be made available to the Registrar upon request. SIFA has undergone numerous reviews of its operations since 2010 and has managed to comply with all including the OECD Phase II Review and the IMF/WB Financial Sector Assessment Program (FSAP) and the Asia Pacific Group on Money Laundering (APG). The findings of the OECD Phase II Review (Transparency and Exchange of Information for Tax purposes review) in 2015 indicated that overall Samoa is partially compliant with the international standard of transparency and exchange of information for tax purposes. Samoa has an exchange of information network with 17 jurisdictions, including major trading partners. Following its Phase 1 review, Samoa enacted significant improvements to its legal framework, including the abolition of bearer shares and new obligations for entities and arrangements to maintain accounting records in accordance with the standard. However, key challenges remain for the oversight and enforcement of the legal framework with the need for more rigorous ownership and accounting information. Samoa experienced some initial challenges in answering EOI requests in a timely manner due to a lack of internal processes. However, Samoa has since created an EOI unit with clear procedures and governance and the timeliness in answering more recent EOI requests has dramatically improved. SIFA remains committed to meeting compliance issues with new initiatives coming on board such as the OECD Tax Initiative whereby SIFA is working with MFR on common reporting standards and the US Foreign Account Tax Compliance Act (FATCA) which now imposes 30% withholding tax on international company earnings. The FATCA is not currently applicable to Samoa given our national laws but it can be applied indirectly through the Tax Information and Exchange Agreement that was initiated by the Government of Samoa with the US Embassy in 2013.

Casino and Gambling Control Act 2010 and Casino and Gambling Control Amendment Act 2015	The passing of the Casino and Gambling Control Act in 2010 established the Gambling Control Authority to oversee gambling activities in Samoa. The Act also approved the issuance of two casino licenses to operators provided that the casino was operated from a hotel complex. In addition, only foreign passport holders who are residential guests of the hotel casino complex or of other hotels are able to enter the casino premises. The 2015 Amendment allowed a single license holder to operate from a second venue or premises under the same casino license. The passing of the Act, the subsequent amendments and regulations have not only provided an additional activity for tourists visiting Samoa but also to attract more tourists to Samoa.
International Dateline Act 2011	One of the main measures to enhance the social, cultural, economic and commercial interests of Samoa was the shift of the IDL back to the East of Samoa. This was to ensure Samoa was in the same time zone as its major trading partners. As highlighted in the analysis of major trade trends, Samoa's principal economic and commercial ties are with New Zealand and Australia, with increasing links to the East Asian nations, particularly China, Hong Kong, Japan, Singapore and Korea. These links are expected to grow in importance in the coming years for trade, tourism and diplomatic ties. Since 2011, the change to the IDL has improved commercial dealings and ease travel and communications between Samoa and its major trading partners in Asia and Pacific region.

126. Other key legislative initiatives that have been passed since 2010 include: review of the Companies Act, Intellectual Property Act 2011, Income Tax Act 2012, Samoa Tourism Development Act 2012, Labour and Employment Relations Act 2013, Personal Property Securities Act (PPSA) 2013, amendment of VAGST Act, Legal Metrology Act 2015, Fair Trading Amendment Act 2015 and the Intellectual Property Regulations 2015. Additional legislative work currently in the pipeline include amendments to the Foreign Investment Bill 2015 and Competition and Consumer Bill 2015.
127. Consultations have brought out the issue of new foreign businesses particularly in the retail trading area which are supposed to be in the list of the types of businesses protected under the Foreign Investment Act. The situation is compounded by a reported increase in the trade in counterfeit products and some questionable food products. Whilst monitoring and surveillance efforts have been stepped up particularly by the Ministry of Revenue on counterfeit products, there is a clear need for a further investment of resources to strengthen the ability of the Government to administer the foreign investment legislative and policy guidelines.
128. Access to finance from commercial banks for agriculture and tourism still remains an issue as was raised during the consultations, particularly the lengthy process, high interest costs and security requirements. In addition to this, stakeholders also indicated that there is need for assistance to help the transition of small businesses for expansion to ensure sustainability of initial support extended by Government through the various initiatives.
129. MCIL and CBS have redesigned the Export Development Scheme (EDS) and this was approved by Cabinet in January 2012. The EDS builds on lessons learnt from the original Export Guarantee Scheme. The EDS will provide financial assistance through offering export finance guarantees to secure short term financing from financial institutions for the manufacturing, agricultural, fisheries, livestock and other growth sectors to develop quality and value added products for commercial consumption internationally. The EDS is set to be officially launched in 2016.

130. The other main sources of industry development assistance which have continued since 2010 include financial grants to private sector organisations, Duty Concession Scheme, Code 121 Scheme and the PSSF. A recent independent social and economic assessment report in 2015 recommended continuation of the facility due to a positive outcome and impacts delivered by PSSF. The assessment further suggests that for every \$1 of spending facilitated by PSSF, a \$2.25 in GDP effect is delivered. The Government of New Zealand is now working toward a framework and design for the continuation of the facility. An internal review of existing administrative measures in place for export incentives scheme such as Code 121, duty concession and suspension to identify the key weaknesses or constraints and ensure these are more streamlined and appropriate was to be undertaken however that work is still pending for a Technical Advisor to do so.
131. The “One MCIL” concept is also advocating an integrated approach in terms of provision of business services to private sector and investors. This will involve the integration of existing databases within MCIL as well as linkages to other key agencies including MFR, SNPF and SBS.

4.3.1 Business Enabling Environment Action Matrix Impact

132. Table 22 below presents a status update on the current issues from consultations conducted during this DTIS review and update process together with recommended actions to mitigate those issues and prospective lead institutions to effect the actions.

Table 22: Business Enabling Environment: Action Matrix

Gap/Issues	Actions	Responsible
36. Improve and strengthen trade legislative framework	36. Review trade and other relevant commercial laws to create and support a dynamic trade sector	MFAT, MCIL, AG, SLRC
37. Numerous industry development assistance needs to be streamlined and consolidated.	37. Integrate overseas trade promotions and investment schemes (citizenship, tax incentives, customary land access etc) into targeted packages for investors and development of a financing strategy to assist the transition of small businesses for expansion and sustainability of initial support by Government that include initiatives through the DBS, SBEC, SACEP and SBI.	MCIL, MFAT, STA, SAME, SCCI, SIFA, DBS, SBEC, MAF, MWCSO
38. Provision of timely and efficient services to private sector and investors needs to be improved.	38. Implement the “One MCIL” initiative and provide resources	MCIL

Section 5: Selected Sectoral Studies (including Value Chain and Supply Analysis)

133. This section focuses on specific case studies that highlight the recommended actions in Sections 2 to 4 of the DTISU. To emphasise the importance of value chains within the TCM sector the following case studies have been developed to highlight key pillars that are essential for improving the value chain within sector and its linkages to other key sectors. This includes:

Industrial Supply and Productivity

- Trade Sector Support Programme – focus on building supply and production base for main export commodities including coconut and cocoa. It aims to strengthen linkages to key sectors including Agriculture in terms of supply and Finance for provision of timely and reliable statistics.

Processing and Value Addition

- Special Economic Zone – focus on value addition for fisheries given it's the number export from Samoa and incentivising investors in selected zones for development.

Market Access

- Aviation and Tourism – expansion of aviation infrastructure and routes to support tourism arrivals
- Submarine Cable – investment in new cable to improve market access for core services in telecommunications and e-commerce.
- Labour Employment and Export Programme – improving the administration of the RSE and SWP to further support emerging labour services overseas.

5.1 Industrial Supply and Productivity

134. The developments envisaged under the 2010 DTIS for these core sub-sectors have been incorporated in the Agriculture Sector Plan (ASP) 2011-2015. The new ASP was launched in July 2016 and it is envisaged that close linkages with the TCM sector will continue given the drive for value chain approach in development of both sectors. Agricultural products currently dominate Samoa's export profile and there is a growing demand from domestic and international markets for value added products.
135. The push for value chain approach in the Agriculture Sector will help define the opportunities available to TCM manufacturers in terms of value addition. Current initiatives include value addition to coconut with the use of certified organic and fair trade branding of agricultural products e.g. Dr. Bronners joint venture with Pacific Oil, as well as the niche high quality cocoa for gourmet chocolate like Whittakers, production of local beer by new entrants such as Samoa Beverage Company and noni based products.

TRADE SECTOR SUPPORT PROGRAMME

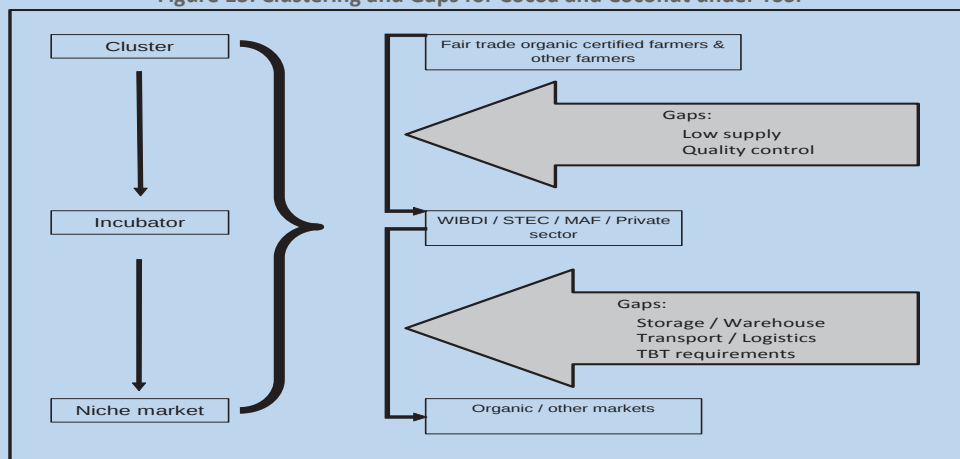
The Trade Sector Support Programme (TSSP) funded under EIF Tier 2 has highlighted how key stakeholders within the Agriculture and TCM sector can work along the value chain. The supply side constraints associated with coconut and cocoa are being addressed through support given to STEC. On post-harvest side support is being provided to enable targeted research through SROS on coconut and cocoa and the construction of a HACCP certified warehouse for WIBDI will ensure quality control for selected value added products as shown in the table below. Support for timely and reliable market access and information is being provided by SBS, CBS and SCCI.

Table 23: Cocoa and Coconut Products

Cocoa Base Product	Existing Value	Other Value Added	Niche
Bean	Koko Samoa	Cocoa Butter (for chocolate and cosmetic products) Cocoa Powder Cocoa Liquor	Single Source Origin marketing strategy: Promotion of "Koko Samoa" brand
Sweating / Pulp		Soft Drinks Alcohol (Brandy)	
Husk	Animal Feed	Pectin Potash Mulch	
Coconut Base Product	Existing Value	Other Value Added	Niche
Kernel	Copra Oil	Vinegar	Single Source Origin marketing strategy: "Story Behind the Product" marketing strategy eg BodyShop
	Copra Animal Feed	Coconut Yoghurt	
	Coconut Water	Bottled Coconut Water	
	Coconut Jam		
	Coconut Milk/Cream		
	Dessicated Coconut		
Shell	Handicrafts	Ground Cover/Peat	
Husk	Charcoal		
	Coir/Fibre Rope	Processed Coir	
	Fuel	Rubberised Coir (Mattresses/ Car Seats)	
Coconut Leaves	Mulch/ Peat		
	Brooms		
	Handicrafts/ Bags		

The TSSP advocates a clustering approach for the selected commodities which will build the capacity of farmers and the private enterprise in value adding and export production and marketing. Examples of lessons likely to be learnt are the development of sustainable farming systems and crop management practices, the bringing into production of new plantation areas, reduction in post-harvest wastage, matching product quality to market demand, and increasing the awareness of farmers and exporters of market expectations.

Figure 13: Clustering and Gaps for Cocoa and Coconut under TSSP



Sustaining these results through the sector wide approach of the TSSP relies on building the capacities of implementing agencies to streamline and integrate programme activities into agencies' annual work-plans and budgets. The TCM Coordinating Unit personnel recruited through Tier 1 and Tier 2 are to be integrated into the government budget at the end of each project, providing continuity and institutional memory within the implementing agencies. In addition, the capacity of SBS and CBS to undertake trade related surveys will continue beyond the TSSP.

The inclusion of implementing agencies like SCCI, WIBDI, SROS and STEC in the development of production, processing and trade facilitation capacity building ensures continuity given their own mandates in these areas.

It is envisaged that the initial funding and programmatic approach proposed through Tier Two will enhance the capacity of the sector to mobilise resources and serve as a platform for other resource interventions from the Government of Samoa, bilateral and multilateral organisations.

5.1.1 Industrial Supply and Productivity Action Matrix Impact

136. Table 24 below presents an action plan for the TSSP:

Table 24: Industrial Supply and Productivity Case Study: Action Matrix

Gap/Issues				Actions		Responsible
39.	Lessons learnt from implementation of existing TSSP under Tier II indicates better coordination however there is a need for additional resources to further support the integrated work amongst key implementing agencies.			39.	Review the achievements and challenges under existing TSSP and assess need for additional resources under Tier II.	MCIL (TCMCU), STEC, WIBDI, SROS, MAF, SCCI

5.2 Processing and Value Addition

137. The major disruption envisaged under the manufacturing sector is the proposed closure of Yazaki Samoa Ltd who is one of the major employers in Samoa. Discussions between the Government of Samoa and the company are ongoing to ensure all options are explored in terms of alternative products that can be produced by the company in Samoa.
138. The recent experience of the Government in trying to create a competitive integrated fishing hub in Samoa involving the development of the fishing fleet, fishing fleet provisioning and repairs, processing and canning phases highlighted the need to establish special economic zones (SEZs) which will facilitate the development of the relevant integrated business units with the minimum of red tape and administrative overheads and backed by modern and efficient support infrastructure. The SEZs can represent a wide variety of geographically-demarcated areas that offer simple and efficient business regulations and procedures to investors.
139. Since 2010, MAF have also developed a Tuna Management and Development Plan 2011-2015 to boost exports by encouraging private sector development and joint ventures with foreign companies in the fishing sector particularly for value addition to promote local processing. As noted, in the long run the promotion of the fisheries sector depends heavily on the

sustainability of fish stocks. This has led to the proposed Fisheries Management Bill 2015 which aims to ensure more sustainable fisheries measures and to improve the stock numbers.

140. Under the proposed SEZ regime, these zones can be promoted and facilitated as a strategy to attract and retain targeted investments and will catalyse and sustain economic activity across various sectors of the Samoan economy. The lessons learned from the original development of industrial duty free zone regime at Vaitele in the 1970s provide the basis for development of a proposed modern SEZ regime. A review of resurgence of the SEZs concept has also shown that this is strongly influenced by three main factors.
141. Firstly, the move toward a modern SEZ regime is being driven by changes in global production and market conditions that are opening up new opportunities for small developing economies like Samoa to actively participate in global value and supply chains. MCIL through its efforts to develop the new SEZ regime is seeking to place Samoa at the centre of international trade lanes to attract large corporations that are eager to benefit from the near shore value proposition.

SPECIAL ECONOMIC ZONE FOR FISH SUPPLY AND PROCESSING

Main Policy Considerations: A number of policy issues need to be considered when finalizing the proposed SEZs. These policy issues have to be prioritized through extensive policy consultations involving industry experts, senior government officials, international development partners and private sector interest groups. Through this consultative process, the evaluation of the strengths, weaknesses, threats and opportunities of several factors that are likely to impact SEZ development, specifically along the lines of international trade, market access, business regulation & facilitation, linkages, sustainable development, employment, incentives, taxation, among other areas.

Efficient and Cost-effective Trade and Business Facilitation Services: An efficient and conducive business environment is a key strategic focus of the SEZ policy regime. Measures to improve business and trade facilitation can increase the country's capacity to guarantee competitive transaction costs, speed and predictability in the provision of logistics services and can help to create a more attractive environment for investors. Several steps outlined in other parts of this report have been proffered for tackling issues affecting trade facilitation. Measures proposed are geared towards improving the entire eco-system of the trade facilitation environment, including the streamlining of business processes through the Authorized System of Customs Data (ASYCUDA), the Port Community System and the Single Window in order to ensure integrated business processes and efficiency across border agencies.

For successful access to global markets, Samoa has to be positioned to offer SEZ investors an attractive Free Trade Agreement (FTA) network that includes key markets in the major existing and future trade lanes. It is accepted that any effort to expand Samoa's bilateral FTA network will require coordination with our regional trading partners in the Pacific.

Sustainable Linkages between the SEZ and the rest of the economy: There is recognition that several policy measures can be applied to support greater linkages between and among businesses in the SEZs and the rest of the economy. The application of certain tax measures for example, is highlighted as an important tool that can be used to create linkages.

One measure which could be contemplated is the zero-rating of goods and services provided to the SEZs. However this measure should be applied in such a manner that will not erode the existing tax base. Therefore, activities that are permitted within SEZs will be properly evaluated, selected and controlled so that existing businesses that supply the domestic economy are not incentivized to close down and migrate to the SEZs but to expand their operations to provide the basis of additional tax revenue and generate additional employment. This is the main lesson from the first attempt by Samoa to set up the Industrial Duty Free Zones in the 1970s, which restricted linkages of the SEZs and the domestic economy.

Other key policy measures to promote linkages include the removal of the export requirement in keeping with WTO rules, capacity improvements and knowledge & technology transfer especially among MSMEs in order to increase the opportunities for business-to-business linkage.

Competitive Tax and Incentives Regime for the SEZs: The tax and incentives provisions could be based on four (4) important guiding principles. The first is that Samoa's SEZ regime will focus less on fiscal incentives and more on providing a platform to deliver the business and trade efficiencies, reliable physical & social infrastructure, human resource capacity etc., that are demanded by the global marketplace. Secondly, where possible, fiscal incentives will not erode the domestic tax base and will not compete with the general tax regime.

Thirdly, taxes and incentives will be 'fit for purpose' and will not cause the country to 'give-up' more than it needs to in terms of lost revenue to the government. The fourth principle is that, in support of the government's overall thrust toward fiscal consolidation, there will be a deliberate shift from the government-led zone development to a model that is private-sector led or involves minimal government involvement through public-private-partnerships.

Some of the proposed tax and incentives provisions could include:

- Low Headline CIT Rate of 12.5% on profits derived from the conduct of a trade, profession or vocation within a SEZ by an approved SEZ Operator, with accompanying tax credits, allowances and deductions that would result in a lower effective CIT rate.
- All domestic supplies into the SEZ will be zero-rated for GCT, including utility services. SEZ supplies into the customs territory will however be rateable at the prevailing standard rate or the applicable rate for particular supply
- Full relief from customs duty (CET), stamp duty, additional stamp duty and GCT on transhipped supplies into the SEZ

Zone Development and Administration: The matters related to zone development and administration is diverse. In light of the significant role that government plays in business and trade facilitation, a SEZ Authority would need to be created to ensure that the businesses in SEZs are facilitated in an expeditious manner. The role of the SEZ Authority will entail overseeing regulatory compliance through the relevant planning and trade facilitation authorities which will be housed in a One-Stop-Shop facility. The use of public-private-partnerships (PPP) and private zone development is a strategy that will help to lessen the burden that SEZs can place on the government.

The matter of eligibility requirements is another area in zone development about which there has been much debate. The set of eligibility requirements for the SEZ framework in Samoa could necessitate three important considerations. The first is that these requirements must be linked to the scope of the SEZ framework of the country; hence there must be consistency with the strategic objectives of national development and SEZ development. The second consideration is that there is a need to minimize revenue leakage due to migration of firms from the domestic economy to the SEZ. Thirdly, the requirements for eligibility should not be difficult to administer. This policy could follow best practice of identifying a short list of prohibited activities in a 'negative list'. Whilst most SEZs have services in the negative list, consideration could be given to include into the eligible businesses for the SEZs telecommunications regional hub, health services hub etc.

Labour Market and Productivity: This vision for the labour market has to be fulfilled against the backdrop of a diverse mix of local and international challenges affecting the labour market which must be addressed. Some of the Labour policy suggestions could include:

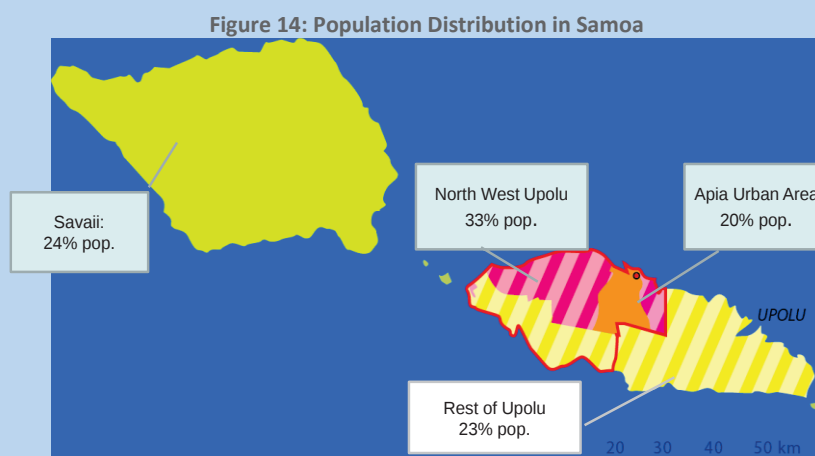
- Adoption of labour practices that are in full compliance with stipulations of the International Labour Organization;
- All policies related to the human resource development to be aligned to existing national policy framework for training and employment and for access to employment opportunities for women and persons with disabilities;
- Greater collaboration between training institutions and industry to ensure constant supply of skilled personnel for firms in the SEZ;
- Promotion of culture of voluntary compliance through awareness-raising/information-sharing programmes and initiatives geared towards investors, managers of enterprises, workers and their organizations.

Environmental Sustainability and Climate Change Mitigation: SEZs will need to be developed in full compliance with government's policies on sustainable development which incorporate economic, environmental and social considerations. The policy framework is being formulated with strategies to create backward linkages with individuals through employment and training and among businesses through efforts to stimulate business-to-business linkages.

Regulations to promote environmental sustainability are critical to doing business through the Global Value Chains model. Hence, one of the policy measures is to require the developer and operators of the SEZs to pursue and adopt low-carbon, green strategy with a clear goal and commitment to Greenhouse Gas mitigation. Every effort will be pursued to ensure a strategy of greening the economy and related industries and safeguarding human and environmental health.

Samoa's Value Proposition in Setting SEZs: The value proposition of the enormous prospects arising from changes in international production and trade and the construction of large scale international air and sea ports creating Samoa a competitive regional logistics hub that is supported by SEZs in the middle of these trade routes, Samoa will be positioned to enhance synergies of sea-air connectivity and provide near shore opportunities for value-added industries. In other words, through the use of a logistics-centric model that is similar to what is used in global logistics centres in Dubai, Rotterdam and Singapore, Samoa will be able to offer quick turnaround through 'near shore' value-added logistics services that will reduce the time to Australasian and Asian markets.

The SEZs will also benefit from superior market access arrangements through a network of trade agreements that will minimise trade duties in the major trade lanes. The location of such zones could be determined by the distribution of the population as presented in the figure below as well as suitability for major trading routes.



Source: SBS 2011 Census

An even closer look reveals an open, diversified market economy and a world class financial services sector supported by a large pool of highly qualified professionals, globally connected by a robust ICT platform. With these endowments, Samoa is well poised to become the financial and business logistical support centre of the Pacific. This centre will be an important source of funding and will create the vehicles for the transnational corporations setting up in the SEZs. These transnational corporations can look to finance their aviation and maritime operations from financial entities.

142. The second rationale is centred on the enormous potential of the SEZ regime to stimulate wide-scale economic activities, especially in new and emerging sectors. Through the development of the SEZ regime and other initiatives, measures such as business climate reforms, creation & stimulation of sustainable business-to-business linkages, harmonization of fiscal incentives and other reforms, will be intensified so that over time, the Samoan economy will be transformed to one with greater emphasis on efficiency, transparency and predictability. As a result of these reforms, both businesses in SEZs and businesses in the rest of the economy will be better prepared and equipped to access a larger share of the global market, expand and diversify their economic activities and hire more workers. These are all critical factors and conditions that must be satisfied in order to drive sustained growth and development in Samoa.
143. Finally, the intention to develop a new SEZ regime ensures conformance under the WTO rules for middle-income countries such as Samoa. The free zone regime in the 1970s stipulated rigid eligibility requirements in terms of qualifying activities and the amount of manufactured goods that had to be exported (qualifying manufacturing entities are allowed to supply up to 15% of production to the domestic market which attract applicable duties and charges). The new SEZ regime seeks to bring the country into compliance with the WTO Agreement on [Export] Subsidies and Countervailing Measures 2015 and thereby minimise the potential for challenges from other WTO Members.

5.2.1 Processing and Value Addition Action Matrix Impact

144. Table 25 below presents an action plan for the SEZ case study:

Table 25: Processing and Value Addition Case Study: Action Matrix

Gaps/Issues	Actions	Responsible
40. Need for competitive tax and incentives regime for the SEZs need to be developed; zone development and administration; environmental sustainability and climate change mitigation; and labour market and productivity	40. Undertake design and implementation of SEZ for fisheries hub in Samoa focussing on the four key issues highlighted.	MCIL (TCMCU), MAF, MFR, MOF, SWA, EPC

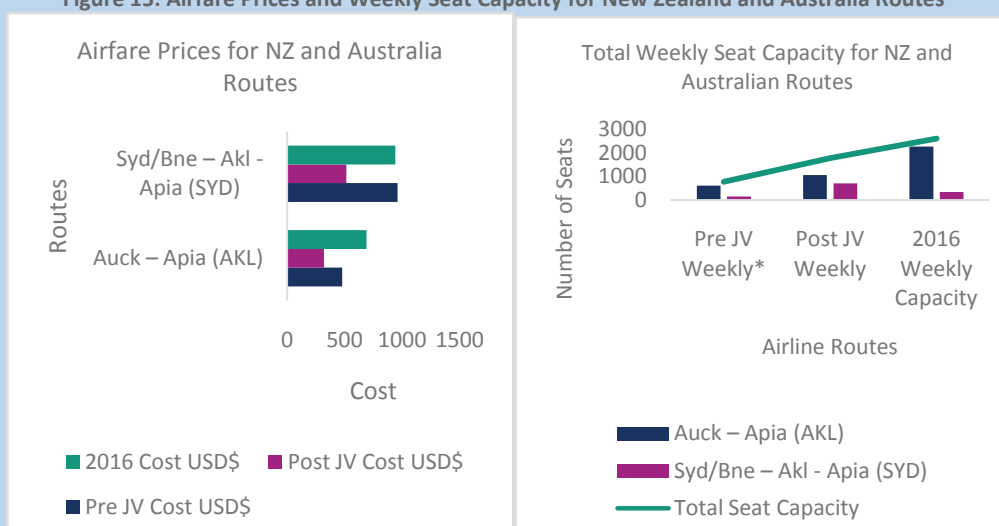
5.3 Services Trade and Market Access

145. Services trade continues to be the main growth area in terms of trade flows in Samoa. The continuing reforms include the liberalization of telecommunications and financial sectors with technical capacity building of the regulatory mechanisms to ensure competitiveness in the telecommunications, financial, airlines services and some of the public utilities being outsourced to the private sector.

AIR ACCESS AND TOURISM

The establishment of the joint venture between the Government of Samoa and Virgin Blue (Polynesian Blue) in 2005 aimed to not only lessen the fiscal burden but more importantly increase air access and airline services by improving transport links to Samoa to support the development of tourism which had been recognised by Government as the leading sector to drive economic growth given the industry's contribution to GDP, foreign exchange earnings, employment and emerging services.

Figure 15: Airfare Prices and Weekly Seat Capacity for New Zealand and Australia Routes



The immediate impact of improved airline services was evident in the increase in frequency of flights and subsequent increase in weekly seat capacity from New Zealand and Australia by 72% and 360% respectively with an overall increase in inbound seat capacity of 130%. The increased competition brought about from the entry of Polynesian Blue and reaction from Air New Zealand servicing the same routes resulted in an average reduction of airfares of 31 to 45%. The joint venture served as a catalyst for generating tourist arrival growth with peak growth recorded for Samoa between 2005 and 2006 of 13.8% with an estimated investment in accommodation and tourism infrastructure and services of SAT\$ 60.0 million with additional direct employment of approximately 900 persons. Air access from the main source market of New Zealand has continued to improve with inbound seat capacity increasing by 113% since 2006, although inbound seat capacity from Australia has decreased by 51%.

The average airfare particularly from New Zealand has increased by 118% from 2006 and is higher than airfares prior to the establishment of the joint venture. For the Australian sector current airfares have increased by 82% from 2006 but remain on par with airfares prior to the joint venture. Despite the overall improvement in inbound seat capacity of 47% between 2006 and 2014, the increasing trend in airfares for the two main source market sectors, the capacity and yields still being driven by the airlines servicing the market sectors, the relatively unfavourable flight schedules and the impact of the natural disasters in 2009 and 2012 has seen relatively flat growth in tourist arrivals for the 2007 to 2014 period.

The World Bank funded Samoa Aviation Investment Programme (SAIP) is a USD\$ 48.2 million project being implemented between 2014 and 2019. The four components of the project relate to 1) investment in airport infrastructure, 2) strengthening of policy and regulatory capacity including the development of the Aviation Sector Strategy, 3) strengthening airport operations and management including development of the airport master plan and lastly 4) project support. The main objective of the SAIP is to improve operational safety and oversight of international air transport and associated infrastructure which will link to improved access.

In addition to the SAIP, Government secured funding from the China EXIM Bank for the upgrade of the airport terminal and carpark at Faleolo International Airport. The terminal and carpark project is estimated at USD\$ 56.0 million with the main objective of attracting a more robust aviation market and enabling the growth of the Samoan tourism industry.

146. With regards to telecommunication, mobile telephony and internet services, there is still scope to enhance efficiency through greater competition. There are also a growing number of small enterprises creating platforms such as the Makeki Online and E-Trade Pacific to facilitate trade of goods and services locally and globally.

TUISAMOA SUBMARINE CABLE: IMPROVING ACCESS, RELIABILITY AND AFFORDABILITY OF INTERNET CONNECTIVITY

With the accelerated opening up of the economy and dependence on reliable and competitive priced telecommunications connectivity, the ICT sector has been identified by the Government as critical enabler of economic growth and development.

The Government, supported by the World Bank, the Asian Development Bank and the Government of Australia has invested in a telecommunications project, TuiSamoa submarine cable, which will not only involve establishing a 1,300km cable that will link Upolu and Savai'i, to the Southern Cross Cable Network in Suva, Fiji but will also provide technical capacity building for the telecommunications regulatory institutions to underpin an efficient functioning ICT sector.

When completed in late 2017, the TuiSamoa submarine cable project with a minimum capacity of 1 terabit per second be able to meet the projected growth in demand from about 420 megabits per second now to 6 gigabit so per second (Gbps) by 2021 and to 30 Gbps) by 2028.

The expected enhanced capacity and reliable and lower costs in Internet access are expected to generate not only significant improvements in the efficiency and effectiveness of existing businesses and public services but will also generate new businesses to take advantage of the geographical location, political stability and also the skill sets of the general population.

The opening up of the internet connections are expected to have an immediate impact on improvement of the quality of some of the public services which are already linked up by the 2014 National Broadband Highway, an Internet ready fibre network linking all the government offices, schools and hospitals. For the TuiSamoa submarine cable project has a significant component on eHealth solutions with support for an eHealth patient information system and exploration of eHealth initiatives via better ICT accessibility through the national broadband highway and internationally through the TuiSamoa submarine cable. Public services are also expected to become more effective as an increasing number of Government agencies migrate to e-Government platform which in turn are expected to significantly reduce compliance costs for doing business.

E-Commerce is expected to be further facilitated with the improved internet connectivity. Whilst a growing number of online businesses like Makeki Online and e-Trade Pacific have been relatively successful in generating traffic to their sites, the lack of scale and absence of online secure payment systems have hindered their growth prospects. In the tourism sector, attempts to create booking engines by the Samoa Hotel Association have been relatively successful. However the increasing opening up of the internet is attracting competition by the global booking and reservation engines. Lack of a range of secure payment systems have been quoted by a number of tourist properties as impediments to them becoming more involved online in growing their businesses.

147. The supply of skilled labour in these targeted industries is crucial to ensure we take advantage of the opportunities for further growth. The current labour schemes being promoted by NZ and Australian governments provides a good platform for Samoans to access the skills and knowledge overseas as well as earning a good income.

LABOUR EMPLOYMENT AND EXPORT PROGRAMME

Regional Seasonal Employer (RSE): The RSE policy joint venture between the Government of Samoa and New Zealand was introduced in 2007 to help address seasonal labour and skill shortages in the horticulture and viticulture industries that cannot be readily filled from the available New Zealand labour pool.

In February 2014, the RSE Remittance Study with an initial focus on Samoa and Tonga was initiated. The primary objective was to collect information on individual earnings and remittance transfers from 640 Hawke's Bay-based Samoan and Tongan RSE workers during the 2014/15 horticulture season. Income tax data from Inland Revenue shows in the tax years between 2010 and 2014, RSE workers earned more than \$460 million in gross income, and paid approximately \$65 million in income tax.

The noted impact of the RSE on remittances for Samoa was noted in the Pilot Project whereby between 2010 and 2014 Samoan RSE workers earned a combined gross income of approximately \$55.53 million and paid \$7.76 million in income tax. Total net earnings for Samoan RSE workers in this period were approximately \$47.77 million.

Samoan participants earned an average gross income of \$18,028 and remitted on average \$4,614 per person respectively during this period. Overall, workers remitted about 42 percent of their total take-home income (after tax and fixed deductions) as cash transactions, but this does not include other forms of remittances.

Household-level evidence available suggests that remittances often help households provide schooling for their children. Those studies tend to find that remittances also help finance agricultural investments, self-employment activities, and real-estate purchases. Recent findings between 2010 and 2015 see New Zealand as the most consistent area where remittances have been sent from.

Cabinet has also approved the development of a Framework to improve various areas of the RSE scheme such as English language training, improvements to medical screenings, Guidelines and standards to address behavioural issues that arises, encouragement to invest in setting up small businesses and possible deduction for their National Provident Funds

Seasonal Worker Programme (SWP): A Memorandum of Understanding (MOU) on SWP was first signed between Samoa and Australia in December 2011. The SWP has undergone revision since 1 July 2015 whereby the national cap on the number of workers participating in the SWP has been removed. This was to ensure businesses could access seasonal labour they cannot find domestically. Essentially, this builds on recent changes whereby the caps on individual sectors were removed so that the SWP was demand driven by Australian employers. Following the expansion of the SWP in July 2015, an updated MOU was signed in February 2016. On 1 May 2016, The Australian Government announced the commencement of a tourism pilot under the SWP, specifically for Northern Australia, building on the current operation of the programme in the accommodation sector in selected locations in Australia.

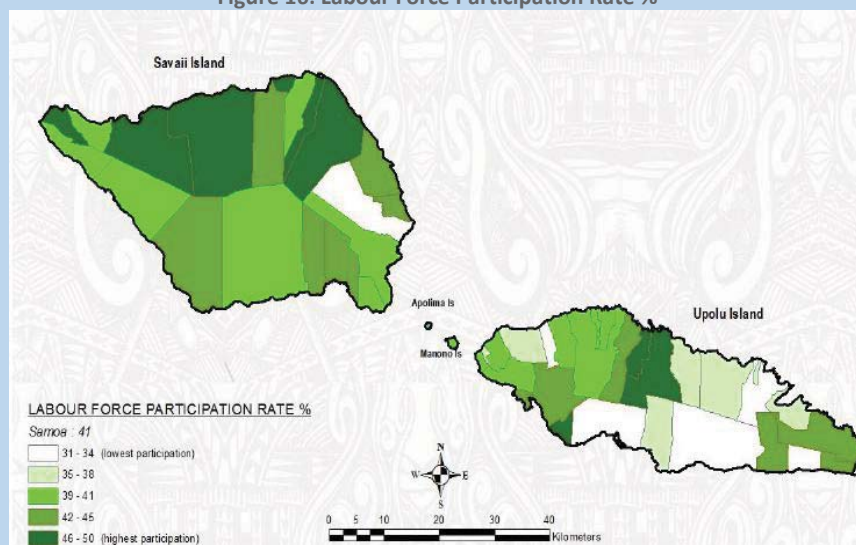
Integrated Administration: The trickling effect in improving the economy is noted but also impacts significantly in improving the social determinants within Samoa. Evidently our communal way of living impacts heavily on the main reasons for remittances to Samoa. The same impact can also be anticipated for the recent formal arrangement with Australia.

Australia's Labour Mobility Assistance Program (LMAP): Samoa is also a beneficiary of the LMAP which provides assistance to countries participating in the SWP to improve the supply and quality of seasonal workers, strengthen linkages with Australian employers and maximise development impacts of the SWP. LMAP has four key components:

- To improve demand for seasonal workers by supporting the development and implementation of country plans in sending countries.
- To improve the supply and quality of seasonal workers by building the capacity of Labour Sending Units (LSUs) in the selection, administration and pre-departure briefings of workers.
- To maximise the development impacts of the SWP, by building participating country capacity around re-integration briefings and processes that will support workers to use their savings and skills for productive activities.
- To produce evidence to improve policy and program outcomes, including through pilot and tracer studies.

Both the RSE and SWP schemes have a significant impact on the labour force participation rate for the country and targeted support can be provided to areas whereby there is a lower rate of participation as depicted in the figure below). Labour force participation rate is: proportion of the economy's working age group 15 years and over that are economically active in the production of goods and services. Rate excludes domestic workers, school attendants and people not capable of working and includes only people with paid jobs, subsistence workers, income earners and people who are actively looking for jobs at. The highest is noted in Apia Urban region and some parts of Savaii and Upolu.

Figure 16: Labour Force Participation Rate %



Source: SBS Socio Economic Atlas 2011

The RSE funded by New Zealand and the SWP funded by Australia continues to grow with annual quotas expected to rise in light of the planned expansion of the scheme to include other vocational training. From Samoa's perspective, both schemes have enabled Samoan workers to enter, work and earn in both NZ and Australia. There is a great number of returning workers and surveys undertaken to date indicate that RSE employers believe that benefits of the scheme far outweigh the costs.

The RSE quota has increased to 9,500 per annum covering nine Pacific Island countries for the 2015-2016 period. Notably, the RSE has also initiated supply chain arrangements whereby the trusted employees are organized by the New Zealand employers to enter the exporting of agricultural products.

To further strengthen national collaboration, Cabinet has recently approved in April 2016 the setup of the LEEP Division under MCIL and for both RSE and SWP to be shifted under this division. In addition, the directive also includes the setup of a Special Committee to be chaired by the Hon Prime Minister, and members such as the Minister of MCIL, MOF, CEO MPMC, CEO SQA, Governor CBS, CEO MWCSD, CEO MFAT, CEO MOF and the CEO MCIL as the Secretary.

5.3.1 Services Trade and Market Access Action Matrix Impact

148. Table 26 below presents an action plan for the three key case studies under Services Trade section:

Table 26: Services Trade and Market Access Case Studies: Action Matrix

Gaps/Issues	Actions	Responsible
41. Higher seat capacity with higher airfare prices on traditional routes including NZ and Australia	41. Assess feasibility of another airline (including incentives such as reduction or exemption of import taxes on aircrafts) and negotiate with existing air carriers on seat capacity, yields and more favourable flight schedules.	STA, MWTI, MCIL, SAA, MOF
42. High cost internet services and need for faster connections to enable e-commerce platforms	42. Develop needs assessment for e-commerce readiness to take advantage of submarine cable.	MCIL, MCIT, PSC, SBEC, DBS
43. Low utilisation of quotas under RSE and SWP. Need for better administration and coordination of both schemes.	43. Implement and provide resources for the LEEP initiative that has been endorsed by Cabinet.	MCIL, MPMC

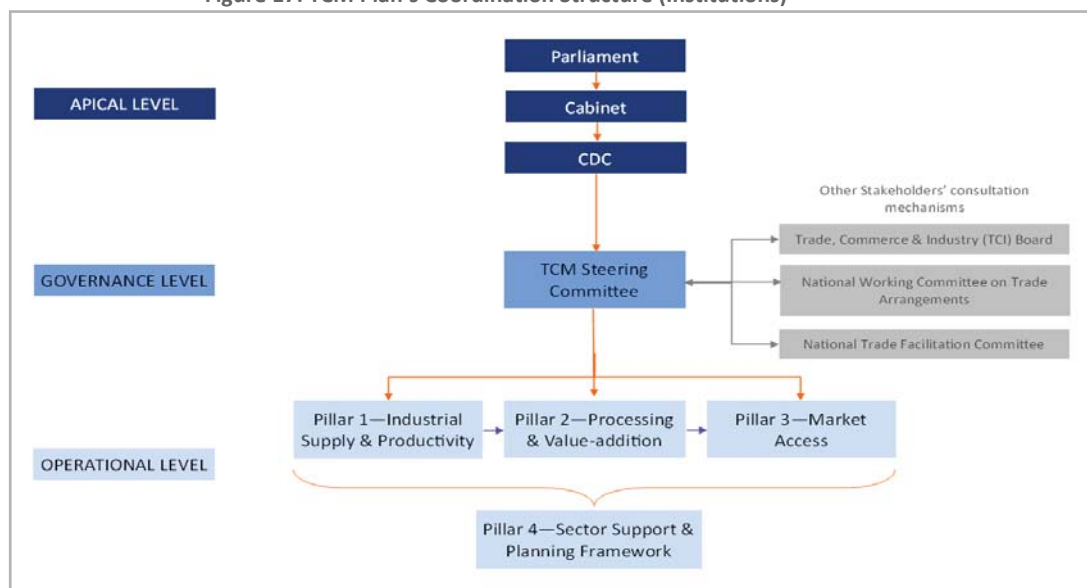
Section 6: Implementation Arrangements and Institutional Structures

149. This section presents the existing institutional structures, stakeholders and implementation modalities that have been established since 2010. It provides a framework for implementing the updated Action Matrix and development process for the next TCMSP.

6.1 Current Governance Structures and Stakeholders

150. Since 2010, Government was advised to consider an institutional trade development framework for Samoa to facilitate at the national level oversight of any policy issue both in the Government and the private sector of major concern for coherence nationally. In 2014, amendments to the principal Trade and Commerce Industry Act 1990 to reflect this arrangement with the Hon Minister as the Chairperson was put through and passed by Parliament.
151. In addition to the TCM plan's core governance bodies, three other coordination bodies that were established to facilitate the dialogue with a broader set of stakeholders prior to the launch of the TCM plan continue to operate. The Trade, Commerce and Industry Board (TCIB) is convened at senior management level (i.e. CEO level), and is chaired by the MCIL Minister. TCIB is valued by MCIL as the main venue to consult private sector's stakeholders and whilst stakeholders have indicated the usefulness and value of the TCIB as forum, there is a need to strengthen its capacity. The MFAT is also successfully engaging stakeholders through the National Working Committee on Trade Arrangements (NWCTA), which has been established to assist in developing and recommend to Cabinet trade negotiation positions. The National Trade Facilitation Committee (NTFC) is currently being reviewed. The TCM coordination and governance structure is reproduced in Figure 17 below.

Figure 17: TCM Plan's Coordination Structure (Institutions)



152. The national framework now in place strategically links the leading and support agencies of government and the necessary private institutions in taking it forward. Cabinet has also approved in 2014 amendments to the membership of the TCM Steering Committee (TCMSC) and the Task Force as requested by MCIL. In addition, the former Trade Facilitation Committee

has been integrated and absorbed into the functions of the TCM Steering Committee to ensure that the TCMSC is responsible and covers all aspects of trade.

153. Agencies with responsibilities in the implementation of the TCM plan include: MOF, PSC, MOH, MAF, MWCSO, CBS, SBS, MFR, Private Sector Organizations (particularly SCCI and SAME), Development Partners and UN, Attorney General and etcetera.
154. A Functional Analysis conducted by the PSC of all Government Ministries in 2014 was to reassess the validity of functions implemented across each sectors and to validate if there were any duplication in services rendered under their respective mandates. The need to ensure that the services available serve the needs of its intended customers and audience is imperative moving forward for efficiency and effectiveness.
155. With the likes of the Ministry of Foreign Affairs and Trade and the Ministry of Commerce Industry and Labour facilitating issues pertaining to Trade and so forth, the need to clearly define and refine the roles of these Ministries to avoid duplication of having two Ministries perform the same functions was earlier noted in the Diagnostic report in 2010. Whilst the outcome of the Analysis is yet to be approved by Cabinet and released, similarities in implementation and duplication in the areas of Policy and Planning and Management of Industry Development and Investment and or Trade Negotiations.
156. Both Ministries provide direct advice on the same issues to the Hon Minister such as
 - Matters affecting the development of Samoa's trading relationships with other countries concerning trade negotiations;
 - Matters affecting the growth and development of industry, commerce and trade in Samoa
 - Developing the national trade policy and providing policy advice on foreign investment promotion and industry development to the Minister and Cabinet.
157. Previous reports noted the need for the Trade Promotion aspects under the MFAT to be officially transferred to the MCIL whilst MFAT concentrates on Trade Negotiations. The Financial Year 2016/2017 Budget approved for by Parliament recently, sees the shift of the Samoa Tourism Budget as a below the Line Item under MCIL hence depicting a shift in institutional arrangements for a more coherent implementing mechanism.
158. In addition, it was identified that there was a need to develop the capacities of private sector institutions' to effectively engage with government on trade policy formulation through inter alia training in technical trade issues, enhanced dissemination of relevant information and trade negotiations, etc. Since then, this has been addressed through various workshops and consultations under the umbrella of the NWCTA as well as private sector participation at PICTA and PACER Plus negotiations on observer status.
159. The TCM division plays an important role in facilitating requests from government agencies and the private sector with the objective of promoting Samoa's export capacity. Similarly IDIP is also involved in promoting export and investment activities through existing schemes such as the Duty concession and PSSF, as well as responding to enquiries on these issues.
160. Deepening the understanding of women in terms of impact of trade have been addressed in programs rolled out in the community collaboratively by the Public and Private Sectors however must be continually strengthened and improved upon.
161. The Chamber of Commerce has been actively involved in ensuring that business network and cluster to achieve economies of scale and reduce unit costs of common overheads with support from TCM. Both institutions continue to encourage and facilitate networking for the general public.

162. Given the above, institutional arrangements must be continuously facilitated and reviewed so that the frameworks in place and governance structures provide an enabling environment to those it exists to serve. The anticipated outcome of the Functional Analysis of all Government Ministries by the Public Service Commission shall determine the direction for further enhancement and improvements in operationalising the various areas addressed in this update.

6.2 Implementation Modalities

163. Following the 2013 Capacity Assessment Report for the TCMSP the Action Matrix was prioritised with a total of 42 actions, 11 having two or more sub-actions resulting in a total of 62 separately named activities. The baseline cost for these priorities was estimated at around USD\$ 23 million over the plan period. The following core implementing agencies were identified in the 2013 prioritised Action Matrix:
- Four government ministries – MCIL, MFAT, MAF and MOH
 - One state-owned enterprise – SROS
 - Two private sector organisations – SCCI and SAME
164. The 2013 prioritised Action Matrix was used as a basis for reconfirming priorities during consultations with key sector agencies when the Medium Term Expenditure Framework (MTEF) was developed in 2014. During these consultations additional lead implementing agencies were identified leading to a total of 13 agencies listed below to be responsible for the implementation of existing and new policies within the sector:
- six ministries - MCIL, MFAT, MAF, MOH, MFR and SBS
 - two state-owned enterprises – SROS and STEC
 - CBS
 - four private sector organisations – SCCI, SAME, SBEC and WIBDI
165. The TCM Sector Plan was further refined following the MTEF in 2014 to better capture the sequencing of sector priority activities using a value chain approach. The refined sector plan now has four pillars and 15 outputs and contains a number of prioritised activities to be implemented over the period 2014/15 – 2016/17 through the annual government budget process.

Table 27: TCMSP Pillars

Original TCMSP Pillars & Objectives	Revised TCMSP Pillars & Outputs (MTEF)
Pillar 1: Private Sector Development - SPO 1: Strengthen sector policy, legal, regulatory and strategic planning - SPO 2: Enhance the enabling environment for the private sector as the main engine for economic growth and enhance its productivity, value adding and trade capacity Pillar 2 Domestic Trade and Market Regulations - SPO 3: Enhance the effectiveness of market mechanisms and the growth of commercial activities and create a level playing field for all in the domestic market Pillar 3: Foreign Trade - SPO 4: Boost Samoa's capacity to engage in and reap the gains from trade through enhancing	Pillar 1: Industry Supply and Productivity - Improved productivity of key industries - Consistent quality and quantity of primary sector supply Pillar 2: Processing and Value-adding - Improved productivity of key industries - Consistent quality and quantity of primary sector supply - Increased number of value-added products - Improved quality assurance standards for key processing industries - Established quality standards for key services Pillar 3: Market Access - Reduced cost of doing business - Improved access to various private sector support schemes

competitiveness, reducing trade deficit to sustainable levels and promoting export Pillar 4: Manufacturing industrial development and linkages • SPO 5: Create a conducive environment for industrial development and boost the manufacturing sector in Samoa • SPO 6: Enhance linkages and spill-overs among productive sectors	• Improved balance of trade on goods • Increased labour mobility in foreign markets Pillar 4 Sector Coordination and Support • Key elements of TCMSP developed and implemented • Accurate and timely sector statistics for sector planning and policy formulation • Enhanced sector regulatory and legislative frameworks • Strengthened institutional capacity of key sector implementing agencies • Improved climate resilience of sector initiatives • Sustainable Development Goals (SDGs) integrated into sector initiatives
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166. The key priorities that remain under the TCMSP are highlighted in the updated Action Matrix. These will become a key component and foundation that will feed into the preparations of the next update and review of the current TCMSP. Discussions with key implementing agencies have indicated that the scope of the next TCM Sector Plan could be defined using the agreed definitions and scope for Trade, Commerce and Manufacturing.

6.3 Implementation Arrangements and Institutional Structures Action Matrix Impact

167. Table 28 below presents a status update on the current issues from consultations conducted during this DTISU together with recommended actions to mitigate those issues and prospective lead institutions to effect the actions.

Table 28: Implementation Arrangements and Institutional Structures: Action Matrix

Gaps/Issues	Actions	Responsible
44. Trade promotion functions under MFAT to be streamlined under MCIL	44. Finalise Functional Analysis report and Implement recommendation from the MFAT and MCIL functional analysis	MFAT, MCIL, MOF, PSC
45. Personnel under TCMCU with the exception of the ACEO are funded by EIF Tier I and Tier II resources. These are due to end in 2016 and 2017 respectively.	45. Review functions of existing personnel and absorb into the recurrent budget if functions are part of core ongoing role of TCMCU	MCIL, PSC, MOF
46. Existing TCMSP needs to be reviewed and scope to be agreed.	46. Build on the analysis from DTIS update and reconfirm scope of next TCMSP.	MCIL (TCMCU)

Annexes

Annex 1: List of People Consulted

Name	Designation and Ministry/Organisation
1 Junior Ah Yen	Senior Accts, Betham Brothers Enterprises
2 Benjamin Pereira	Assistant Governor, CBS
3 Karras Lui	Manager, CBS
4 Margaret Chan Cheuk Tafunai	Manager, CBS
5 Savave Sapolu	Policy Analyst, Chamber of Commerce
6 Meng Fanwei	Head of Economic and Commercial Office, Chinese Embassy
7 Liu Peng	Third Secretary - Economic and Commercial, Chinese Embassy
8 Maverick Wetzell	Manager, LTA
9 Malcolm Esera	Engineer, LTA
10 Alvin Onesemo	Customs, MFR
11 Magotaamu Salanoa	Customs, MFR
12 Ueta Faasili	Principal Fisheries Officer, MAF
13 Pulotu Lyndon Chu-Ling	ACEO – Investment, MCIL
14 Ranan Schuster	Foreign Investment Officer, MCIL
15 Philia Leleimalefaga	Industry Development Officer, MCIL
16 Stephen Musbire	Technical Advisor, MCIL
17 Lita Lui	ACEO – ACDM, Ministry of Finance
18 Etevis Moananu	Ministry of Finance
19 Joy Pagaialii	Ministry of Finance
20 Felicity Pogi	Ministry of Finance
21 Venus Tupai	Principal Seasonal Employment Unit, MPMC
22 Karanita Mavaega	Principal Policy Analyst, MPMC
23 Muelu Meatoga	Principal Policy Analyst, MPMC
24 Anawim Paulo	Research Officer, MPMC
25 Jordanna Mareko	Senior Youth Officer, MWCSO
26 Ana Leau Vaasa	Senior Youth Officer, MWCSO
27 Maria Bernard Tiatia	YEP Pro Manager, MWCSO
28 Seira Fuimaono	Sector Co-ordinator, MWCSO
29 Louisa Apelu	ACEO-DFW, MWCSO
30 Bernadette Samau	FOBE Lecturer, National University of Samoa
31 Situfu Salesa	Economic Budget Support, NZ High Commission
32 Cecily Fa'asau	Legal Counsel, Office of the Regulator
33 Unuto'a Fonoti Auelua	Regulator, Office of the Regulator
34 Su'a Aulaga Faumuina	Electricity, Office of the Regulator
35 Perelini Lameko	Electricity, Office of the Regulator
36 Teuila Eteuati	GM, Pacific Forum Line
37 Colin Stringer	Technical Advisor, Samoa Association of Manufacturers and Exporters
38 Leota Aliielua Salani	ACEO - Finance Statistics, Samoa Bureau of Statistics
39 Edith Faaola	ACEO - Economic Statistics, Samoa Bureau of Statistics
40 Toese Uelese	Principal Statistician, Samoa Bureau of Statistics
41 Sieni Voorwinden	Manager, Samoa International Finance Authority
42 Ala Meleisea	Manager, Samoa International Finance Authority
43 Papalii Matatamalii Sonja Hunter	CEO, Samoa Tourism Authority
44 Dulcie WongSin-Simanu	Tourism Sector Coordinator, Samoa Tourism Authority
45 Kitiona Pogi	Research & Statistics Manager, Samoa Tourism Authority
46 Patea Setefano	CEO, Samoa Trust Estates Corporation
47 Shalom Vaeloto	Samoa Trust Estates Corporation
48 Alalina Ioelu	CEO, Small Business Enterprise Centre
49 Shaun Kennedy	TA, UNDP/YEP
50 Georgina Bonin	Assistant Resident Representative, United Nations Development Program
51 Melissa Mitchell	Second Secretary and Consul, Australian High Commission
52 Auimatagi Bob Ale	Program Manager (ICC), Australian High Commission
53 Tilafono David Hunter	CEO, SROS

54	Pousui Fiamē	Manager – Research, SROS
55	Rosie Vaai	Manager, Savaii Koko
56	Sesilia Schwalger	Manager, Bayview Enterprises
57	Alo Kolone Vaai	Manager, Savaii Coconut Cluster
58	Edwin Tamasese	Manager, Savaii Coconut Cluster
59	Efilau Pati	Savaii Island Consultation, Salelavalu
60	Tevita Tariu	Savaii Island Consultation, BOSA
61	Tauloa Tuuga	Savaii Island Consultation, BOSA
62	Lauano Vau	Savaii Island Consultation, SBEC
63	Matamua Ioane	Savaii Island Consultation, SBEC
64	Faasootauloa Lali	Savaii Island Consultation, SBEC
65	Papalii Siaoosi	Savaii Island Consultation, SBEC
66	Tanuvasa Magele	Savaii Island Consultation, SBEC
67	Elizabeth Siaoosi	Savaii Island Consultation, SBEC
68	Nuu Asolelei	Savaii Island Consultation, SBEC
69	Anthony Hansell	Savaii Island Consultation, SBEC
70	To’oto’o M Hansell	Savaii Island Consultation, SBEC
71	Sepoima Tavita	Savaii Island Consultation, SBEC
72	Gasu Isaako	Savaii Island Consultation, Salafai Association
73	Asiata	Savaii Island Consultation, SBEC
74	Kevin Hartin	Savaii Island Consultation, SSTA
75	Paulino P	Savaii Island Consultation, Samalaeulu
76	Tautua	Savaii Island Consultation, Taga
77	Leota Pepe	Savaii Island Consultation, SBEC
78	Tauatama Vilivili Silafou	Savaii Island Consultation, SBEC
79	Asiata Manase	Savaii Island Consultation, SBEC
80	Donald Leumaga	Savaii Island Consultation, DLC Consultex

Annex 2: 2010 Action Matrix – Detailed Update

In this annex, the status of each action of the DTIS 2010 is presented as per June 2016. The status is presented based on the following key:

- 36 green (fully implemented).
- 37 yellow/orange (half implemented with key areas missing)
- 9 red (significant delay or yet to start).

[^]Requirements: 1 Implement Existing Policy; 2 Change policy/legislation/Reform Institutions; 3 Technical assistance/investments

Action No.	Action Recommended	Requirements^			Agencies Involved	Likely Time-frame	Level of Priority	Sector		Status 2016
		1	2	3				Lead	Support	
SECTION I: OVERALL TRADE ISSUES										
Macroeconomic Environment										
1	Central Bank to re-enforce and actively utilise the exchange rate policy to stimulate export oriented activities and to contain import spending. <i>Seek feedback from Finance</i>	X			CBS, MOF	MT	P1 – ongoing	Finance	TCM	The CBS has been actively monitoring the nominal exchange rate level that is conducive for exports but also minimizes imported inflation and its adverse impact on external debt. The nominal value of the Tala has steadily appreciated over the past 5 years due to the weak US dollar. (The active utilization of exchange rate policy to stimulate export oriented activities is also known as currency manipulation and has adverse effects on financial outflows such as debt servicing and imports, hence such strategy is thought about but off the cards when it comes to implementation.)
2	Promote remittances as a potential resource for investments. Undertake an analysis of potential policy schemes, building on the experience of other countries, for the use of remittances as a source of community investment.	X		X	CBS, MCIL, MWCS D	LT	P2 – new	Finance	TCM	CBS: Remittances have been looked at as a potential investment source for UTOS and other financial institutions. This is still in its early days and also the level of interest rate that is offered to make people not to consume but invest it. MCIL: The proposed transfer of the RSE administration from MPMC to MCIL will strengthen the promotion of this opportunity. However efforts have been made through other agencies & villages to encourage RSE workers to invest their funds in a business instead of continuous spending on consumption & luxury goods.

3	Develop reliable and timely GDP, BOP and employment data critical to track and manage the contributions of key sectors and the emerging services and to monitor employment shifts among the main sectors of the Samoa economy.	X		X	CBS, MOF, SBS	MT	P1 – ongoing	Finance	TCM	The BOP is in line with IMF BPM6 manual and improvements have been made to collect FDI data, refine monetary data to exclude exchange valuations and review tourism earnings estimation model.
4	Strengthen fiscal (revenue and expenditure) control systems as identified in the PEFA to alleviate the destabilizing financial impacts resulting from tsunami related reconstruction and the global financial crisis.	X		X	CBS, MOF, SBS	MT	P1 – ongoing	Finance		CBS: The current implementation of the financial sector assessment programme will effectively address this issue from CBS' point of view. (i.e. resolution of potential defaults, etc) SBS: GFS published on a quarterly basis with more details on revenue and expense (GFSM14) Government outstanding debt published on a quarterly basis.
5	Formulate a strategy to maintain access to concessional financing as well as accessing capital markets, if needed, for investment and borrowings in the medium term to longer term in anticipation of the effects of trade liberalizations and loss of LDC status.	X	X	X	CBS, MOF, UTOSs	MT	P1 – new	Finance	TCM	The use of IMF concessional financing facilities for potential BOP issues has already been activated. Commercial banks have also been encouraged and are a regulated to solicit external financing for substantial projects and developments for their clients.
6	Incorporate poverty reduction strategies into the design of the trade sector plan including monitoring and evaluation frameworks, to maximize the effects of trade in poverty reduction.	X	X	X	MCIL, MWCSO, MFAT, MOF	ST-MT	P1 – ongoing	TCM	Community Finance	The TCM division is currently developing the M&E framework which includes specific provisions Output 3 (PA 0.3.3) on assessment of policy design to assess poverty impacts etc, and to adjust accordingly.
Trade Development Framework										
1	Clarify the roles and responsibilities of the MFAT and MCIL for trade policy formulation and implementation with MCIL taking the leading role in policy development and export/investment promotion, and the MFAT to be responsible for trade negotiations.		X		MCIL, MFAT	ST	P1 - new	TCM	PASP	There is yet to be a formal agreement on the transfer of the trade promotion function from MFAT to MCIL. MFAT restructure underway and role of Trade Division. However MCIL continues to play an active role on this activity:• The TCM division plays an important role in facilitating requests from government agencies and the private sector with the objective of promoting Samoa's export capacity. • Similarly IDIP is also involved in promoting export and investment activities through existing schemes such as the Duty concession and PSSF, as well as responding to enquiries on these issues. MCIL restructure underway. The establishment of an independent National Export Authority (National Export Strategy) has been put on hold due to financial constraints.

2	Government to consider the two options presented in the report for an institutional trade development framework for Samoa: Option 1: Enhance the role of the existing TCIDB Option 2: Establish an independent Trade and Investment Board to institutionalize inter-governmental coordination on trade and investment policy formulation and to provide oversight responsibility for policy implementation by various government and private sector agencies.		X	X	MFAT, MCIL	ST	P1 – new	TCM	PASP	The work of the TCI Board has been revived under the Trade Commerce & Industry Act 2014 indicating that Option 1 has been adopted by the sector.
3	Develop the capacities of private sector institutions' to effectively engage with government on trade policy formulation through <i>inter alia</i> training in technical trade issues, enhanced dissemination of relevant information and trade negotiations, etc.			X	MCIL, MFAT, NPSO, Civil Society	ST	P1 – ongoing	TCM	PASP	This has been addressed through various workshops, consultations under the umbrella of the NWCTA as well as private sector participation at PICTA & PACER plus negotiations on observer status.
4	Improve trade data collection, analysis, and dissemination.	X		X	MFR, SBS, CBS	MT	P2 – ongoing	TCM	PASP	Monthly and quarterly trade report published on SBS website.
5	Undertake an internal review of existing administrative measures in place for export incentives scheme such as Code 121, duty concession and suspension to identify the key weaknesses or constraints and ensure these are more streamlined and appropriate		X	X	MCIL, MFR, MOF Code 121 with MFR, Tier 1 or 2	MT	P2 - new	TCM	Finance	A full review of the existing support programs is yet to be undertaken. A TA is required.
6	Improve policy design and strengthen capacities for monitoring and evaluation of trade policy to assess economic and poverty impacts and adjust accordingly			X	MCIL, MFAT, MWCSO	ST-MT	P1 – new	TCM	Community Finance	Refer to response in Section 1 (6)
7	Deepen the understanding of the impact of trade liberalisation on the structure of society, particularly on women.		X	X	MWCSO, MFAT	ST-MT	P1 - new	Community	TCM	Many programs of government have been rolled out in the community collaboratively by the Public and Private Sectors in enhancing understanding of women in the impact of trade liberalisation on society in general. Much more still needs to be done.
8	Create a development-oriented trade policy environment in line with Samoa's development and poverty alleviation goals.		X	X	MFAT, MCIL, MOF	ST	P1 - new	TCM	Community	Development-oriented trade policy is one of the core activities of TCM
International Trade Arrangements and Negotiations										

1	Map out and cost the needed reforms for the WTO accession process including in the areas of IPRs, SPS, Countervailing measures, Fisheries subsidies and technical barriers to trade. Identify priority technical assistance gaps and needs. (use legislative action plan from WTO accession)		X	X	MFAT, MCIL, MAF, MFR, NPSO, AG	ST	P1 – new	TCM	Agriculture Finance	MCIL has been delegated the role of competency agency for the TBT and Countervailing Measures. These are very technical and will require specially designed training. IPR - Houston, MAF:SPS
2	Undertake an assessment of the economic implications of extending tariff concessions to protected businesses supplying the domestic market as well as to exporters. Consider the potential of specific trade agreements, such as EPA, to mitigate the loss of DFQF resulting from graduation from LDC status. Refer to Tariff Review :Phase 1 - rebuilding of tariffs, Phase 2 - , Phase 3 (Awaiting feedback from MFR (TCI Board) on revenue implications on another tariff review)			X	MFAT, MFR, NPSO, MCIL	ST	P2 – new	TCM	Finance	MFAT under the NWCTA has addressed some of these issues. A TA is required to carry out this activity.
3	Undertake an assessment of the revenue impact of the PACER Plus negotiations under various scenarios based on assumptions regarding the extent of liberalization in EPAs. Such assessment will assist in formulating informed alternative negotiation positions and options.	X		X	MFAT, MFR	ST	P1 – ongoing	TCM	Finance	Fiscal Report on revenue impact on PACER Plus: ComSec, 2012 market access - high revenue loss of PACER Plus - ongoing negotiations have lower revenue loss
4	Identify individual export products that may be impacted by the loss of DFQF related to LDC graduation and to explore possible mitigating measures and strategies including continuation of preferential access for a negotiated transitional period.			X	MFR, SAME, MFAT	ST	P2 - new	TCM	Finance	MFR & MFAT. LDC transitional end 2017. Different for bilateral, no actual study
5	Study and quantify the implications of the canneries closure in American Samoa and identify policy options to address such impacts Remove in next action matrix. See FFA advice			X	MFAT, MCIL, MOF, NPSO	ST	P1 – ongoing	TCM	Agriculture Finance	MCIL is leading discussions with a special committee in designing special incentives packages to potential investors in fish processing. Mobilising SE2: fisheries, industry packing. MCIL/TCM to record the activities to capture customs control.
6	Pursue consultations with American Samoa aimed at establishing a bilateral trade framework including the conduct of a study to inform decisions regarding the most appropriate legal instrument for a bilateral trade framework with American Samoa			X	MFAT, MCIL, MOF, NPSO, AG	ST	P2 – ongoing (Two Samoa Talks)	TCM	Finance	MCIL is a member of the negotiating team for the two Samoa talks. A study was initiated by MFAT.

7	Develop and cost an effective communications or outreach strategy for enhancing the existing mechanisms for regular information dissemination and capacity building relating to involvement of all relevant stakeholders in trade negotiations and for communicating likely impacts of negotiated agreements. <i>Parliament, Sector Coordinator Forum - MFAT website/KPE, MCIL website, Private Sector, Community</i>			X	MFAT, MCIL, NWCTA	ST	P2 – ongoing	TCM	Communications	Communications and consultations have been strengthened under the mandate of the NWCTA. <i>Ongoing advocacy program by TCMU/MFAT. NO need for communication strategy.</i>
SECTION II: CROSS-CUTTING ISSUES										
Business Enabling Environment and Investment Policy										
1	Deepen understanding of the causal factors of the constraints to businesses identified in the World Bank Doing Business and Enterprise benchmark surveys. Undertake targeted sample surveys prioritizing the following areas: i) processes for documentation by importers and exporters for Customs clearance and Samoa Ports Authority port and terminal handling requirements; ii) documentation and processes for payment of taxes; iii) enforcement for registration and monitoring of unregistered businesses; iv) measures to address increasing misappropriation of funds; and v) monitoring power outages and water shortages.		X	X	MCIL, MFR, SPA, SBS, NPSO	MT	P1 – ongoing	TCM	Finance	<i>MCIL is directly involved in the registration (incorporation) of companies. This can now be done on line. Secondly processes Foreign Investment Certificates (FIC). Both processes can be completed within 48 hours if all required information is provided. Trading across borders. PPSA access to credits. E-payment system for MCIL. Phase 1: Integrate, Phase 2 - Work Permit, Phase 3 - Foreign Investment Payment System</i>
2	Encourage businesses to network and cluster to achieve economies of scale and reduce unit costs of common overheads. Establish a national networking database under NPSO with the assistance of MCIL.		X	X	MCIL, NPSO	MT	P2 - new	TCM	Agriculture Finance	<i>The Chamber of Commerce is the leading organization in the cluster arrangement with support from TCM. Both institutions continues to encourage and facilitate networking for the general public</i>
3	Increasing access to customary land is critically important for growth and trade expansion especially in sectors such as agriculture and tourism identified as priority in the SDS and this report. · Mobilize support towards a national consensus on the need to accelerating the pace of legal and policy reforms in this area. · Review the land registration system to identify reasons behind low rate of use and take appropriate action.		X	X	MNRE, MJCA, AG, Civil Society, MWCSO	MT – LT	P2 - ongoing	Finance	Agriculture Tourism	<i>The Land Titles Registration Amendment Act 2015 sees opportunities for traditional land to be used for trade expansion in Samoa both for local and overseas investors. In addition, the Samoa Land Corporations in collaboration with MNRE through the Land Board continues to facilitate processes to realise economic equity through use of land under their jurisdiction. The necessary agencies as noted shall continue to facilitate avenues to do so and strengthen this area.</i>

4	Define and cost CSOs so that they can be contracted out through output based subsidy agreements. Follow up with policy	X			MOF	ST	P2 - ongoing	TCM	Finance	<i>Funding - recurrent & development: Tier 2: Ownership to GoS. Criteria for allocation to PSO's. Cooperation vs business.</i>
5	Strengthen the policy and analysis capacity of the Ministry of Communications and Information, and the regulatory capacities of the Office of the Regulator. The liberalization of the telecommunications sector has brought a number of benefits to consumers and the overall economy but it has also created regulatory challenges.	X		X	MCIT, OOR, MCIL	ST	P2 - ongoing	Communications	TCM Finance	The Fair Trading division works closely with the Office of the Regulator on matters relating to consumer protection. Competition Act. Communication Co-ordination now on board
6	Given the growing demand for power, it is critical that the necessary regulatory reforms are undertaken to allow increased generation capacity with the private sector playing an important role. The following reforms are considered priority: · Amendments of the EPC Act or enactment of a new electricity Act to allow private power generation and resale; · Establishment of an independent regulatory environment putting EPC and private generators on a level playing field; · Tariff restructuring to provide price signals that would improve management by customers of peak loads; · Institutional strengthening of EPC to improve demand forecasting, system planning, and capacity to control multi-source generation; · Corporate governance reforms.	X		X	EPC, MOF, NPSO	ST - MT	P1 – ongoing	Energy	TCM Finance Communications	A new board for the EPC is now in place. Amendments have been made to the principle act over the years recently to reflect changes in the tariffs restructuring. An Institutional Strengthening Programme is currently in the pipeline which looks at restructuring and other strategic issues pertaining to the core business of EPC.
7	Undertake a complete update and review of the business enabling environment to identify specific areas where Samoa's competitiveness may be enhanced. These will include capacity building and training for private sector organisations and businesses as well as access to finance to help the private sector contribute to the achievement of sustainable trade development and economic growth			X	MCIL, MFR, NPSO	ST	P1 - ongoing	TCM	Finance PASP	TCM provides financial and technical support channelled through other leading agencies such as SROS & STEC, and private sector organizations (SAME, Chamber & WIBDI) in efforts to improve competitiveness.
8	Undertake a full review to prepare a national e-business strategy and identify the policy and legislative reforms to position Samoa to become			X	MCIL, MCIT, NPSO	ST	P2 - new	Communications	TCM Finance PASP	MCIL through TCM & Fair Trading divisions is in the process of developing an ecommerce strategy. Link to competition Act /Legislation

	competitive with ecommerce for both the domestic and global markets.									
9	Revise the Investment policy statement to improve the consistency and transparency of investment measures for domestic and foreign investors. Accelerate and finalise the review of the Foreign Investment Act and prepare an institutional plan to ensure effective administration of the restricted activities list for foreign investors.		X	X	MCIL, MOF, MFAT, NPSO	ST	P1 - ongoing	TCM	PASP Finance	The Foreign Investment Act has been amended. Review of the National Investment Policy Statement is progressing. Refer MCIL update of 25th April 2016.
10	Establish country credit risk rating through internationally recognized ratings agencies to facilitate commercial risk assessment by international investors.	X		X	CBS, MOF, MCIL	MT	P2 – ongoing (need funding)	Finance	TCM	CBS: CBS has already assisted in the establishment of the credit bureau which is now in its operational phase. We have also looked at the cost of undertaking a country risk assessment to improve foreign investment. It will cost about USD\$100,000 per annum for such undertaking. The issue is whether government (MCIL and MOF) sees this as a priority given its other current commitments. This will be an essential cost or activity when government decides to issue government bonds or papers. MCIL: CBS has enforced money laundering policies and related work towards assessment of financial risk factors. Organisation for Economic Cooperation and Development: Similarly work on the OECD for tax transparency i.e. exchange of information with other member countries. MCIL is a member of the national committee which is chaired by MFR, others members are CBS, SIFA & AG.
11	Prepare a plan to develop Samoa as a possible on shore regional capital market hub capitalizing on the success of the offshore finance centre.		X	X	CBS, SIFA, MCIL	LT	P3 - new	Finance	TCM Tourism	CBS: This is a good initiative but currently the pressing issue is to ensure that offshores can use the banking system. CBS is currently implementing the Financial Sector Assessment Programme first before looking at this issue. MCIL: Yet to develop a plan
12	Implement the recommendations from the review of the Private Sector Support Facility to better streamline procedures and to expedite the approval and disbursement of resources to support trade and private sector development.	X			MCIL, NPSO	ST	P1 - ongoing	TCM	Finance	New changes to PSSF includes the funding of basic capital items, two additional members to the Steering Group (MAF & Tautai Samoa), as well as establishment of the Project Application Committee to fast track decision making on applications. PSSF is closed. MCIL now awaiting a new program from NZ Aid Programme.

13	Fast track approval of key policies such as Foreign Investment Amendment Bill and Labour and Employment Amendment Bill and associated regulations for Intellectual Property Rights.		X		MCIL, AG	ST	P1 - ongoing	TCM	Finance PASP	Foreign Investment Amendment Act 2011 (Regulations passed in 2015) Labour & Employment Relations Act 2013 Intellectual Property Act 2011 (Regulations passed in 2015)
Trade Facilitation										
1	Revive the National Trade Facilitation Committee and strengthen its role to: - develop a trade facilitation program based on the findings and recommendations of this report, and the outcomes of the National Needs Assessment Workshop on Trade Facilitation once available. - develop a plan for strengthening the capacity of key border agencies Customs, Quarantine, Immigration and implementing agencies MCIL, MFAT, SROS and SAME.	X		X	MFR, MFAT, MCIL, MAF, MOH ,SPA, SROS, MPMC, SAME other committee members	ST	P1 - ongoing	TCM	Finance Agriculture	The work of this committee is directed under the NWCTA
2	Explore through the Samoa Airport Authority the possibility of adopting a public-private partnership approach in the management and operation of the main international airport and especially of airport services are better suited to outsourcing and more commercial orientation.		X	X	SAA, MOF	LT	P3 - ongoing	Transport	TCM Finance	<i>Part of SAP Project. Economic corridors - all logistic</i>
3	Undertake an in-depth assessment of the existing SPS measures and develop a program for ensuring SPS initiatives are effectively implemented and adequately resourced as well as identifying key roles and responsibilities of key agencies in the SPS architecture.			X	MAF, SROS, NPSO	ST	P1 - ongoing	TCM	Agriculture Finance	The TFNA undertaken in 2013 has assessed SPS measures and recommended actions to be undertaken. The Customs Modernisation Project has also provided support to MAF (Quarantine) to improve SPS architecture.
4	Create a data base of SPS measures and specific handling requirements affecting Samoa's export products and disseminate information to exporters on a timely basis.			X	MAF, MFR	ST	P1 - new	TCM	Agriculture Finance	Refer response in point 3 above.
5	Promote the harmonization of trade facilitation measures such as those produced by OCO, at the regional level.		X	X	MAF, MFR	ST	P2 - ongoing	TCM	Finance	Ongoing efforts to facilitate these issues and harmonise measures are discussed and implemented at various settings and forums.

6	Undertake an in-depth assessment of the existing transport infrastructure network to determine the weak links in the “whole supply chain” process. Prioritize further improvements in the road network in rural areas to enhance the overall standard of the network and to also ensure sustainable funding for ongoing maintenance of these assets.		X	X	MWTI, LTA, MOF	ST	P1 - ongoing	Transport	TCM Finance	Ongoing. Past and current work is in progress under the leadership of MWTI in close collaboration with the relevant partners to assess and improve road networks in the rural areas including access roads and escape routes.
Climate Change and Energy										
1	Develop integrated climate change adaptation measures in the key sectors of agriculture, fisheries, manufacturing and tourism.		X	X	MNRE, MAF, MCIL, STA	MT	P1 - ongoing	Environment	TCM Tourism Agriculture	This is part of TCM activities. <i>MCIL/MFAT - implementing agencies. Energy ILO - Green Jobs</i>
2	Possible integrated measures in the key sectors agriculture, fisheries, manufacturing and tourism. · Strengthen the capacity of farmers and producers to manage their resources (e.g. savings, credit schemes, agriculture inputs, agricultural production, land use, etc). · Provide incentives to encourage the private sector to invest in the expansion and commercialization of research results from the Scientific Research Organisation of Samoa (SROS) and other research institutions to form the basis for agriculture trade and export in future. Support provided in Tier 2 · Make available greater financial and human resource support for plant breeding programmes. · Strengthen the integrated climate change adaptation measures in crop and ground cover and water irrigation for farming · Ecosystem Approach to Fisheries Management (TMDP, CBFM, NAPA)	x	x	x	MAF, MOF, MFR, SROS, NPSO	LT	P1 - ongoing	Agriculture	TCM Finance Environment	Numerous programmes are ongoing which addresses these issues. There have been much work done to collaboratively facilitate areas of capacity building in the villages under Agricultural schemes such as SACEP to name one. At the National Level, SROS has informed through CDC of their programmes to encourage farmers to look into commercialised ventures for the avocado (butter) and breadfruit (flour) which they have already tested. These programs are continuing. In addition, small scale business operators (household, community level) will also be approached and encouraged by SROS to uptake relevant research outcomes as an income generating activity as recommended during the stakeholder consultations undertaken during the SROS strategic planning 2016. MNRE in collaboration with MOF and other relevant agencies are implementing programs for replanting and so forth.
SECTION III: SELECTED SECTORAL STUDIES										
Agriculture										

1.	Implement the Agriculture Sector Plan with the role of government being the creation of an enabling policy and regulatory environment for increased private sector participation and investment in the sector as well as making the necessary investment in reliable and efficient economic infrastructure to support agricultural development.	x			MAF, NPSO, MWCSO,	LT	P1 - ongoing	Agriculture	TCM	<i>MCIL part of ASSC. The market access pillar in next ASP</i>
2.	Strengthen the capacity of MAF to provide technical and advisory assistance/services to farmers to better understand market opportunities for their products and the specific needs of these markets.	x			MAF,MOF, MWCSO,NP SO, SQA	ST	P1 - ongoing	Agriculture	TCM PASP	<i>Link to MFAT - trade promotion The Ministry of Agriculture has provided over the period of this action plan technical and advisory assistance to farmers regarding market opportunities and needs.</i>
3.	Support the development of community markets for the disposal of surpluses by predominantly subsistence farmers.	x			MAF, MWCSO	ST	P1 - new	Agriculture	TCM PASP Community	<i>A few community markets were set up during the construction of the main market such as Ah Liki, Afega, Vaitele, and the recent main market at Fugalei. Majority of the farmers there are for subsistence living.</i>
4.	Strengthen private sector capacity to access and analyse opportunities for quality and niche products and to assist with technical advice to meet the often specialized requirements of these markets.			x	MAF, NPSO	LT	P3 - ongoing	Agriculture	TCM PASP	<i>The Talomua programme has been a successful program to not only showcase what is available in the various districts in terms of produce and livestock but also facilitated overseas imports and local supply in the markets available. It has also provided an opportunity for the agencies responsible to discuss specific needs of the markets.</i>
5.	Establish appropriate incentives (non-tax and WTO compliant) and safeguards to encourage commercial farmers and fishermen to invest in production, processing and marketing of high value added products.		X	X	MAF, MOF, NPSO	MT	P2 - ongoing	Agriculture	TCM Finance	<i>Focus on production of coconut products such as oil is facilitated and encouraged throughout nationally and internationally with incentives provided. These are ongoing through various market opportunities.</i>
6.	Provide the predominantly subsistence farmers with assistance such as planting materials and access to micro financing facilities to purchase required capital items and also technical support to adopt efficient land use and farming systems.	x			MAF, MOF, NPSO	MT	P1 - ongoing	Agriculture	TCM Finance	<i>The development objective of the Samoa Agriculture Competitiveness Enhancement Project (SACEP) is to support fruit and vegetable growers and livestock producers to improve their productivity and take greater advantage of market opportunities. There are three components to the project. The first component of the project is livestock production and marketing. The objective of this component will be to encourage interested livestock producers to upgrade livestock, improve husbandry practices and stock management, make productivity enhancing on-farm investments, and improve the quality of meat sold in the local market. The second component of the project is fruit and</i>

										vegetable production and marketing. The objective of this component will be to enable interested fruit and vegetable growers to have access to new, higher yielding varieties, adopt improved technology and production techniques, make productivity enhancing on-farm investments, and organize themselves to strengthen their presence in the market and meet the demands of local retailers and food service operators for year-round supplies of fresh fruits and vegetables.
7.	Take measures to respond to the demand by commercial farming and fisheries for skilled labour. New skill sets will need to be developed through the education system and other national training programs.	x			MCIL, NPSO, MAF, MESC, SQA, USP	LT	P3 - ongoing	Agriculture	TCM Finance	The third component of the project is institutional strengthening. The objective of this component will be to improve the effectiveness of agricultural institutions (government and non-government) providing extension and adaptive research services to Samoan farmers; and the ability of these same institutions working individually or in collaboration with each other to implement and monitor the project effectively. In addition, the Government provides targeted scholarships as key priorities for Samoa Nationals at the USP Alafua to further gauge and stimulate the interest in these areas. This program has been in place for 3 years.
8.	Design and make available innovative financing schemes through the DBS for channelling needed investments to the agriculture sector, particularly for initiatives that will enable more economic use of customary lands			X	MOF, DBS, MWCSO	LT	P3 - ongoing	Agriculture	TCM Finance	Collaboration between financial institutions such as DBS, MAF and the necessary agencies is continuing in facilitating financial support to enable the economic use of customary land.
9.	Strengthen the SROS with the required human and sustainable funding to support its research capability and to sharpen the focus on more practical applications of research to support the creation of innovative and competitive products for both exports and import substitution.			X	SROS, MAF, Other Research Institutions, MCIL	MT	P1 - ongoing	Agriculture	TCM PASP	TCM is funding capital items for SROS's value adding activities but will be housed with WIBDI- the intended up-taker of the equipment so there is an automatic skills and equipment transfer upon completion of SROS's development efforts.
10.	Redefine the roles, reorganize and strengthen the key national institutions leading the development of the sector including the Ministry of Agriculture and Fisheries.		X	X	MAF, MOF, MWCSO, SBS, NPSO	LT	P3 - ongoing	Agriculture	TCM PASP	SBS has been part of the Ag new Sector plan development, in particular the provision of indicators for the M & E

11.	Enhance agriculture and related business data collection and analysis capacities to enable a more vigorous analysis and evaluation of policies and strategies being introduced for the future development of agriculture and fisheries	x			MAF, MOF, MWSCD, SBS, NPSO	ST	P1 - ongoing	Agriculture	TCM	SBS is in support of this through the provision of ongoing indicators as well as the conduct of surveys for the Ag sector
Fisheries										
1	Implement the Fisheries Sector Policy addressing issues related to investment rules and guidelines, licensing and registration, taxation of industry members, quality assurance and standards, regulatory role of government, management and development of commercial fisheries resources. Technical and financial assistance may be sought from the FFA, SPC, International Finance Corporation (IFC) or other donors.	x			MAF, NPSO	LT	P1 - ongoing	Agriculture	TCM	This work is ongoing with the assistance of Regional Organisations such as FFA, SPC and others. Samoa was also the Chair of the Tuna Commission Meeting which was held in Apia in November 2014 and recently held in Bali which Samoa also attended. Implementation continues through MAF and relevant partners nationally and internationally
2	Review the implications of WTO accession and LDC graduation for the Fisheries sector particularly the tariff reduction on all fishing business inputs.			x	MFAT, MAF, MOF, MFR,	ST	P1 - new	Agriculture	TCM Finance	Has been undertaken as part of the WTO Action Plan
3	Establish a funding facility and incentives to support the fisheries research and commercial developments.	x			MAF, MOF, DBS	MT	P1 - new	Agriculture	TCM Finance	CBA for processing plant for fisheries. Link to trade agreement.
4	Assess and cost industry needs for infrastructure and related onshore facilities that will enable industry to meet EU and other key markets access requirements	x	x	x	MAF, MOF, MFAT	MT	P1 - ongoing	Agriculture	TCM Finance	Refer to response in point 3 above.
Manufacturing										
1	Prepare a sector plan for the manufacturing industry led by the MCIL, to guide its future development.	x			MCIL, MOF, NPSO,	MT	P1 - ongoing	TCM	Finance	TCM Sector Plan 2012-2016
2	Develop and actively pursue sustainable investment portfolios and programs similar to the Yazaki Samoa incentives package.	x			MCIL, MFR, MOF (investment committee - chair by MOF but working on shifting to MCIL)	MT	P2 - new	TCM	Finance	Request basis via investment. Committee - filming

3	Develop legislation on food safety standards and continue promoting HACCP training and ISO certification for industry members		x	x	MCIL, MOH, NPSO, MAF	LT	P1 - ongoing	Health	TCM	Food Act 2016 has recently been passed. Regulations are with the Office of the Attorney General Food Safety Standards are now
4	Strengthen and provide more resources (tax incentives) to SROS to research on value added potential for local produce and agro-processed based products. <i>Avocado Oil</i>			x	MAF, SROS, Other Research Institutions	MT	P2 - ongoing	TCM	Agriculture Finance	ISO/HACCP led by MCIL. Ongoing support via Tier 2
5	Establish and promote fair trade standards, registration and regulation for export products. Competition Act: link to cocoa strategy - link to Foods Act		X	X	MCIL, MAF, NPSO	ST	P2 - ongoing	TCM	Health Agriculture	MCIL continues to develop standards in collaboration with the Codex committee. Fair Trade Act repeated
6	Provide funding to assist organic certification of farming and manufacturing activities against international standards			X	MAF, WIBDI	LT	P1 - ongoing	Agriculture	TCM Finance	Ongoing Support
Tourism										
1	Develop and implement a National Emergency Response & Recovery Plan and required policy and regulatory framework for the sector.		x	X	National Disaster Committee & Tourism Sector stakeholders	ST	P1 - new	Tourism	Environment	Disaster Response and Management Plans for the Sector have been facilitated in close collaboration with MNRE through the Disaster Management Office. Ongoing support to the Tourism sector is provided through implementation of Drills and other awareness programmes from time to time at the National Level.
2	Enhance and develop the level of skills of the workforce by encouraging and supporting skills standards development and certification process through SQA and other relevant International Agencies	X			STA/ SQA,[MESC, NUS –IOT & APTC/SHA]Tourism Training Taskforce	ST	P1 - ongoing	Tourism	Education	STA and the Board of Directors work closely with APTC and other Educational Providers to provide training in the Hospitality and Tourism area for current and future employees. The Samoa Hotel Association have also provided practical opportunities for students to undertake their practical experiences in their hotel businesses and further providing permanent employment for most of these students. Such courses are both locally and Internationally Accredited. In addition, the Annual Teuila Festival provides a Special Category for wine and bar tendering, serving and so forth for various individuals and businesses to compete which is well attended.
3	Strengthen the partnership and enhance communication between the Government through the lead tourism agency, STA and the private sector	X			STA/SHA/SS TA & other tourism stakeholders	ST	P1 - ongoing	Tourism	PASP TCM	Ongoing collaboration between the lead Authority and its partners in implementing and facilitating work with relevant agencies. Health and Tourism is also a crucial area recently in terms of Infectious Diseases and how they impact on the Tourism Industry. Risk

										Communication is vital as part of these partnerships.
4	Develop guidelines/standards to promote the eco-tourism and other potential niche markets concepts.		X	X	STA/MOF/MNRE & relevant stakeholders	ST	P1 - new	Tourism	Environment TCM	Sustainable tourism. Guidelines are in place to promote eco-tourism and other potential niche markets concepts. Ongoing
5	Undertake the following: (i) Strengthen the country branding concept by focusing on the truly unique Samoan experience and the pristine natural environment. (ii) Prepare and implement targeted marketing campaigns in potential emerging markets. (iii) Continue to promote Samoa as a Cruise Ship and Sports Tourism destination	X	X	X	(i) STA, TMT & Tourism Stakeholders (ii) STA & TMT (iii) Samoa Cruise Ship Working Group plus SSFA & sporting bodies	ST	P1 - ongoing	Tourism	TCM	Roadshows Internationally and locally have been part of the Samoa Tourism work over the last years. These programs are inclusive of marketing campaigns in potential markets such as China, Cook Islands, Japan and others. More work to facilitate and market Samoa as a pristine Island destination is ongoing and continuing.
6	Revisit the National Accounts Statistics for the development of an input-output model to determine the direct impact of tourism on the economy			X	SBS/STA/CBS	ST	P1 - new	Tourism	TCM Finance	Has yet to look into this. SBS is in support of the initiative but currently tied up with resources and capacity constraints. The National Tourism Satellite Accounts to be completed within the DTISU timeframe.
7	Strengthen and develop the research and information capability of STA to ensure provision of timely, accurate and meaningful data to support proper planning and impact assessments of the sector. MCIL leads as implementing agency			X	STA/SBS/CBS/ MPMC Immigration Services	ST	P1 - ongoing	Tourism	TCM PASP	Ongoing support has been provided with the Tourist arrival numbers, and open for further developments
8	Invest in accommodation infrastructure to ensure that there is sufficient room capacity to meet the demands of the 2009-2013 TDP forecasted increase in visitor arrivals. An additional 423 rooms are required as estimated in the TDP report.	X		X	MCIL, MOF/STA/CBS/DBS & Private Sector	MT	P2 - ongoing	Tourism	TCM Finance	MCIL supports proposals for new tourism developments
9	Prepare a development/expansion plan for airport facilities to respond to expected increase in tourism demand		X	X	SAA/MOF/STA	LT	P2 - ongoing	Tourism	Transport	New International Airport is under Construction which takes into account expansion of facilities to respond to an increase in tourism

10	Encourage the development of new routes to establish better access to and from source markets	X			STA & TMT, SAA, MWTI	ST	P1 - ongoing	Transport	Tourism TCM	Ongoing with discussions being led by STA and Polynesian Airlines.
Emerging Services										
1	Strengthen and develop capacity of negotiating delegations on labour mobility issues, in ongoing/current trade agreements such as PICTA, EPA, PACER Plus and conformity with WTO GATS Mode 4. In particular take note of the commitments via: · WTO accession schedule of commitments pertaining to services and the implementation costs associated with such commitments. Already developed · Promote acceleration of the TMNP initiative under PICTA. Study has been completed			X	MFAT, MCIL, MPMC	ST	P1 - ongoing	TCM	PASP Finance	MCIL is a member of Samoa's negotiating team for all trade agreements. <i>Key Priorities - PACER Plus: different schedule for services from WTO ongoing PICTA</i>
2	Provide training and certification of key services through affiliations with local and international institutions/bodies. Employment policies to be finalised		X	X	SQA/MAFF/MCIL/NPSO	ST-MT	P2 - ongoing link to solar energy stalls : NUS scheme - 50k budget	Education	PASP TCM	MCIL is a member of the SQA board. Ongoing apprenticeship and review trade schemes / green jobs initiative
3	Explore and develop additional bilateral schemes such as the RSE to facilitate mobility for both skilled and unskilled labour in the region and internationally.	X			MFAT/MCIL/MPMC	ST	P1 - ongoing	TCM	PASP Education	Butchery negotiations have been implemented also aside from the RSE. Other ventures are in the pipeline and will update accordingly.
4	Review regulatory framework for key services such as e-commerce and telecommunications to establish incentives to support and encourage the development of Samoan-based ecommerce businesses.		X	X	MCIT/OOR/NPSO/MCIL/MFR	MT	P2 - ongoing	Communications	TCMU Education	Communication - Utilities TCM - E-Commerce - no strategy/policy

5	Review regulatory framework for professional services in light of Samoa's interest in promoting a more integrated regional market for professional services in the context of PICTA, as well as securing market opportunities further afield.		X	X	MCIL/SQA/MFAT/NPSO/AG	ST	P1 - ongoing	TCM	Finance PASP	To be developed - refined services not being ratified
6	Strengthen the planning and policy capacity of the Ministry of Communications and Information Technology (MCIT) and the regulatory functions of the Office of the Regulator.			X	MCIT/OOR	ST	P1 - ongoing	Communications	TCM Energy Transport	Ongoing and continuing.
7	Develop a national e-commerce strategy integrating e-Government, tourism and finance considerations to facilitate the improvement in the delivery of public services, support the private sector and improve the institutional linkages among and within Government agencies and private agencies.		X	X	MCIL/MCIT/OOR/MOF/NPSO	ST	P1 - new	Communications	PASP TCM Education	TCM & FT is developing an Ecommerce strategy
8	Invest in local infrastructure to complement and augment the technology provided by the ASH fibre optic cable.			X	MCIT/MWTI/MCIL/MOF	MT	P2 - ongoing	Communications	Transport TCM	MCIL supports current developments of this project through Ministry of Works and Ministry of Telecommunication.
9	Invest together in ASH, provide opportunities for Samoa to establish telecommunications and technology based ventures such as calling centers, centralized back office processing facilities for commercial banks etcetera		X	X	MCIT/MCIL/NPSO	MT	P2 - ongoing	Communications	Transport TCM Finance	MCIL supports investment in these areas. <i>Link to industry policy to be developed by MCIL</i>

Annex 3: Post Accession Implementation Plan – Status 2016

IMPLEMENTATION OF COMMITTED REFORMS					STATUS
Samoa's Commitments	Work to be undertaken	Financial / Technical Assistance Required	Lead Ministry	Timelines	
1. Samoa's commitments on bound tariffs are contained in the Schedule of Concessions and Commitments on Goods (document T/ACC/SAM/30/Add.1) annexed to Samoa's Protocol of Accession to the WTO. (Para 71[1]).	Relevant legislative amendments to reflect: Duty increase for turkey tail (HS 0207 2710): - 300% by 10 May 2013 - 100% in 2015[2] Duty reduction: 1. crude oil of sunflower seed / safflower oil (HS 1512 1100) to 15% in 2022 2. Other mountings, fittings and similar articles suitable for motor vehicles (HS 8302 3000) to 13% in 2022	Line Ministry to advise	MFR	2013	Turkey Tail ban repealed via Customs Prohibited Imports (Turkey Tails) Order 2013. Tariff rate at 300%. MFR to advise on reduction of duties in other categories Current Status: 300% duty now in effect as of May 2013 under the Prohibition Amendment Order, Section 49 of the Customs Act 1977. Further amendment to reduce tariff to 100% by May 2015 has not been implemented given the TT study by MOF did not commence until Aug 2015 and outcomes presented to NWCTA in Nov 2015. Actions to be taken: Review and consider the recommendation of the MOH Study on increasing excise tax on non-nutritional food. Discussions with MFR on how to proceed. MFR to provide update on amendments to Customs Tariff Act including crude oil and other fittings for vehicles
2. Undertake the relevant legislative reform and equip the Government to fully implement the	1. Drafting implementing regulations;	Line Ministry to advise	MCIL	By 1 July 2013	IP Act 2011 is TRIPS compliant.

obligations of the TRIPS Agreement, particularly in the areas of Patents and Trademarks. And to apply MFN treatment from the date of accession. (para 221)	2. Development of manuals and operating procedures, and printing of necessary materials;				Membership of Paris convention on August 2013.
	3. Training, capacity building and awareness programs;			Ongoing Jul 2012	Samoa eligible for extension for transitional period for implementation of TRIPS Agreement until July 2021 (as an LDC only)
	4. Preparation for membership of Paris Convention;				
	5. Full implementation of TRIPS		MOH	Jul 2013	IP Regulations: Review of IP Regulations in April 2014
	6. Awareness of TRIPS Agreement				Paris Convention: Instrument of Accession to the Paris Convention was endorsed by PM in June 2013. Samoa acceded to the Paris Convention 21 st Sept 2013. National Awareness workshops on WTO-TRIPS in July 2013 Revised IP regulations was passed in October 2015. (Need follow-up on implementation/ work plan).
3. Committed to apply the Agreement on Trade Related Aspects of Intellectual Property Rights no later than 1 July 2013 according to the Action Plan with the understanding that during this period protection for intellectual property rights listed in paragraphs 221, 222 and 223 would be applied in Samoa.		As above	MCIL		Need to check para 221 and 222.
4. Based on detailed analysis / study of Samoa's domestic agricultural sector Samoa committed to eliminate or amend Section 15 of the VAGST Act 1992/1993 to bring Samoa's tax treatment of imported and domestic primary products into conformity with WTO provisions within three years of accession. Further committed to the	1. Undertake detailed analysis / study of Samoa's domestic agricultural sector re: VAGST exemption);	Detailed study of Samoa's domestic agricultural Sector (VAGST exemption);	MFR, MAF (to advise of plan)	By May 2015	VAGST study by KVAConsult complete in 2013 proposing 4 options for implementation.
	2. Eliminate or amend legislation to conform to WTO provisions				NWCTA 2014 agreed for a more detailed study to be completed.

General Council of the WTO on the amendment or elimination of this tax exemption. 9Para 85).	3. Report through formal notification to the General Council	Relevant legislative amendments			MFR to update as progressing with Option 1. Recruitment of consultant for legislative review/study underway MFR to update as progressing with Option 1. Recruitment of consultant for legislative review/study underway National consultations by MFR undertaken in 2014 to review section 15 of the VAGST Act 1992/93 on review. Outcome was to remove exemption on primary produce and increase the threshold from \$78,000 to \$130,000 An Amendment to the VAGST Bill was submitted to Parliament in March/April 2015 and was passed. Way forward: Need to prepare report for Samoa to present to GC meeting 2016.
5. Samoa committed to implement less trade restrictive measures and make the necessary legislative amendments to eventually eliminate the prohibition on the importation and domestic distribution of turkey tails and turkey tail products in Samoa. (para 106)	By May 2013:			By May 2013	1. Unsure
	1. Amend FDA 1967 by May 2013; and	Legislative amendments	MOH and AOG to advise		2. Refer above – Order effective as of 10 th May 2013
	2. Draft and enforce Order to prohibit domestic sale of turkey tails; and				ToR of TT Study now approved by CEO of MOH.
	3. Revoke Order to prohibit import ban; and				Funds of USD\$147,600 to conduct study. USD\$13,500 under Tier 1 can be allocated for assistance
	4. Increase import duty of turkey tail to 300%				
	By May 2015:				

	5. Undertake detailed study during of practical and realistic options to combat Samoa's health problems;		MFR to advise		Definition of private and personal consumption has been inserted into the Customs Prohibited Imports (TT) Order 2013 and accented and signed by the HOS in May 2013.
	6. Develop nation-wide programme to promote healthier diet / lifestyle;	Detailed study [3] on options to combat Samoa's health issues.	MOH to advise re: WHO assistance?	By May 2015	MOH Secured funding (USD\$147,600) from WHO/FAO and EIF (USD\$13k) to conduct study in August 2015 and findings presented to NWCTA in Nov 2015.
	7. Eliminate domestic sale prohibition; and				Proposal to impose excise on non-nutritional food items and removing tax on fruit and vegetables.
	8. Lower turkey tail duty to 100% or other tax regulation; and	Technical and funding assistance for the health promotion programme	MOH / MFR to advise		Food Bill replaces Food and Drugs Act has been passed by Parliament.
	9. Implement the recommendations from the study	Legislative amendments	MOH		Consultation undertaken on the draft food regulation and MOH to submit to Cabinet in Feb 2016. Way forward: Study is with Cabinet awaiting official endorsement and discuss way forward for implementation. To be presented at the GC.
6. Commitment that within six months of accession to the WTO would amend legislation to confirm that current owners of left-hand drive vehicles resident in Samoa could drive their previously registered vehicles in Samoa provided right-hand	1. Review existing legislation and reconfirm to WTO current situation conforms		MWTI (LTA)	By November 2012	LTA Board agreed that there is no need to amend legislation. All LHD and RHD are allowed to operate in Samoa provided it meets vehicle inspection testing.

drive driving regulations were observed to protect public safety. Further committed that within two years of accession, the Government of Samoa would implement additional regulations for explicitly permitting the importation of left-hand drive vehicles for special circumstances related to specific uses where left-hand drive vehicles were not used for transportation on public roads or have properties, necessary for certain forms of work or commerce. (Para 101).	2. Review legislation and specify what LHD are permitted to be imported			By May 2014	Under Prohibited Imports Order 2010 (Section 49 of Customs Act 1977) – LHD vehicles 12 years and below can be imported provided it is for special circumstances.
7. Within five years of accession, Samoa made commitment to establish a nation-wide vehicle safety inspection system for automobiles older than 12 years that would require the suspension of the vehicle's right to use public roads if the criteria of the inspection were not met. Further committed to repeal its current import ban on vehicles older than 12 years and replace it with a non-automatic import licence that enforced inspection of imported vehicles older than 12 years to the same standards. Importation would be denied only to those vehicles that could not meet the mandated safety and environment requirements. (Para 98).	1. Undertake a study or review of vehicle safety inspection system options;	Review/Study of vehicle safety inspection system options;	MWTI (LTA) to advise	By May 2017	LTA reviewing the existing vehicle inspection test for both LHD and RHD over 12 years old.
	2. Repeal import ban;				
	3. Implement appropriate system	Develop system (including standards); and Financial assistance required also for (initial) system implementation Legislative amendments			Upon completion, LTA will undertake research on treatment of LHD vehicles over 12 years old and conduct stakeholder awareness. Vehicle inspection guideline is being developed by LTA to be completed in Dec 2014 to assess LDH vehicles over 12 years. LTA yet to provide update on the guideline.

8. Committed to fully and promptly implement the transparency provisions of the WTO requiring notification and publication, including the provisions of Article X of the GATT 1994. Made further commitment to establish or designate an official journal or website, published or updated on a regular basis and readily available to WTO Members, individuals and enterprises, dedicated to the publication of all regulations and other measures pertaining to or affecting trade in goods, services, and TRIPS prior to implementation, and that after its establishment Samoa would provide a reasonable period for comment to the appropriate authorities of Samoa before such measures are implemented, except for those regulations and other measures of general application involving national emergency or security, or for which the publication would impede law enforcement or be otherwise contrary to the public interest or prejudice the commercial interests of particular enterprises, public or private of this commitment. (para 243)	1. Establishment of website/official journal for publications and notifications for transparency; 2. Strengthen (upgrade) Legislative Assembly website for publishing legislation Line Ministries to advise on plans for implementation including technical assistance to be sought.		OAG to advise LA to provide their views	Goal: By 2017	Consultations with OAG began in 2013. Agreement is that MFAT will take on board this function. MFAT undertaking a revamping of Ministry website in absorbing function. MFAT Website redesign is complete and operational with specific section for uploading all draft or revised legislation. MFAT to discuss with AG to define reasonable timeframe for comments before legislation is finalised as well as the scope. MFAT to discuss with AG to define reasonable timeframe for comments before legislation is finalised as well as the scope. Relevant Ministries to indicate representatives to inform of new or revised trade related legislations.
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9. Committed to establish an enquiry point as soon as possible within the Ministry of Commerce, Industry and Labour, responsible for answering all enquiry and notifications, as provided in the Agreement on Technical Barriers to Trade. (Para 145).	Line Ministry to confirm enquiry point establishment. Formal notification of enquiry point and measures to ensure the implementation & administration of the TBT Agreement. MFAT to provide form to MCIL. Review current publication system including upgrade of website. Awareness of line Ministries of the WTO TBT Agreement and Samoa's related commitment.	1. Establishment/capacity building of enquiry point, including notifications (TBC); 2. Awareness workshop[13] on WTO TBT agreement and Samoa's related commitments	MCIL MOH	2012/2013 2013	Notification completed and submitted to WTO Secretariat in 2013. Awaiting official source publication. MCIL to advise on status of website upgrade.
10. To progressively implement the provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures Further committed ensure full implementation of the Agreement no later than 1 January 2012, and with the understanding that, during this period, the scope of implementation of other aspects of the Agreement, as described in paragraph 161, would be applied by Samoa. (para 162)	Line Ministry to reconfirm status of full implementation of SPS Agreement as transitional period is over.	Funding assistance to Strengthen SPS enquiry point through upgrade website, facilities and equipment;	MAF (Quarantine) to clearly identify their needs (and specific TA or funding they require	Full implementation no later than 1 January 2012	Training undertaken on WTO SPS Agreement and related obligations.

	Awareness of line Ministry with the commitments in para 161 of the WPR including: 1. Review existing SPS measures and requirements in light of obligations under the Agreement. 2. Notification of existing SPS measures would be submitted, <i>prior to Samoa's accession</i> [MAF to update. MFAT to seek clarity from Secretariat]; 3. Fully participate in the work of the Committee on Sanitary and Phytosanitary Measures.	Intensive training and awareness building for private sector and quarantine officials; Build capacity on notification and publication of SPS measures Awareness workshop[14] on WTO SPS agreement and Samoa's related commitments Note: Article 9 [Technical Assistance]	MOH	2013	Consultations currently undertaken for the review of current legislation on biosecurity and quarantine. Key component was to ensure WTO consistency. 1 st draft yet to be available.
11. To ensure the transparency of its ongoing privatization programme. Further committed to provide annual reports to WTO Members on developments in its privatization programme as long as the programme would be in existence, and along the lines of the information already provided to the Working Party during the accession process. (para 39)	Formal annual notification of updates and development in privatization programme. Note: Update in WPR is 1998-2011. Next update due in 2013 for developments in the period 2012		MOF	2013	Notification from MOF due on SOE privatization programme
NOTIFICATION REQUIREMENTS & AWARENESS / CAPACITY BUILDING					
12. Upon entry into force of the Protocol of Accession, Samoa would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations, subsequently, enacted by Samoa, which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also conform to the requirements of that Agreement. (Para 244).	Preparation of all initial notifications required by all WTO Agreements		MFAT to inform relevant Ministries accordingly	2012	7/10 notifications submitted to WTO Secretariat required upon accession. 3 pending Ministry consultations and 2 listed were not required.

13. From the date of accession, enterprises that were State-owned or controlled, and enterprises with special or exclusive privileges, would make purchases of goods and services, which were not intended for Governmental use, and sales in international trade in accordance with commercial considerations, including price, quality, availability, marketability, and transportation, and would afford enterprises of other WTO Members adequate opportunity in conformity with customary practice, to compete for such purchases or sales.	Submit formal notification of petroleum supplier	MFAT to provide the notification form and liaise with MOF	MOF	2012	Notification submitted to the WTO on 8 th October 2014
Further made commitment to notify and provide information on the activities of its new supplier of petroleum products as they related to the exclusive contract to supply petroleum products to Samoa on behalf of the Government, in accordance with Article XVII of the GATT 1994 and the Understanding on that Article.	Awareness of line Ministry:				
Samoa also committed to apply its laws and regulations governing the trading activities of State-owned enterprises and State-controlled enterprises and other enterprises with special or exclusive privileges and would act in full conformity with the provisions of the WTO Agreements, in particular Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS. (para 40)	1. GATT Article XVII (State Trading Enterprises); 2. Understanding and Interpretation of Article XVII; and 3. GATS Article VIII (Monopolies and Exclusive Service Suppliers)				

14. During the transitional period, Samoa would ensure that its regulations pursuant to current legislation, and any additional legislation enacted and implemented would be applied on a non-discriminatory MFN basis to all imports. Any changes to laws, regulations and administrative procedures during the transition period would not result in a lesser degree of consistency with the provisions of the WTO Customs Valuation Agreement than existed on the date of accession. Samoa would participate in the work of the Committee on Customs Valuation and would seek all available technical assistance, including under Article 20(3) of the WTO Customs Valuation Agreement, to ensure that its capacity to fully implement the Agreement upon expiration of the transition period is assured. (Para 115).	Awareness of line Ministry of Samoa's commitments	1. National awareness Workshop and Training for private sector and officials on WTO Customs Valuation Agreement and the implementation of Samoa Customs Valuation legislation 2. Participation in the work of the committee on Customs Valuation [including TA under Article 20(3) of CVA]; 3. Updating of manuals and operating procedures, printing of updated forms and brochures	MFR to confirm TA needed	2012 By June 2012	Completed
15. Legislation on the valuation of imports for customs and taxation purposes conforming to the requirements of the WTO Customs Valuation Agreement would be enacted in October 2011. Samoa would progressively implement the WTO Customs Valuation Agreement in accordance with the Action Plan and with the understanding that during this period the scope of implementation of other aspects of the Agreement, as described in paragraphs 114 and 115, would be applied by Samoa. Full implementation would start from June 2012. (Para 116).	Line Ministry to confirm full implementation of CVA Formal notification on changes in laws/regulation and administrative procedures.	(As above).	MFR	Full implementation by June 2012	MFR to confirm conformity. Customs Valuation Regulation 2011. Ongoing work undertaken under the Customs Modernisation Project implemented by customs. Way forward: MFR to confirm conformity

16. Under the Liquor Act 2011, the act of importation would be separated from the act of distribution or selling. Any person could apply to be an importer of liquor. If a liquor importer wished to sell liquor locally, the relevant licence needed to be obtained separately. (para 67)	MFR to clarify bolded text	National awareness of implications of new Liquor Act provisions?	MFR to confirm	2012	No Action required
17. From the date of accession, Samoa's preferential and non-preferential Rules of Origin would fully comply with the WTO Agreement on Rules of Origin, including the provisions of Annex II, paragraph 3(d) of the Agreement, i.e., that for preferential rules of origin (e.g., pursuant to PICTA), the customs authority would accept requests from an exporter, importer or any person with a justifiable cause for an assessment of the origin of the import, to make such a determination as soon as possible, but no later than 150 days after the request had been submitted provided that all necessary elements had been submitted. Samoa further committed to apply the same provisions for non-preferential Rules of Origin, including the provisions of Article 2(h), when it established such rules. Samoa also committed to abide by the relevant WTO provisions on transparency and the provision of information about its rules of origin and their application. The Working Party took note of these commitments. (para 120)	Awareness of line Ministries of Samoa's commitments and the provisions of the Agreement on Rules of Origin. Customs authority to accept requests from exporters, importers, etc. to assess origin of products based on the related provision for preferential and non-preferential ROO. 1. Article 2(h); and 2. Annex II, para 3(d) [Common declaration on preferential ROO]. Formal notification of preferential and non-preferential rules of origin		MFR	2012	Notification submitted in 2013 reflected in: G/RO/N/97

18. From the date of accession, Samoa would not maintain any subsidies, including export subsidies, which met the definition of a prohibited subsidy contained in Article 3 of the Agreement on Subsidies and Countervailing Measures. Benefits based on existing laws would not be granted after that date and Samoa would not introduce any other such prohibited subsidies from the date of accession. Any programmes that granted subsidies would be administered in line with the Agreement on Subsidies and Countervailing Measures and that all necessary information on notifiable programmes would be notified to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement upon entry into force of Samoa's Protocol of Accession. (para 141)	Awareness of line Ministries of prohibited subsidies (SCM Article 3) Notify all necessary information on existing notifiable programmes that granted subsidies (SCM Article 25) Provide the relevant notification form MFAT to liaise with relevant Ministries to: confirm existing programmes and provide the relevant notification form		MCIL	2012	Notification on Export Development Scheme may be necessary.
19. From the date of accession, all fees and charges imposed by Samoa on or in connection with importation or exportation would be operated in conformity with the relevant provisions of the WTO Agreement, in particular Articles VIII and X of the GATT 1994. Samoa further made commitment not to apply, introduce or reintroduce any fees and charges for services rendered that were applied to imports on an ad valorem basis. Information regarding the application and level of such fees and charges, revenues collected and their use, would be provided to WTO Members on request. (para 79)	Formally notify the application and level of fees & charges, revenue collection and their use. Awareness of line Ministries re: GATT 1994: 1. Article VIII(Fees and Formalities connected with importation and exportation); and 2. Article X (Publication and Administration of Trade Regulations)	MAF – Are the new fees implemented?	MFR, MAF (Quarantine)	2012	Notification only on request
20. Samoa committed not to apply any anti-dumping, countervailing or safeguard measures until it had implemented and notified to the WTO appropriate laws consistent with the provisions of the WTO Agreements on these matters. Samoa further made commitment to ensure the full conformity of any such legislation with the	Awareness of line Ministries and private sector of Samoa's commitments relating to WTO Trade Remedies	Awareness workshop for officials and private sector on Trade Remedies (Anti-Dumping, Countervailing and safeguard measures)	MFR	2013	Workshop undertaken in Samoa on these measures in 2015.
	What is Samoa's relevant legislation or provision on trade remedies?		MCIL		

relevant WTO provisions, including Article VI and XIX of the GATT 1994 and the Agreement on the Implementation of Article VI, the Agreement on Subsidies and Countervailing Measures and the Agreement on Safeguards. (Para 127).	Once in place, Samoa to notify the competent investigation authority.	and Samoa's related commitments	MFAT and SCCI		
21. In the event Samoa applied restrictions to safeguard the balance-of-payments, it would do so in accordance with Article XVIII of the GATT 1994 and the Understanding on the Balance of Payments Provisions of the GATT 1994. (para 15)	Awareness of line Ministries: 1. GATT 1994: Article XVIII (Governmental Assistance to Economic Development); and 2. Understanding on the BOP provisions.		MOF and CBS	2012	
22. Samoa made commitment to would comply with WTO requirements including its commitments set out in Samoa's Schedule of Specific Commitments in Services. Specifically, for any services subsequently added to the Reserved Lists in the Foreign Investment Regulations 2011 or the Foreign Investment Amendment Act 2011 or other legislation, Samoa would respect acquired rights of existing investors and, if covered by commitments established in Samoa's GATS Schedule, would follow procedures under Article XXI of the GATS to modify its schedule, including compensatory adjustment. (para 22)	Awareness of line Ministry: 1. Commitments in the Services Schedule; and 2. Obligation under GATS Article XXI (Modification of Schedules) when modifying the Reserved List.		MCIL	2012	
23. To apply price control measures in a WTO-consistent fashion, and take into account the interests of exporting WTO Members as provided for in Article III: 9 of the GATT 1994. Samoa further committed to also publish the list of any goods and services subject to price controls in its Official Gazette (the Savaii), including price or mark-up levels, and any changes to this list or price controls applied. (para 42)	Awareness of line Ministry: GATT 1994 Article III:9 (National Treatment on Internal Taxation and Regulation)		MCIL	2012	

24. From the date of accession, Samoa would provide the right to appeal administrative action and rulings relating to matters subject to WTO provisions in full conformity with WTO obligations, including Article X: 3(b) of the GATT 1994. (para 54)	Awareness of line Ministry: GATT 1994 Article X3(b) (Publication and Administration of Trade Regulations)		AG	2012	
25. The provisions of the WTO Agreement, including Samoa's Protocol of Accession, would be applied uniformly throughout its customs territory and other territories under Samoa's control, including in special economic zones, and other areas where special regimes for tariffs, taxes and regulations were established. (para 58)	none				
26. From the date of accession, Samoa would ensure that its laws and regulations relating to the right to trade in goods and all fees, charges, and taxes levied on such rights would be fully in conformity with its WTO obligations, including Articles VIII: 1(a), XI: 1 and III: 2 and 4 of the GATT 1994 and, that it would implement such laws and regulations in full conformity with its obligations. (Para 68).	Awareness of line Ministries that laws and regulations relating to the right to trade in goods; and all fees, charges and taxes levied on those rights conform to GATT 1994: 1. Articles III: 2 & 4 (National treatment on internal taxation and regulation[7]) 2. Article VIII (a) (Fees and Formalities connected with importation and exportation); and 3. Article XI: 1 (General elimination of quantitative restrictions).		MFR, MOF (Revenue Board)	2012	
27. Upon accession, Samoa committed to bind at zero all other duties and charges in its Schedule of Concessions and Commitments, pursuant to Article II: 1(b) of the GATT 1994. (para 73)	Awareness of line Ministries of GATT 1994 Article II:1(b) (Schedules of concessions)[8]		MFR, MOF (Revenue Board)	2012	

28. Upon Samoa's accession to the WTO, any tariff quotas and tariff exemptions would only be implemented in conformity with the relevant WTO provisions including Article I of the GATT 1994 and the TRIMs Agreement. (para 75)	Awareness of line Ministries 1. GATT 1994 Article 1 (General MFN Treatment) 2. TRIMs[9] (investment measures related to goods only)		MCIL, MFR[10]	2012	
29. From the date of accession, Samoa would apply its domestic taxes, including value-added and excise taxes, in a non-discriminatory manner consistent with Articles I and III of the GATT 1994. (para 90)	Awareness of line Ministry with GATT 1994: 1. Article 1 (General MFN Treatment); and 2. Article III (National treatment on internal taxation and regulation)		MFR, MoF (Revenue Board)	2012	
30. From the date of accession, Samoa would not introduce, re-introduce or apply quantitative restrictions on imports, or other non-tariff measures such as licensing, quotas, prohibitions, bans and other restrictions having equivalent effect that cannot be justified under the provisions of the WTO Agreement with the exception of those subject to transition periods for their amendment or elimination in paragraphs 98, 101 and 106. With these exceptions, the legal authority of the Government of Samoa to restrict or prohibit importation of goods into Samoa, including that contained in the Customs Act 1977, would be applied from the date of accession in conformity with the relevant requirements of the WTO, in particular Articles XI, XII, XIII, XVIII, XIX, XX, and XXI of the GATT 1994; the Agreements on Agriculture, the Application of Sanitary and Phytosanitary Measures, Import Licensing Procedures, Safeguards, and Technical Barriers to Trade; and the Understanding on Balance of Payments Provisions of the GATT 1994. (para 109)	Awareness of relevant Ministries of WTO provisions and Samoa's commitments when considering future restrictions and prohibitions of imported goods		MFR, MOF MCIL, MOH MAF, MFAT	2012	

31. Samoa does not require consular certification or notarisation of documents by consular officials in the country of export to be provided to Samoan customs officials at the time of importation into Samoa. The Working Party took note of this commitment. (para 122)	Awareness of commitment		MFR and MFAT		
32. If a preshipment inspection system would be introduced in the future, it would be temporary. Should such a system be put in place, Samoa would ensure that this system would be in conformity with the WTO Agreement on Preshipment Inspection and any other relevant WTO provision. The Government of Samoa would take responsibility to ensure that the operations of any preshipment inspection companies it retained would meet the requirements of the WTO Agreements, in particular the Agreements on Preshipment Inspection, Import Licensing Procedures, Customs Valuation, Sanitary and Phytosanitary Measures and Technical Barriers to Trade. Charges and fees applied by such companies would be consistent with Article VIII of the GATT 1994, and that such system would comply with the due process and transparency requirements of the WTO Agreements, in particular Article X of the GATT 1994, and the Agreement on the Implementation of Article VII of the GATT 1994. (para 124)	Awareness of relevant provision if pre-shipment inspection is considered in the future If PSI system is established, formal notification required on related laws and regulations	Awareness workshop on pre-shipment, and related issues	MFR	2012	
33. Any quantitative export restriction [11] s, including prohibitions, quotas and licensing systems would be applied in conformity with WTO provisions. (para 134)	Awareness if future quantitative export restrictions are considered		MFR CBS MNRE		
34. Samoa committed not to maintain any measures inconsistent with the WTO TRIMs Agreement and would apply the WTO TRIMs Agreement from the date of accession without recourse to any transition period. (para 164)	Awareness of line Ministries[12]		MCIL	2012	

35. Free zones or special economic areas established in Samoa would be administered in compliance with WTO provisions, including the Agreements on TRIPS, TRIMs and Subsidies and Countervailing Measures, and fully subject to the coverage of its commitments in its Protocol of Accession to the WTO Agreement. The right of firms to establish and operate in these zones would not be subject to export performance, trade balancing, or local content requirements in accordance with these obligations. Goods produced in any such zones or areas under the tax and tariff provisions, that exempt imports and imported inputs from tariffs and certain taxes, would be subject to normal customs formalities when entering the rest of Samoa, including the application of tariffs and taxes. (PARA 167)	Awareness of line Ministries		MCIL MFR	2012	
36. Government would apply any laws, regulations and practices governing transit operations and would act in full conformity with the provisions of the WTO Agreement, in particular Article V of the GATT 1994. (para 172)	Awareness of line Ministry of GATT 1994 Article V [Freedom of Transit]		MFR	2012	
37. Upon Samoa's accession, Samoa committed to bind its agricultural export subsidies at zero in its Schedule of Concessions and Commitments on Goods, and not maintain or apply any export subsidies for agricultural products. (para 180)	Awareness of line Ministry		MAF		
38. Samoa's specific commitments on services are contained in the Schedule of Specific Commitments on Services (document WT/ACC/SAM/30/Add.2) annexed to Samoa's Protocol of Accession to the WTO. (para 239)	Awareness of line Ministry when developing future policies relating to Trade in Services and the Foreign Investment Act		MCIL	2012	

39. Government committed to observe the provisions of the WTO, including Article XXIV of the GATT 1994 and Article V of the GATS in its trade agreements and would ensure that the provisions of the WTO Agreements for notification, consultation and other requirements concerning preferential trading systems, free trade areas and customs unions, of which Samoa was a Member, were met from the date of accession. (para 253)	Notification of preferential trade agreements		MFAT	2012 end	
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