

Samoa beach fale

# Samoa

PACIFIC TOURISM SECTOR SNAPSHOT | NOVEMBER 2021

## DESTINATION INFORMATION AT A GLANCE

**POPULATION:**

201,900 (2020).\*

**CAPITAL:**

Apia (Upolu Island, 2,900 kilometers (km) northeast of Auckland, 4,200 km south of Honolulu).

**OFFICIAL LANGUAGES:**

Samoaan and English.

**CLIMATE:**

Hot and humid equatorial climate, with temperatures averaging 24°C–30°C year-round. The wet season runs from November to April.

**CURRENCY:**

Samoaan tala (ST). Cash is widely used.

**ENTRY AND VISA REQUIREMENTS:**

90-day visa available on arrival for visitors of all nationalities with an onward ticket.

**GEOGRAPHY:**

Two main islands, Upolu and Savai'i, which account for 99% of Samoa's total land area of 2,842 square km, and eight islets.

\*Asian Development Bank. 2021. *Key Indicators for Asia and the Pacific 2021*. Manila.

## INTRODUCTION

Samoa's rich, engaging culture and pristine natural environment underpin its community-based tourism offering. Tourists are attracted to the country's clear waters, rich marine life, rainforest waterfalls, swimming holes, and unique cultural experiences.

Tourism is an important contributor to the Samoan economy. The sector accounted for 24.5% of gross domestic product (GDP) in 2019 (Pacific Tourism Organisation [SPTO] 2020) and is second only to remittances as a source of foreign exchange earnings (Asian Development Bank [ADB] 2020). The Samoa Tourism Authority (STA) (2020b) estimates that tourism employs 15% of Samoa's workforce.

Recent shocks—including disasters, a severe measles outbreak, and the coronavirus disease (COVID-19) pandemic—have challenged Samoa's tourism sector. However, the government remains committed to an ambitious agenda for improved marketing and growth. With strong government and donor support and a conducive enabling environment for business, Samoa is well-positioned to continue to grow its tourism sector as international travel returns.

## TOURISM SECTOR OVERVIEW

Note: this overview compiles key tourism information based on the most recent available data. Due to the impact of COVID-19 on the tourism sector, some of this information has likely changed.

### TRANSPORT AND CONNECTIVITY

In 2019, direct services connected Apia to Auckland, Brisbane, Honolulu, Nadi, Nuku'alofa, Pago Pago (American Samoa), and Sydney. Samoa Airways, the national carrier, held the highest seat capacity (42%), followed by Air New Zealand (30%), Fiji Airways (14%), Virgin Australia (10%), and Talofa Airways (4%). Short-haul flights from Apia to Pago Pago, operated by Samoa Airways and Talofa Airways, were the most frequent—almost 4,000 flights operated between the two countries in 2019 (Samoa Tourism Authority, unpublished data).

**Capacity across routes varies significantly.** Air New Zealand's service to Auckland had the strongest loading, at 83% in 2019; in contrast, Fiji Airways' service to Honolulu was at only 40%. Virgin Australia consistently had stronger loadings than Samoa Airways on Brisbane and Sydney services—averaging 74% compared to 58% on Brisbane flights—despite higher prices.

**Interisland travel is possible by ferry and boat.** The Upolu to Savai'i route is serviced by a ferry that runs four times a day, operated by the Samoa Shipping Corporation. Although ferry tickets are inexpensive, tourist feedback regarding the service is generally poor: bookings cannot be made online and visitor signage and information are limited. There are ample transport options for visitors on both Upolu and Savai'i, including buses, car rental, and bike hire.

### ACCOMMODATION

Samoa offers a variety of accommodation options, including traditional huts known as *fales*. Fales are an integral part of Samoa's accommodation offering and allow tourists to experience *Fa'a Samoa*—the traditional Samoan way of life that values family and communal lifestyle. Fale guests sleep in traditional huts and participate in community activities such as communal dinners, *fiafias* (celebrations), and handicraft making. Accommodation rates in fale are lower than in hotels or resorts, but economic leakage (i.e., how much of the tourism dollar leaves the country) is often minimal as fale are community-owned, and tourists' meals tend to be sourced from local markets (NZTRI 2018).

In 2019, Samoa had 150 accommodation providers with more than 5,000 beds. These included 13 deluxe properties, 13 superior standard, 34 standard, 43 budget, 42 fale, and 5 holiday homes (STA, unpublished data). More than 80% of Samoa's accommodation is on Upolu.

**Average annual occupancy rates for Samoan accommodation providers are low and tend to decrease with property standard.** In 2019, average occupancy was 45%—an increase from 35% in 2016 (STA, unpublished data). Deluxe properties had the highest occupancy, at 62%, compared to budget properties at 32%. Occupancy rates for fale was 15%.

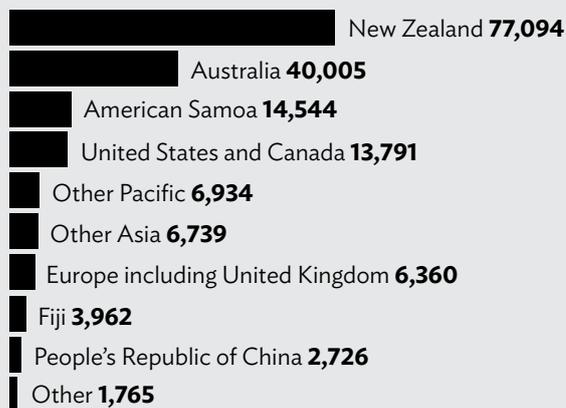
### Box 1: Samoa Key Visitor Statistics (Air Arrivals)

#### Air Arrivals (2019)

173,920 visitors.

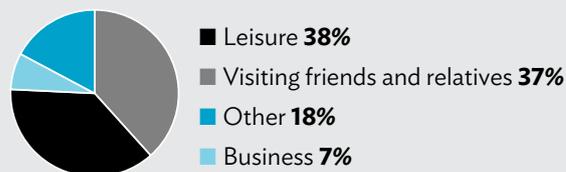
Source: Pacific Tourism Organisation.

#### Air Arrivals by Source Country (2019)



Source: Pacific Tourism Organisation.

#### Purpose of Visit (2019)



Source: Pacific Tourism Organisation.

#### Tourism Receipts (2019)

\$201 million.

Source: Pacific Tourism Organisation. 2020. 2019 Annual Visitor Arrivals Report. Suva. (Estimate).

#### Visitor Spend (2019)

NZ\$1,588 per person.

Source: New Zealand Tourism Research Institute. 2020. Samoa International Visitor Survey January–December 2019. Auckland.

Source: Pacific Private Sector Development Initiative.

#### Minimum standards help maintain accommodation quality.

The Samoa Tourism Authority (STA) has administered minimum standards since 2005, with different criteria for the five types of accommodation—deluxe, superior standard, standard, budget, and fale—enforced through an annual inspection program. Properties that fail to comply are removed from the STA's destination website.

## Box 2: Samoa Key Visitor Statistics (Sea Arrivals)

### Cruise Arrivals (2019)

**13,212** passengers on **nine** cruise calls.

Source: Pacific Tourism Organisation.

### Estimated Spend of Cruise Passengers (2013)

**ST 3 million** (\$1.16 million).

**ST 71** (\$27) per passenger.

Approximately 37% of passengers undertake onshore excursions and spend considerably more (ST197 (\$76) per person), of which around 60% enters the Samoan economy.

Government of Samoa. 2014. *Economic Impact Analysis Report for Tourism*. Apia.

Source: Pacific Private Sector Development Initiative.

## ORGANIZED TOURS

**In 2019, Samoa had 36 registered tour companies.** Tours included marine activities such as diving, snorkeling, and fishing, as well as eco-tours of inland lakes, waterfalls, and beaches, and visits to Samoan communities to taste traditional food. Local village activities were also available, such as cooking classes, handicraft workshops, and church visits, although these were usually offered on a more informal basis to fale and homestay guests.

## EMPLOYMENT AND TRAINING

### Vocational education in tourism is available for Samoans.

The National University of Samoa offers a Certificate in Tourism and Hospitality and a Diploma in Tourism, and the Australia Pacific Training Coalition offers Australian-recognized Certificate III courses in tourism, hospitality, and commercial cookery. Workforce training and tourism workshops are also provided through Samoa's Chamber of Commerce. Tertiary education is available at the University of the South Pacific campus in Apia, with tourism subjects primarily offered in print or blended mode.

## TOURISM GOVERNANCE, PLANNING, AND POLICY

**The Government of Samoa is committed to tourism.** Samoa's development and sustainable tourism approach is outlined in a range of documents (Table 1). These cover sector growth, visitor targets, marketing, product development, infrastructure, human resources and COVID-19 recovery.

**The STA is responsible for the administration, promotion, and regulation of Samoa's tourism industry.** Formerly known as the Samoa Visitors Bureau, the STA was established in 1986, and its

## Box 3: Samoa Visitor Arrival Trends

### Air and Cruise Arrivals (2012-2019)



Source: (Air) Pacific Tourism Organisation. (Cruise) Samoa Tourism Authority.

**Samoa's visitor arrivals were steadily increasing during 2014-2019, before a sharp decline brought on by the coronavirus pandemic in 2020** (Pacific Tourism Organisation [SPTO], unpublished data). Both air and cruise arrival numbers increased, even though cruise calls decreased from 13 in 2018 to 9 in 2019. This is due to the arrival of larger cruise ships carrying more passengers.

**Samoa's tourist arrivals are seasonal.** Arrivals are highest from June to September each year, as most visitors choose to travel in the drier Samoan winter (SPTO, unpublished data). There is also a defined peak during December and January, as many members of the Samoan diaspora return home over the Christmas period.

### Samoa receives fewer cruise calls than Fiji or Vanuatu.

This is likely due to its distance from the main cruising ports of Australia and New Zealand. Most cruise arrivals in Samoa tend to be vessels traveling across the Pacific or around the world (STA 2013).

### References:

Samoa Tourism Authority (STA). 2013. *Samoa Tourism Sector Plan 2014-2019*. Apia.

Source: Pacific Private Sector Development Initiative.

functions were expanded under the Tourism Development Act of 2012. The STA is government-funded but semi-autonomous, reporting to both an independent board and the Minister of Tourism. The STA employs 80 staff, led by a chief executive officer, and operates marketing offices in Australia, New Zealand, the United Kingdom, and the United States.

## TOURISM MARKETING

### Samoa is marketed internationally as "Beautiful Samoa."

The brand is built around the country's rich culture and storytelling about its past. Samoa's brand position, outlined in its Destination Marketing Plan FY2020-2025, emphasizes the beauty, simplicity, warmth, and welcoming nature of Samoa and suggests visitors can "reconnect with the essence of the

**Table 1: Tourism Plans and Policies, Samoa**

PLAN OR POLICY	STRATEGIES AND GOALS
<p>Strategy for the Development of Samoa 2016/17–2019/20</p>	<p><b>The Government of Samoa’s overarching development strategy.</b></p> <p>The strategy emphasizes the importance of tourism and advocates an improvement in destination marketing, product development, and tourist infrastructure, and proposes arrivals growth of more than 5% per annum (Government of Samoa 2016). Prior to 2020 and the onset of the coronavirus disease (COVID-19) pandemic, this target was largely achieved, as total arrivals rose by 20% between 2016 and 2019. The strategy also advocates a 6% growth per annum in tourism employment and an increase in average occupancy rates to 60% by 2020. However, occupancy rates, though improved, have not reached 60%, and tourism employment in Samoa has not been officially measured since 2016. The strategy does not propose specific plans or policies to meet its targets.</p>
<p>Samoa Tourism Sector Plan 2014–2019</p>	<p><b>Samoa’s current tourism sector strategy.</b></p> <p>The plan outlines a vision that “by 2019 Samoa will have a growing tourism sector, which engages our visitors and people and is recognized as the leading Pacific destination for sustainable tourism” (Samoa Tourism Authority [STA] 2013). The plan’s goals are closely aligned with the government’s strategy for the development of Samoa, emphasizing marketing, infrastructure, and product development. Improvements to the enabling environment and human resources are also prioritized. The STA is currently developing a new sector strategy, to be launched in late 2021.<sup>a</sup></p>
<p>Destination Marketing Plan FY2020–2025</p>	<p><b>Samoa’s current tourism marketing strategy.</b></p> <p>The plan outlines two main marketing goals: to increase visitor arrivals to 78% of the 2018/19 fiscal year (FY)<sup>b</sup> levels by June 2025 and increase visitor spend to 79% of FY2018/19 by June 2025 (STA 2020). This is to be achieved by prioritizing key country markets, building travel trade confidence, and strengthening Samoa’s unique value proposition. The plan recognizes the impact of COVID-19 on the Samoan tourism industry and suggests recovery is also dependent on non-marketing initiatives, including the development of a COVID-19 recovery plan, a “travel ready toolkit” for operators, and the re-establishment and growth of air services, particularly with the Australian market.</p>

**References:**

- Government of Samoa. 2016. *Strategy for the Development of Samoa 2016/17–2019/20*. Apia.
- Samoa Tourism Authority. 2013. *Samoa Tourism Sector Plan 2014–2019*. Apia.
- Samoa Tourism Authority. 2020. *Destination Marketing Plan FY2020–2025*. Apia

Source: Pacific Private Sector Development Initiative.

a Development delayed due to COVID-19.  
 b Samoa’s fiscal year runs from 1 July to 30 June.

Upolu Island, Samoa



### Box 3: Samoa Key Attractions

- **Spectacular diving and snorkeling**—More than 200 varieties of coral and 900 fish species, giant clams, morays, turtles, and reef sharks, as well as tunnels, swim throughs, and protected lagoons.
- **Lush rainforests, volcanic craters, and unique bodies of water**—Including blowholes and the To-Sua Ocean Trench, a sinkhole formed by the cave of an ancient lava tube, now a popular swimming hole.
- **A range of accommodation and food options**—From the unique experience of traditional “fale” homestays to international and family-friendly resorts and restaurants.

Source: Pacific Private Sector Development Initiative.



Traditional firelighting, Samoa.

Pacific” (STA 2020a). The official tourism website for Samoa<sup>1</sup> provides extensive information on experiences, events, and accommodation.

**Marketing activity is tailored to key segments.** American Samoa, Australia, and New Zealand have historically been Samoa’s three major source markets, with Europe, North America, and the United Kingdom considered important secondary markets. Samoa’s domestic tourism market, although small, has also become a focus following the global shutdown and can offset seasonality when borders reopen (STA 2020a). Prior to the coronavirus pandemic, marketing efforts had also focused on growing the Chinese market. STA has appointed a Market Representative for the People’s Republic of China (PRC) and organized “China Ready” workshops to prepare stakeholders to receive tourists from the PRC (STA 2019). Samoa’s marketing utilizes traditional channels, including print, radio, TV, and events, alongside digital advertising and social media.

1 [www.samoa.travel](http://www.samoa.travel)

2 Flights were previously operated on a wet lease by Malaysian carrier Malindo Air; the agreement was terminated due to COVID-19. Samoa Airways is seeking a new agreement for when borders reopen.

## PRIVATE SECTOR ORGANIZATION

**Samoa’s tourism industry is primarily small-scale, community-owned operations.** The industry is supported by the Samoa Hotels Association and the Savai’i Samoa Tourism Association. There are also multiple small organizations—including the Samoa Tour Guides Association, the Samoa Travel Agency Association, the Bar and Restaurants Association, and the Beach Fale Association—but their activity levels vary.

**The ease of doing business in Samoa is increasing.** Recent business law reforms, such as updates to the Companies Act and implementation of one of the world’s most advanced companies registries, have made it more efficient and less costly to set up a business in Samoa.

## TOURISM SECTOR CHALLENGES AND OPPORTUNITIES

### TRANSPORT AND CONNECTIVITY

**International airfares to Samoa have decreased since 2017, following establishment of the state-owned Samoa Airways.** However, there are concerns about the airline’s viability. As a result of the technical issues with the B737-MAX, Samoa Airways does not currently own any operational aircraft<sup>2</sup> and was reportedly losing NZ\$1 million per month in 2020 (Government of New Zealand, Ministry of Foreign Affairs and Trade 2020). The Ministry of Public Enterprises reported the airline to be bankrupt in mid-2021 (Feagaimaali’i 2021).

### ENVIRONMENT AND INFRASTRUCTURE

**Sustainability is a focus of tourism planning and policy.** The Government of Samoa has made commitments to sustainable tourism since the 1990s, when it became the first country in the Pacific to develop sustainable tourism indicators. Samoa was also an “early adopter” of the Global Sustainable Tourism Council criteria (global baseline standards for sustainability in travel and tourism) in 2014 (Global Sustainable Tourism Council n.d.). Sustainable development continues to be promoted through stringent planning and development regulations, most notably the Planning and Urban Management Agency Act.

**Tourist infrastructure is being upgraded in response to visitor feedback.** Recent initiatives include upgrades to visitor signage in Upolu and Savai’i, improved access to waterfalls, and new toilet facilities at tourist sites. The government plans to redevelop the Apia waterfront—which will include urban beaches, heritage centers, parks and boardwalks—to enhance the appeal of Apia as a destination (Government of Samoa, Ministry of Natural Resources and Environment 2019).

**Donor projects have supported key tourism infrastructure upgrades in Samoa.** The Asian Development Bank (ADB) has supported upgrades to the safety and security of Apia’s port, which may have positive implications for cruise tourism.

ADB has also supported the Samoa Submarine Cable Project, co-funded with the Government of Australia Department of Foreign Affairs and Trade and the World Bank, which will improve internet connectivity. Samoa's main international airport has undergone significant donor-supported upgrades, including improvements to runways, facilities, and navigation aids through the World Bank's Pacific Aviation Investment Program, and a significant modernization of the arrival and departure terminals, supported by the Government of the PRC.

**Samoa is highly vulnerable to disasters triggered by natural hazards.** In 2009, a tsunami killed 189 people and caused damage and losses equivalent to more than 22% of GDP. This was followed by Tropical Cyclone Evan in late 2012, which caused damage equivalent to 28% of GDP (ADB 2020a). The prevalence of disasters is a potential deterrent for visitors and impacts tourist infrastructure, as a large proportion of accommodation is in vulnerable coastal areas. Disasters are expected to become more common, while rising sea levels, increasing ocean temperatures, and acidification will present new challenges (World Bank 2017).

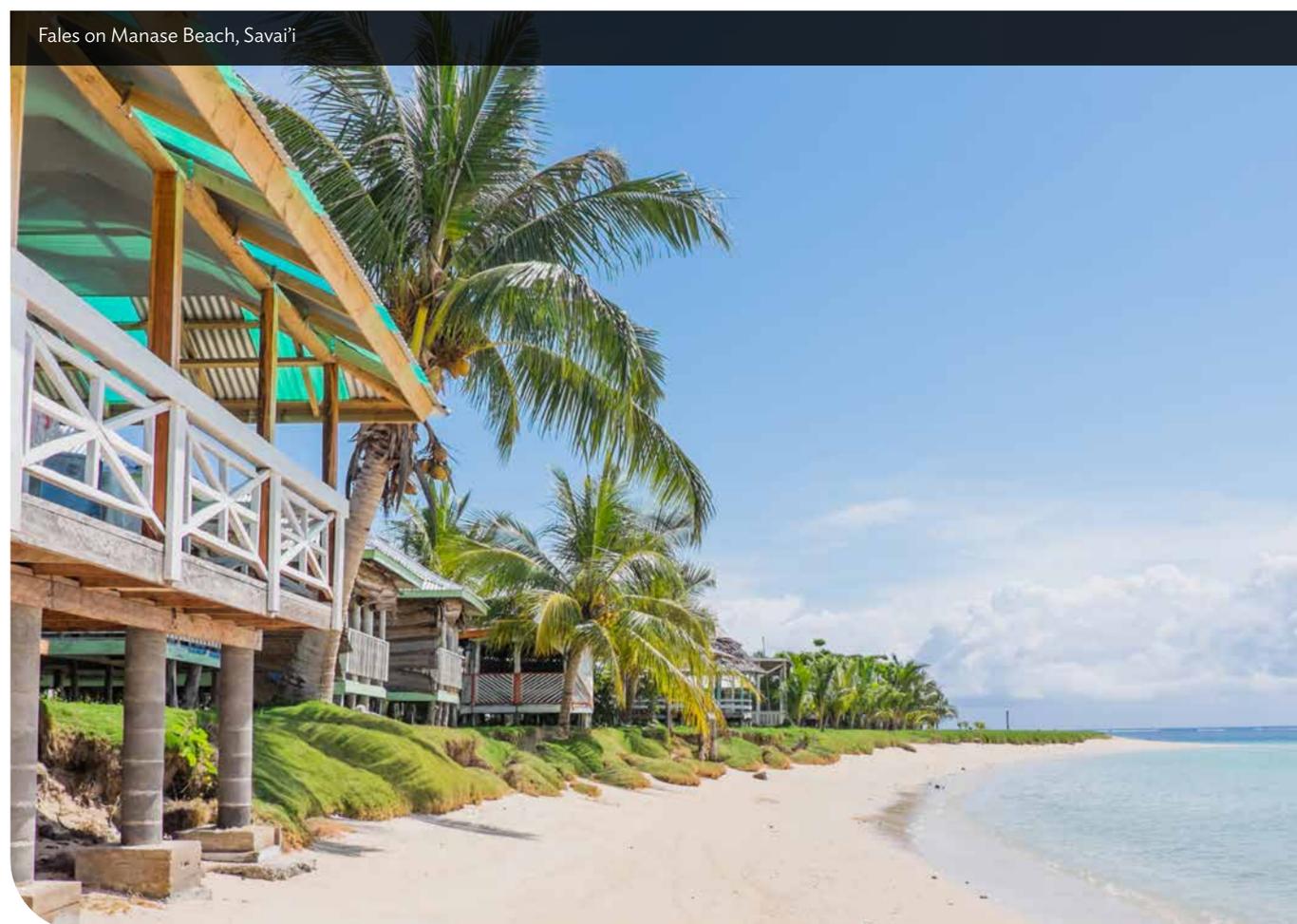
**Samoa's volcanic islands provide ample surface water and groundwater, but water pollution is an ongoing concern.**

While most people have access to "improved" water services (World Health Organization 2016),<sup>3</sup> only 59% have access to water that is considered "safely managed" (ADB 2020b).<sup>4</sup> Leaking septic tanks pollute local water, resulting in high rates of diarrheal diseases and the highest incidence of typhoid in the Pacific (ADB 2016). The low-lying areas of Apia are particularly affected.<sup>5</sup> There are also concerns that leakage from septic tanks contaminates and damages fragile reefs and marine life (ADB 2018a).

**Poor waste management undermines the tourist experience.**

Solid waste management in Samoa is relatively efficient, with only around 5% of households burning or dumping waste. (ADB 2014). However, visitors report that "rubbish and natural environment" is one of the least appealing aspects of the tourist experience, with complaints of waste on roadsides, on beaches, and in swimming holes (NZTRI 2020). The Government of Samoa has introduced a destination beautification program to improve litter management.

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- 3 "Improved" water sources are facilities that do not provide piped drinking-water within the household but are likely to provide safe drinking-water, including public taps, standpipes, tube wells, boreholes, protected dug wells, protected springs, and rainwater collection.
  - 4 ADB considers water to be "safely managed" when it is treated at the point of distribution, collection, or consumption; and safely stored at home in regularly cleaned and covered containers.
  - 5 The ADB Community Sanitation Project (financed by the Japan Fund for Poverty Reduction) installed 770 septic tanks between 2014 and 2016, 80% of them in vulnerable, low-income households.





Traditional patterns made with mud water and mulberry paper, Samoa

## ACCOMMODATION

**Samoa's accommodation supply is dominated by lower-end properties that struggle with low occupancy rates.** Less than 10% of accommodation providers (just under 25% of bed spaces) are considered "deluxe." The excess of properties at the lower end of the market has led to low occupancy rates. For example, the occupancy rate for fales in 2019 was just 15%. This limits owners' ability to reinvest and, in some cases, to meet the STA minimum standards. Additionally, many small, family-owned businesses cannot process credit card payments and are not listed through online travel agencies, reducing their ability to compete with larger properties. Limited private sector investment in destination marketing, combined with few international branded hotels, may also contribute to Samoa's low market awareness.

**Over the past decade, significant investment, particularly in deluxe accommodation, has compounded the challenges faced by smaller properties.** Nearly half of Samoa's deluxe properties are now foreign-owned, including two Sheraton badged resorts on Upolu. While the expansion of hotel capacity is positive for the tourism industry and increases competition in the high end of the market, it also adds to the challenges for smaller, family-owned properties, which are already struggling with low occupancy rates.

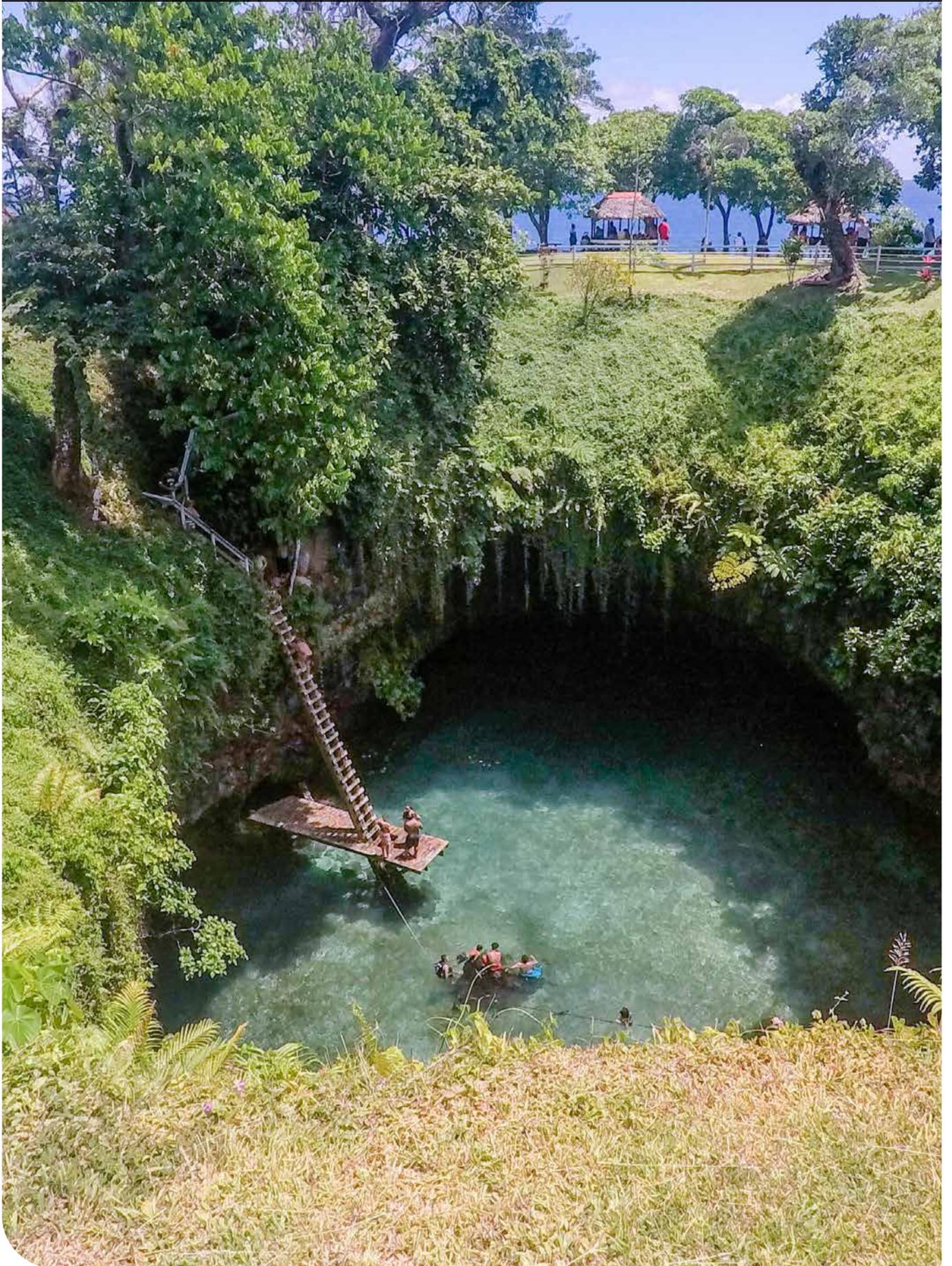
## VISITOR DEMAND AND DESTINATION EXPANSION

**Regional dispersal of visitors is limited.** Only one in three visitors travel outside Upolu Island and those that do primarily travel to Savai'i. Visitors to Savai'i tend to spend more, express greater satisfaction, and have a longer average stay than other visitors at 10.7 nights (NZTRI 2020).

**Average spend per visitor in Samoa is lower than in neighboring countries.** A significant number of visitor activities, such as beach relaxation, swimming, and hiking, are free of charge, limiting opportunity to capture visitor spend. Visitors report being highly satisfied with their overall experience in Samoa, but indicate only average satisfaction with shopping opportunities (NZTRI 2020). Nonetheless, average spend per visitor increased by 6% from 2018 to 2019 (NZTRI 2020).

## TOURISM MARKETING

**A stronger marketing focus on Samoa's unique attractions could help differentiate it from its Pacific neighbors.** Research commissioned by the STA found prospective visitors see Samoa as very similar to other Pacific island nations (STA 2013). There is also a perceived lack of activities for tourists beyond beach tourism. This implies Samoa's unique attributes, including its rich cultural heritage and commitment to sustainability, are



not adequately communicated in its brand. An assessment by the Global Sustainable Tourism Council (2014) suggested Samoa could better utilize its “sustainability story” to create a competitive advantage.

## SECTOR ORGANIZATION

**The private sector could strengthen its collaboration.** Samoa’s private sector has historically been fragmented, with different organizations representing different, and sometimes competing, interests. Prior to COVID-19, the Samoa Hotels Association was seeking to address this issue by expanding its membership and encouraging tour operators and other tourism-related businesses to join (various tourism stakeholders, consultations with author, 2020).

## ECONOMY, POLITICS, AND GOVERNMENT

**Samoa’s tourism industry is reliant on key government assets that require significant government resources.** Samoa Airways (previously Virgin Samoa), the national carrier, has been wholly state-owned since 2017. While this has seen a reduction in airfares, the airline has also incurred operating losses (Samoa Airways 2020) that put an additional strain on government resources. Samoa’s Faleolo Airport is also a state-owned enterprise, and one of the country’s poorest performing (ADB 2015). The asset has required significant capital injections from the government, which, because airports are usually profitable enterprises, could be considered a waste of productive resources (ADB 2015).

**Poor access to finance constrains the tourism industry.** Many smaller operators are prevented from accessing loans due to a lack of equity or security, or a low capacity to repay borrowings—often resulting from poor occupancy rates and low profitability.

While Samoa has a range of microfinancing options, some of these, such as South Pacific Business Development, charge high interest rates—up to 24% to 27% a year—while savings attract only 2.5% to 3% (ADB 2018b).

**Links between accommodation providers and primary producers could be strengthened.** A 2011 study, commissioned by the STA, found that larger accommodation properties in Samoa import almost 70% of their food and beverages. A greater focus on local supply chains, particularly for staple food items such as fish and vegetables, could limit imports to 25% (STA 2013). Little progress has been made to date, largely due to limited data on the tourism supply chain.

**Sunday trading restrictions could significantly damage tourism.** The Government of Samoa introduced trading restrictions in March 2020 as part of COVID-19 pandemic-related state of emergency orders. These include not swimming in the sea on Sundays, not traveling between Upolu and Savai’i on Sundays, and reduced hours for bars, restaurants and clubs, with fines of up to ST10,000 for breaches. The STA and Samoa’s private sector operators have concerns about the impact on Samoa’s visitor appeal and tourism recovery, if the restrictions are applied long-term or permanently (STA 2020a).

## LAND ACCESS AND DEVELOPMENT

**Difficulties in accessing land impedes foreign investment.** More than 80% of land in Samoa is held under customary ownership, which often results in overlapping rights, poorly defined land boundaries, and lengthy lease processes (Grant 2008). Several resort proposals have stalled after stakeholders were unable to negotiate access from landowners (STA 2013). ADB has supported the Government

Samoa’s iconic colorful buses



## Box 5: Impact of COVID-19 on Samoa's Tourism Sector

**Samoa closed its borders on 22 March 2020.** The coronavirus disease (COVID-19) pandemic closely followed a measles outbreak—declared in October 2019 and not controlled until January 2020—which itself resulted in a record contraction in visitor arrivals and significantly impacted business conditions in Samoa (Asian Development Bank [ADB] 2020a). In May 2021, Samoan health authorities announced borders would not reopen until 98% of the eligible population was vaccinated. At the time, only 7% had received a first vaccination dose (Radio New Zealand [RNZ] 2021). By the end of July 2021, approximately 84,000 doses had been administered, still well short of the target (World Health Organization 2021).

**Samoa's employment levels and economy have been severely impacted.** By March 2020, visitor arrivals had fallen 62.7% year-on-year (ADB 2020). By late April 2020, more than 1,000 jobs had been lost in the accommodation sector, and surplus room capacity was estimated to be 76% to 91% (Samoa Tourism Authority 2020). By July 2020, 26% of Samoan workers had lost their jobs, with women comprising 64% of this figure. The majority of those still employed were working part-time, and 56% of those employed reported a reduction in income (International Labour Organization 2020). By March 2021, more than half the 5000 tourism workers were reported to have lost their jobs, with most, if not all, resorts outside Apia being closed (Tokalau 2021). As many as 70% of tourism jobs have been affected, if reduced working hours are taken into consideration (Godfrey 2021). Samoa's gross domestic product fell by 3.2% in the 2020 fiscal year (FY)<sup>a</sup> (ADB 2021a). The Asian Development Bank initially forecast a further 2% drop for FY2021 (ADB 2020a), but revised this in 2021 to a 9.2% drop, with a recovery of 3.1% projected for FY2022 (ADB 2021b).

**The Government of Samoa released a COVID-19 National Preparedness and Response Plan.** The three-phase plan covers containment, transition to recovery, and consolidation of recovery. Stimulus packages of \$23.8 million in April (ADB 2020b) and \$29.9 million in May (Xinhuanet 2020), were announced under the FY2020 supplementary budget and the FY2021 budget, with ST\$3.6 million providing specific, additional assistance for the tourism sector (Government of Samoa 2020). The Samoa Tourism Authority has launched a "Try Something Different" campaign targeted at the domestic market to stimulate tourism demand while borders are closed (Pacific Tourism Organisation n.d.).

**Samoa is planning a travel bubble with New Zealand.** From 1 July 2021, all travelers to Samoa must be fully vaccinated. Tourism employees have been given training in health protocols, and the Australian government has provided cleaning materials and personal protective equipment.

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Source: Pacific Private Sector Development Initiative.

<sup>a</sup> Samoa's fiscal year runs from 1 July to 30 June.

of Samoa to explore ways to expand economic use of customary land (ADB 2013).

## EMPLOYMENT AND TRAINING

**Tourism is not perceived as an aspirational career for Samoans.** Despite the importance of tourism to the Samoan economy, employment in the industry is regarded as low-skilled and low-paid (STA 2013). This has led to a shortage of skilled tourism employees and staff turnover in tourism businesses estimated at up to 30% a year (STA 2013). Large hotels in Samoa are increasingly forced to employ expatriate staff in key positions.

**Labor mobility is causing a “brain drain” of skilled workers.** Many young, skilled Samoans choose to emigrate, most commonly to New Zealand, where wages are five times higher on average (ADB 2015). While outbound migration generates strong remittance flows for Samoa’s economy, it also causes a loss of human capital. This makes it difficult for private sector tourism businesses to secure suitably trained staff.

**Early education around the benefits of the tourism industry in Samoa is being considered.** The government is investigating ways to incorporate tourism into the primary and secondary school curricula, to help change attitudes and encourage young Samoans to take up tourism as a career. This could address a low labor participation rate, estimated at 32% in 2014 (International Labour Organization 2014). Tourism could also offer employment opportunities in local communities and villages for many young Samoans who would otherwise be forced to move to Apia for work.

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Traditional wooden kava bowls sold at market, Samoa



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PSDI is a technical assistance program undertaken in partnership with the Government of Australia, the Government of New Zealand, and the Asian Development Bank. PSDI supports ADB’s 14 Pacific developing member countries to improve the enabling environment for business and to support inclusive, private-sector led economic growth. The support of the Australian and New Zealand governments and ADB has enabled PSDI to operate in the region for 14 years and assist with more than 300 reforms.



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