Samoa’s economic freedom score is 61.9, making its economy the 89th freest in the 2021 Index. Its overall score has decreased by 0.2 point, primarily because of a decline in property rights. Samoa is ranked 16th among 40 countries in the Asia–Pacific region, and its overall score is above the regional and world averages.

Although it slipped a bit in the global rankings this year, Samoa’s economy has remained moderately free for the past four years. For the country to regain lost ground, the government will need to implement deep, broad, and well-institutionalized reforms to improve scores for property rights and especially judicial effectiveness and government integrity.

IMPACT OF COVID-19: As of December 1, 2020, no deaths had been attributed to the pandemic in Samoa, but the economy was forecast to contract by 5.0 percent for the year.

**ECONOMIC FREEDOM SCORE**

- **Score:** 61.9
- **Status:** Moderately Free
- **Change:** Down 0.2 point

**RECENT FREEDOM TENDENCY**

- 2017: 58.4
- 2018: 61.5
- 2019: 62.2
- 2020: 62.1
- 2021: 61.9

**QUICK FACTS**

- **Population:** 0.2 million
- **GDP (PPP):** $1.2 billion
- **Inflation (CPI):** 2.2%
- **FDI INFLOW:** $1.0 million
- **Public Debt:** 48.9% of GDP

**BACKGROUND:** A small South Pacific archipelago with a population of fewer than 200,000, Samoa was administered by New Zealand until independence in 1962. It is now a multiparty, unicameral parliamentary democracy dominated by the Human Rights Protection Party, which holds 47 of the 50 seats in parliament. Prime Minister Tuilaepa Aiono Sailele Malielegaoi, in office since 1998, was reelected in 2016. Two-thirds of the workforce is employed in fishing and agriculture, which produce 90 percent of exports, and the economy relies heavily on emigrants’ remittances. The government is encouraging more offshore banking and foreign investment in manufacturing. Samoa hosted the 2019 Pacific Games, which supported economic growth through infrastructure investments and higher tourism receipts.

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2019 data unless otherwise noted. Data compiled as of September 2020.
Although property rights are recognized, Samoa lacks an efficient legal framework for their adequate protection and for the enforcement of contracts. Eighty percent of the land is communally held. The judiciary is independent but heavily influenced by the executive. Although corruption and bribery are criminalized and prosecuted and the laws appear to be applied impartially, official corruption is still a major cause of public discontent.

The top individual income and corporate tax rates are 27 percent. Other taxes include value-added and excise taxes. The overall tax burden equals 25.5 percent of total domestic income. Government spending has amounted to 31.0 percent of total output (GDP) over the past three years, and budget surpluses have averaged 0.2 percent of GDP. Public debt is equivalent to 48.9 percent of GDP.

Business freedom in Samoa is little changed from the prior year, but its position relative to other more reform-minded countries has eroded. The three pieces of legislation that govern the labor market are consistent with core international standards. According to the Ministry of Finance’s budget report, subsidies as a percentage of GDP declined from 1.0 percent in 2017 to 0.2 percent in 2019.

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