



GOVERNMENT OF SAMOA

**2014/2015
FIRST SUPPLEMENTARY
BUDGET ADDRESS**

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Minister of Finance

16 December 2014

BUDGET ADDRESS ON THE FIRST SUPPLEMENTARY BUDGET
ESTIMATES 2014/2015

Mr Speaker and Honourable Members of Parliament,

On behalf of the Government, I would like to table the First Supplementary Budget for the financial year 2014/2015 for consideration of the House.

Mr Speaker,

Following Cyclone Evans that devastated the economy in December 2012, GDP has continued to show positive signs of recovery with real GDP growing by 1.9% in the FY2013/14. Construction and Agriculture/Fisheries sectors are the key drivers of this positive growth reflecting the impacts of the post cyclone reconstruction and rehabilitation efforts.

Real GDP is expected to grow at around 2% - 3% over the next two financial years and this growth is anticipated to be driven by developments in the tourism sector, infrastructure projects such as roads, airport upgrade, Parliament building and the preparations for the Commonwealth Youth Games in 2015.

The preparation of this First Supplementary budget took into account the need to maintain fiscal sustainability. In this regard, I am pleased to announce that this supplementary budget will not affect the projected level of the budget deficit I announced in the 2014/15 Main Budget Estimate and will be maintained at 4.1% of GDP.

The Supplementary Budget

I would now like to provide an overview of the First Supplementary Estimates for the current fiscal year 2014/2015:

Summary of Additional Revenues

The financing of the additional government commitments will be made possible through the following sources of additional revenues amounting to **\$8.31million**:

- Collection of outstanding Import Duty and VAGST from Government Ministries as well as miscellaneous fees for Accounting Services & Financial Reporting amounting to **\$3.87million**;
- Central Bank Reserves of **\$4.15million**;
- Additional Revenues collected under the Office of the Regulator of **\$286,000**;

Furthermore the balance of **\$2.58million** that remained following the successful UN-SIDS Meeting held in September.

Summary of Additional Expenditures

The additional expenditures requested under this supplementary budget totals **\$10.79 million (including VAGST)**. These priority expenditures are considered critical to ensuring the sustainable and efficient delivery of services to the people of Samoa.

These priorities include:

Ministry of Finance

- **\$110,859** is being allocated for counterpart costs related to the Faleolo Airport Terminal Upgrade and **\$500,000** demolition fee to initiate works for the proposed New Parliament House;
- **\$476,806** is earmarked for Ministerial support for the Minister of Finance's office and the two Associate Ministers which was omitted during in the Main Estimates;
- Readjustment charges to EPC for electricity at the TATTE Building of **\$876,829**;
- Provision of **\$1.2million** towards World Bank subscriptions for additional shareholding;
- **\$3.4million** for the payment of import duty and VAGST for the Government of Samoa as well as **\$100,000** under Statutory Expenditures for payment of fees and charges;

Ministry of Agriculture

- The development of the access road to the newly established Headquarters for the Livestock Division at Vaea totaling **\$230,925**;

Ministry of Foreign Affairs

- **\$500,000** towards 40 additional scholarships for undergraduate studies for Science teachers;
- **\$276,960** to fund the reclassification of overseas missions' allowances;
- An additional **\$54,900** is earmarked to fund the lease and operating costs for the Samoa Office in Brussels;

Ministry of Natural Resources and Environment

- Payments for contractual services for the construction of retainer walls or seawalls/rockwalls to ensure Climate Resilience amounting to **\$871,764**; and
- **\$50,000** to fund end of contract benefits for personnel;

Ministry of Prisons

- An additional **\$358,922** to facilitate operational expenditures for the new Ministry;

National Kidney Foundation

- Operational expenditures to support services provided by the National Kidney Foundation totaling **\$70,000**;

Ministry for Revenue

- Additional expenditures of **\$387,000** for the continuing institutional strengthening of the Ministry;

Samoa Bureau of Statistics

- **\$84,596** to support the completion of the Demographic Health Survey;

Ministry of Police

- Additional Operational expenditures for the newly established Dog Management Unit totaling **\$136,000** as well as **\$500,000** to pay for the lease of STEC land;

Ministry for Justice and Courts Administration

- **\$95,000** allocated to the Civil Trust and readjustment charges for electricity of **\$300,000**;

Scientific Research Organisation of Samoa

- Provision of **\$34,000** for Annual Director's fees.

Land Transport Authority

- Provision of **\$234,600** to fund the Project Component Manager.

Office of the Ombudsman

- Provision of a salary for the Communications-Education officer of **\$30,000**.

Conclusion

Mr. Speaker and Honourable members, the additional expenditures considered under this first supplementary budget are priority expenditures that are critical for delivering effective government service as well as meeting government's commitment to its development agenda.

These were closely scrutinized to ensure fiscal sustainability and macroeconomic stability are maintained.

Mr Speaker, Honourable members,

On behalf of the government, I wish you Mr Speaker, Honourable members and every citizen of Samoa a 'Merry Christmas and a Prosperous 2015'.

Soifua