AMERICAN SAMOA  Forging a Path Towards a Resilient Economic Future

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) 2018-2022
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The Comprehensive Economic Development Strategy of American Samoa (CEDS-AS) provides the territory with a plan to strategically manage its resources and prioritize development in key industries. These efforts are aimed at creating an environment in which economic diversification and resilience can flourish.

The CEDS program is also one of the cornerstone programs of the U.S. Economic Development Administration (EDA) and regions are required to update their CEDS every five years to qualify for assistance under the EDA Public Works and Economic Adjustment Assistance Programs in accordance with EDA’s regulations at 13 CFR part 303.7. The CEDS-AS 2018-2022 is a continuation of the CEDS-AS 2013-2017.

It is important to note that the renewal of the CEDS-AS is occurring at a critically important time in the territory’s history. At play presently are several strong and imposing forces that may impact the decisions we are making today and in the near future. Specifically, the tuna canning industry is facing unsustainable pressures, the territory’s competitive advantage has eroded as the federally-mandated minimum wage has continued to increase, the population has declined at an average annual rate of -2.2% since 2009, and critical disaster funding is diminishing.

Unfortunately, the current trajectory of American Samoa’s economy is fraught with peril. Should the last remaining tuna cannery close, the territory will likely experience a catastrophic economic disaster and fall into a deep, systemic recession that could take decades from which to recover. This holds great implications for the people of these islands and for their cultural way of life. As such, the CEDS-AS will focus predominantly on economic diversification with long-term resilience as the ultimate goal.

Introduction

The fa’aaliao is a motif used in three of our main Samoan art forms: tatau, siapo, and woodcarving. Traditionally, aliao are collected for eating of the alili mollusk inside. They are relatively abundant and can be collected during low tide. The shell is represented as a triangle and can be conveyed as a diamond or in repetitious formations. The shell is also useful and has been used for an array of things including fish hooks. Today, these shells provide a means to generate income by crafting bracelets, earrings and necklaces for sale.

Photo left: Hiking trail on Aunu’u island.
Development of CEDS-AS 2018-2022

As required by the EDA, there are five main elements that make up the CEDS-AS 2018-2022:

1. **Summary Background** - This section provides an overview of the territory’s economic situation, touching on both recent economic history as well as an economic forecast.

2. **SWOT Analysis** - This section assesses the state of the territory’s economy by determining the strengths, weaknesses, opportunities and threats posed by internal and external forces.

3. **Strategies & Actions** - This section includes the vision, goals, objectives, strategies, and actions that the territory will take to guide economic development activities through 2022.

4. **Evaluation Framework** - This section establishes criteria and performance measures that will be used to evaluate the effectiveness of CEDS-AS implementation.

5. **Resilience** - This section outlines the territory’s approach towards building economic resilience such that the territory can better avoid major disruptions and more effectively recover from periodic downturns in the local and regional economies.

The production and development of the CEDS-AS was driven by the American Samoa Government’s Department of Commerce (ASG DOC) under the leadership of Director Keniseli Lafaele, who assembled a CEDS-AS workgroup to draft the strategy.2 The CEDS-AS workgroup conducted a broad stakeholder engagement initiative, which sought to gain input from community members, government leaders, business owners, entrepreneurs, and other stakeholders. Surveys were conducted as were one-on-one interviews. This information was then analyzed along with information from American Samoa’s previous CEDS, regional trends and reports, and other local planning initiatives. As a result of these combined efforts, a CEDS-AS vision was developed, goals were established, objectives were created, and actions were identified and incorporated accordingly.

Refer to Appendix F for names, titles, and roles of ASG DOC CEDS-AS workgroup.

*Fogama’a Crater, Vaitogi village.*

*Vaitogi village coastline.*
American Samoa is one of five inhabited U.S. Territories and is located in the middle of the vast Pacific Ocean, approximately 7,000 miles from Washington D.C., 4,800 miles from California, and 2,500 miles from Hawai’i. Due to its relatively small size and remote location, American Samoa faces many challenges including but not limited to a shrinking population, high poverty rates, and a fragile insular economy. The territory’s economy and its long-term economic stability is solely dependent upon federal government funds and the continued operations of the one remaining tuna cannery. There were approximately 17,218 workers in the territory in 2017, with as many as 2,880 unemployed, driving the unemployment rate to 14.3%. In 2017, the American Samoa gross domestic product (GDP) was $634.0 million, which represents a 2.9% decrease from the 2016 GDP. Adjusted for inflation, real GDP was $556.0 million, or a year-over-year decrease of 5.3%.

Economic History

As a small, insular economy, American Samoa has long been prone to economic shocks from internal and external forces. Little data has been archived from before World War Two, and only sparse economic data can be found from the years before 2002. Available resources indicate an economy that quickly transformed from primarily agricultural, in the early 20th century, to booming by the 1940’s, when U.S. Department of Defense project funds flooded the island. Immediately following the end of World War Two, the flow of federal dollars slowed to a trickle and the local economy fell into a contractionary spiral that would last almost ten years.

In 1949, a cannery was built on the main island of Tutuila to process and export locally-harvested tuna. It was unprofitable, and subsequently closed until a 1953 rule-change allowed the unloading of fish from non-U.S. flag vessels in the territory. The Van Camp Seafood Company re-established the cannery and enticed a Japanese fleet of longliners to make Pago Pago their main off-loading port. After a decade of Van Camp’s success in American Samoa, Starkist Foods opened a second cannery and saw the fleet of Asian longliners continue to grow, along with a new fleet of U.S. purse seine vessels. Eventually, other canneries transferred some operations to American Samoa, including Chicken of the Sea and Tri-Union.3

Summary Background

American Samoa - Forging a Path Towards a Resilient Economic Future

Photo left: Tisa's Barefoot Bar, Alega Beach.
While the canneries helped to lift the local economy, the significant revenues were still insufficient to maintain the infrastructure that had sprung up when the U.S. military occupied much of the territory in the 1940’s. An article in the July 1961 Readers Digest, titled “Samoa: America’s Shame in the South Seas”, told of the dilapidated government buildings, healthcare facilities, and tourism infrastructure. The federal funds helped to spur local business, create jobs, and to definitively evolve the territory from a purely subsistence economy to a cash-dominant subsistence economy. The surge in federal government spending generated the cash left in the economy after the Chicken of the Sea closure, although the relief ultimately proved to be temporary. Total population has decreased in all but one year since the tsunami and cannery closures, from 70,100 in 2009 to 60,300 in 2017. Additionally, employment and wages have been stagnant, growing at an anemic average annual rate of 1.2%, while consumer prices have grown at an annualized clip of 2.7%. Finally, real GDP has fallen by $80 million over this same period.

The economy of American Samoa went through a series of setbacks due to the dual impact of FEMA disaster relief funds, following a deadly tsunami that struck the territory in 2009, and a short-term spike in federal government spending on the territory in 2009, and a short-term spike in federal grant funds from the American Recovery and Reinvestment Act of 2009. The surge in federal government spending definetively evolve the territory from a purely subsistence economy. The surge in federal government spending generated the cash left in the economy after the Chicken of the Sea closure, although the relief ultimately proved to be temporary. Total population has decreased in all but one year since the tsunami and cannery closures, from 70,100 in 2009 to 60,300 in 2017. Additionally, employment and wages have been stagnant, growing at an anemic average annual rate of 1.2%, while consumer prices have grown at an annualized clip of 2.7%. Finally, real GDP has fallen by $80 million over this same period.

The combined impact of the cannery closures contributed to a spike in the unemployment rate in the territory, rising from 10.5% in 2016 to 14.3% in 2017, and led to stagnant spending in both the private and public sectors. As a result, the economy contracted by 2.9% in 2017. Transportation costs rose modestly that year, as well, causing real GDP to have contracted at a rate of 5.9%.

The recession might have extended into the following year, if not for a devastating cyclone that impacted much of American Samoa in February of 2018. By some estimates, Cyclone Cita caused as much as $462 million in direct and indirect damages across the territory. At least 50% of all citizens were faced with some level of loss to real and/or personal property during the cyclone. Food, water, and other basic necessities were in high demand throughout the days and weeks that followed. During that time, automated teller machines were persistently low on cash supplies as the people of the territory scrambled to draw enough to cover basic necessities. The relief ultimately proved to be temporary. Total population has decreased in all but one year since the tsunami and cannery closures, from 70,100 in 2009 to 60,300 in 2017. Additionally, employment and wages have been stagnant, growing at an anemic average annual rate of 1.2%, while consumer prices have grown at an annualized clip of 2.7%. Finally, real GDP has fallen by $80 million over this same period.

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Spurred by recovery efforts following the July 2014 cyclone, American Samoa is expected to grow in the early years of this forecast, with the swift in relief funds to individuals and families, is anticipated to have created as many as 500 jobs in the government and private sectors in 2018, lifting personal income by approximately $10.4 million that year. Personal consumption expenditure forecasts are expected to grow by 2013, 14% in 2019, and 0.4% in 2020 before contracting by 1% in 2019. Business investments in American Samoa are forecast to decrease by 14.5% in 2018, although the deceleration in private business spending has little to do with the climate. Rather, it represents the end of the STP investment. The steepest decrease doesn't come until 2019, though, when business investment in the territory contracts by an estimated 25.6% as the last of the Samoa Tuna Processors equipment and construction material imports are counted.

Business spending is projected to decrease for a third year in a row, contracting by an additional 5.0% in 2020, as the private fixed investments return to a level that is more consistent with its long-term trend. Then business spending is forecast to grow by 0.4% in 2021 and 10.2% in 2022. Net exports are anticipated to grow modestly in 2018 as growth in consumer and government spending is offset by higher exports. Specifically, net exports are forecast to rise by 0.9% in 2018 before decreasing by 15% in 2019, 2.5% in 2020, and 1% in 2021. The deeper growth in imports towards the end of the forecast period is primarily driven by rising fuel and transportation costs.

Total GDP is expected to be $565.5 million in 2018, which is 3.9% higher than the previous year. Output is then anticipated to contract by 3.0% in 2019 (to $369.0 million), before growing by 1.1% in 2020 (to $464.2 million), declining by 1.7% in 2021 (to $354.9 million), and rising by 0.3% in 2022 (to $461.1 million). Adjusted for inflation, RGDP is forecast to increase in 2019 (to $369.0 million) and then contract by 1.3% in 2019, 1.0% in 2020, 2.3% in 2021, and 2.0% in 2022. Additional details can be found in the following tables.
Business Confidence Index

In the absence of a local Business Confidence Index or similar metric, business, government, and community leaders were surveyed to obtain their opinions on the state of the economy and the likelihood of future business investment and developments. Despite the economic contraction expected in the business investments GDP category through 2019 and 2020, which is largely due to the end of the STP investment and buildout, 75% of those surveyed responded that they were confident in reinvesting into the growth or expansion of their own business. In addition, 30.6% of those surveyed describe the current state of the economy as improving, and 52.7% see the economy improving over the next 5 years.

Any investments made by small businesses over the next five years will likely temper the slope of the drop-off we will experience but will not have any significant impact on the directionality of the economic forecast.

How confident are you with the prospect of reinvesting into the expansion or growth of your business/organization?

- Very confident: 25%
- Slightly confident: 47.2%
- Not confident: 27.8%

How would you best describe the current state of the American Samoa economy?

- Significantly improving: 27.8%
- Slightly improving: 16.7%
- No improvement: 25%
- Slightly declining: 27.8%
- Significantly declining: 25%

Where do you see the American Samoa economy in the future (5 years)?

- Significantly improving: 19.4%
- Slightly improving: 8.3%
- No improvement: 44.4%
- Slightly declining: 13.9%
- Significantly declining: 13.9%

75% of those surveyed responded that they were confident in reinvesting into the growth or expansion of their own businesses.

Taro plantation, or tauflue, in Aunu’u.
The CEDS-AS workgroup conducted an analysis into the various strengths, weaknesses, opportunities, and threats (SWOT) facing the territory of American Samoa. The SWOT analysis framework is particularly useful in identifying the territory’s competitive standing, in terms of both internal and external factors, and the potential for future development.

Proposed SWOT items were then categorized and narrowed down to a more specific list, which was used to develop an online survey to solicit input from the community. More than 50 diverse stakeholders from the public and private sector were invited to take part in the online survey. Information regarding the CEDS-AS, including its purpose and goals, was also sent to the survey participants. Follow-up calls and emails were then conducted to ensure maximization of survey responses. As the survey responses were collected, the CEDS-AS workgroup also met individually with public and private sector leaders to gain further insights into existing organizational priorities, projects, and business strategies. The interviews allowed each individual business owner and organizational leader to speak to the unique issues that impact their organizations and industries.

SWOT Analysis

The Tuli bird is a migratory shorebird and they are known to fly thousands of miles to reach our shores to avoid the cold winters in North America. This motif usually appears on siapo and references the change in seasons as they appear and disappear to avoid the aforementioned northern winters. These birds also represent strength and resilience due to the long journey they still make to this day.

Made in the USA” branding recognized as a Strength.
**Strengths**

**Access to Ocean Resources**
As the primary export in American Samoa, the tuna is our most precious ocean resource. As a remote, insular territory, healthy oceans are essential for economic growth and food production. Of those surveyed, 55.6% agreed that access to ocean resources is one of American Samoa’s main strengths.

**“Made in the USA” Label**
As a U.S. territory, goods produced in American Samoa are eligible for the “Made in the USA” label—a designation that is synonymous with high quality products that comply with environmental and health standards. Of those surveyed, 47.2% agreed that having the “Made in the USA” label is a strength and could be better leveraged to support the economic growth of American Samoa. Private and public investment in the production of these goods directly contributes to income growth, job creation, and the preservation of existing manufacturing jobs in the U.S. and its territories.

**Federal Grant Programs**
Federal grant programs and expenditures are a main contributor to our territorial economy, directly accounting for more than 20% of American Samoa’s gross domestic product in 2017. Of those surveyed, 47.2% agreed that federal grant programs have a vast impact on the economy of American Samoa, especially programs and services geared towards supporting a largely low-income community.

**Military Relationship With The USA**
American Samoa is noted for having the highest rate of military enlistment per capita of any U.S. state or territory. The high enlistment rate is primarily due to limited job or career opportunities on island. Of those surveyed, 44.4% agreed that one of American Samoa’s greatest strengths is its military relationship with the United States. With an existing Army recruiting office, as well as the newly established Marine recruiting station located on island, residents are more aware of the many opportunities available through military service. There are also U.S. Army Reserve facilities in the territory and high numbers of secondary and tertiary students enrolled in JROTC programs, which support the enlistment rates. This high enlistment rate has resulted in a growing veteran community, with an estimated 3,000+ former service members who have returned and currently reside in the territory. These veterans are valuable consumers, and many are active business and, community, and public service leaders.

**Low Labor Costs**
Relatively low labor costs provide businesses and corporations in American Samoa a comparative advantage over mainland-U.S. competitors, while the “Made in America” label preserves a competitive advantage over countries with even lower wages. Of those surveyed, 38.9% agreed that low labor costs are a strength and benefit to the local economy. The minimum wage in American Samoa is still lower than the federal minimum wage, and much lower, relative to U.S. states and municipalities that have adopted minimum wage rates that exceed the federal base wage. Current minimum wage details can be found in Appendix B.

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**SWOT SURVEY RESPONSES FOR STRENGTHS**

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<tr>
<td>Military Relationship With The USA</td>
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<td>Low Labor Costs</td>
<td>38.9%</td>
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Weaknesses

Air Transportation (Frequency & Cost)
Hawaiian Airlines remains the only domestic air carrier currently servicing the territory, with two weekly flights to Hawai‘i throughout the year and an additional flight each week during peak travel seasons. Of those surveyed, 80.6% identified air transportation as a major weakness in American Samoa’s economy. This has also been cited as a challenge to the tourism industry and may hinder the territory’s ability to attract other industries in the future, as many business managers and investors prefer easy and convenient access to their business locations.

Banking and Financial Services
After more than 40 years of service, American Samoa’s longest existing commercial bank, the Bank of Hawai‘i (BOH), announced in 2013 their eventual withdrawal from the territory. Of those surveyed, 72.2% identified banking and financial services as another predominant economic weakness in the territory. When BOH ultimately exits, the territory will be left with only two commercial lending banks – ANZ Bank and the newly established Territorial Bank of American Samoa (TBAS). Restrictive commercial lending policies, higher bank fees, longer turnaround times, limited services, and overly crowded banks are common complaints among respondents and interviewees.

Inefficiencies in Government
Many factors can contribute to government inefficiency. Causes can include poor coordination, outdated processes or technology, or a simple lack of resources. Of those surveyed, 50.0% identified inefficiencies in government as a major weakness to the territory’s economic development. Delays in the issuance of permits, licenses, or payments to vendors were common complaints among respondents and interviewees.

Non-diversified Economy
For decades, American Samoa’s economy has relied disproportionately on federal expenditures and local tuna canneries for economic growth. Of those surveyed, 36.1% identified a non-diversified economy as an added weakness to economic development. Should StarKist decide to depart the territory or should the Government face significant budget cuts or shutdowns, the local economy risks severe short and long-term consequences as a result of its limited economic diversity and tax base.

Quality of Health Care
The Lyndon B. Johnson Tropical Medical Center (LBJ) is the sole hospital in the territory. As a result, patients frequently experience long delays when seeking medical care. Of those surveyed, 33.3% identified quality of health care as a weakness. There are only a small number of private health care practices located in the territory, mainly due to an inability of patients to afford the high cost of unsubsidized health care services. The Department of Health (ASG DOH) does operate five other Public Health Centers, which has helped to alleviate some of the strain on LBJ. The territory has also long struggled with securing and retaining high quality health care practitioners. This is due, in part, to the territory’s remote location, the relatively low pay, heavy workload, inadequate funding, and uncompetitive wages.

Quality of Public Education

Public-private Sector Relations

Outdated Tax Tables

Size of Government

Lack of Innovation

Quality of Public Education

Underdeveloped Tourism Infrastructure

Federal Regulations

Limited Natural Resources

Non-communicable Diseases

Geographic Location

Aging Infrastructure

Immigration Policy

Political Status

Diseases – Dependent Care

Amenities Labor Market

Genetic Linkage

Anisotropy

Bilingual Population

Bilingual Population

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Recent advancements in American Samoa’s telecommunications infrastructure have resulted in increased optimism with regards to developing a new telecommunications industry. The $90+ million-dollar BLAST (Broadband Linking the American Samoa Territory) Project funded the creation of one of the regions only true fiber-to-the-premise networks in the territory. The more recent investment by ASG into the Hawaiki submarine fiberoptic cable affords businesses and other users in the territory the opportunity to truly leverage the BLAST network infrastructure. Of those surveyed, 63.9% identified the Information Communication Technology (ICT) as one of the most promising opportunities for the territory. Attracting Investors For Capital Investment Projects The infusion of federal dollars, either through the Capital Improvement Program (CIP) or other funding initiatives, has long been the only real source of funding for capital development projects. Of those surveyed, 58.3% identified attracting investors for capital investment projects as the second most chosen opportunity in American Samoa. Attracting new investors could provide the necessary capital to develop new industries and foster additional growth in existing and emerging industries. Ecotourism The lack of urban development, skyscrapers, and other features common among urban cities across the United States and other developed nations could make American Samoa an ideal destination for eco-tourists. The territory appears to be well-suited for such an industry, with its lush mountains, tropical rainforests, a National Park, thriving reefs, and an authentic, hospitable Samoan culture. Of those surveyed, 47.2% identified Ecotourism as a potential economic opportunity. General Tourism The South Pacific continues to be a popular destination for visitors seeking sun and adventure. As such, the tourism industry has grown tremendously throughout most of the region in recent years. Of those surveyed, 47.2% identified general tourism as an opportunity to pursue over the next 5 years. While cruise ship visitations have increased over the past few years, air transportation is the means to a more consistent inflow of tourists. It is generally viewed that regulatory restrictions, such as the restrictive cabotage laws, are the main barriers to seeing significant improvements in this industry. Federal Programs Government expenditures are one of the two major drivers of the territory’s economy. However, there are many grant programs and funding opportunities that have not been accessed due to a lack of information, expertise, or a clear understanding of certain federal grant programs. Of those surveyed, 47.2% identified Federal Programs as a major opportunity for the Territorial economy. New political administrations with new priorities, both at the federal and state levels, often open the door to new funding opportunities and programs.
Threats

Departure of U.S. Banking Institution

The departure of the Bank of Hawai‘i has highlighted the significance of this threat. Without access to reliable banking services, any community would face significant struggles, with regards to economic and business development. Of those surveyed, 66.7% agreed that the departure of U.S. Banking institutions as a threat to the economy.

Political Administration Transitions

Changes in executive government administrations are often accompanied by shifts in governmental priorities. This may impact the implementation or continuation of current strategies and may have a direct impact on the underlying economy. This is especially true with a small, insular economy, like that of American Samoa. Of those surveyed, 63.9% agreed that political administration transitions pose a potential threat to the economy.

Budgetary Constraints

The territory’s budget is heavily influenced by funding from the Department of Interior, which has remained unchanged for several years. In addition, the lack of a diversified and strong tax base puts limitations on programs that are funded through local revenue collections. Of those surveyed, 61.1% agreed that budgetary constraints (local & federal) are a major threat to the Territorial economy.

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SWOT SURVEY RESPONSES FOR THREATS

- Departure of US Banking Institution
- Political Administration Transitions
- Budgetary Constraints (Local & Federal)
- StarKist Departure
- Drug Epidemics
- Population Decreases
- Overfishing
- Federal Policies
- Human Trafficking
- Food Security
- Cybersecurity
- Outbreaks (Zika, Chikungunya, Dengue)
- Border Security
- Other - Influx of Asian Owned Businesses
- Other - Increased Local Tax/Mismanagement of Funds
- Other - ASG Policies That Threaten Private Sector
- Other - Unfavorable Court Decisions Regarding Mortgage Security
- Other - Increase in Immigration Population
- Other - Remittances of Cash Flow Out of AS

StarKist Departure

The possible departure of our last remaining cannery, StarKist, has long been a concern for local leaders and businesses. Of those surveyed, 55.6% agreed that the departure of StarKist is a major threat to the economy. The direct and indirect impact of such a departure could result in a major recession in American Samoa, severely crippling the local economy.

Drug Epidemic

As is the case across the U.S., the territory is facing a drug problem as well. Of those surveyed, 41.7% agreed that the drug epidemic is a threat to the economy. A continued drug problem, particularly the increase in drug usage by residents, can result in several outcomes that may impact the economy, such as creating a strain on local resources, a decrease in workforce productivity, and increasing health care costs.
The following section is the direct outcome of an analysis of the territory’s development potential as identified through the SWOT analysis. This section aims to answer the question “how do we get there?” by beginning with a clearly defined vision statement regarding the territory’s economic development strategy. The vision statement inspired the creation of three (3) comprehensive goals, which in turn have resulted in establishing multiple key objectives required to achieve goals. Additional background information is also presented with each objective below to provide context around each issue. Finally, specific strategies and actions have also been established to help achieve each objective, however these strategies and actions will be located in Appendix C for ease of reference.

American Samoa - Forging a Path Towards a Resilient Economic Future

Vision Statement
Improving the territory’s prosperity through supporting growth of our economic and entrepreneurial ecosystems, focusing on industry diversifications, and building resilience.

Goal 1: Build a robust business environment and business ecosystem.

Goal 2: Strengthen current industries and develop new industries.

Goal 3: Strengthen secondary economic development support systems.

**Strategy & Action Plans**

Vision Statement

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F‘A‘A’AVEAU (Starfish)

The f‘a‘aaveau is a motif used in three of our main Samoan art forms: tatau, siapo, and woodcarving. The motif appears with four legs or with eight. The aveau is usually found on the reef, which is an indicator of a healthy reef. Our resilient reef system remains a critical part of our community and an essential natural resource.

Photo left: Fresh, local seafood on display at the Fagatogo Market.

Photo right: Local seafood on display at the Pago Pago Harbour.
The term "business environment" generally refers to widely-applied tax policies, laws, and government regulations. These forces are largely outside of an individual business owner's control, yet can significantly help or hinder a business owner's ability to operate profitably in their political jurisdiction. While these external factors are typically perceived disproportionately to businesses in an effort to increase fairness, safety, and to fund public goods and services, history has shown that a one-size-fits-all approach does not always function as originally intended. As such, policy makers must always take business environment factors into consideration, including, but not limited to, political, legal, social, economic, global, competitive, and technological forces. These forces may also include natural disasters, as American Samoa experienced following Cyclone Gita. For a business to succeed and remain sustainable, and for an economy to contribute to even lower business survival rates in the territory. The following objectives have been established to continue to optimize the business environment in American Samoa.

Please note that each objective has specific strategies and actions designed to help achieve the stated objectives. These strategies and actions are outlined in Appendix C.

Objective 1: Address the Fair Minimum Wage Act of 2007 and its Negative Impacts on American Samoa.

The Fair Minimum Wage Act of 2007 (FMWA) was created to improve the standard of living and alleviate poverty in U.S. communities. While the American Samoa Government has a similar mandate, empirical evidence suggests that the minimum wage increases that were prescribed in FMWA fail to account for the ability of the local economy to absorb base wage increases before they occur. Since the passing of FMWA, American Samoa has seen 5 minimum wage increases that have led to significant erosion to the local workforce and the underlying economy. These increases have contributed to the closure of two tuna canneries in less than ten years, displacing over 3,000 direct workers, plus the loss of additional workers in support industries. American Samoa's competitive advantage is centered around the territory's low labor costs, but also by improving the territory's economy through the export of goods and services which is explicitly linked to appropriate increases to those labor costs.

Objective 2: Improve efficiency and ease of securing business licenses and other business-related permits.

Business owners face many challenges when it comes to taking a business plan from an idea to implementation. Developing an efficient process to secure the proper licenses, permits, or other requirements plays a key role in creating a business environment that encourages new business development. Examples of local requirements include, but are not limited to, business licenses, land use permits, building permits, certificate of incorporation, foreign permits to operate, special licensures, board approvals, storage tanks, and is no longer providing lending to local individuals or businesses. ANZ Bank offers commercial loans, but has decelerated business lending in recent years in order to mitigate the risks associated with the current state of the local economy. The Development Bank of American Samoa (DBAS) continues to make small business loans available, however capital resources are prohibited limited. The newly established Territorial Bank of American Samoa (TBAS) only recently began to accept commercial loan applications.

Objective 4: Pursue improvements to business services.

A business service is defined as "any customer, partner or user-facing group of applications, middleware, security, storage, networks and other supporting infrastructure that comes together to enable the business processes, transaction or exchange of information." In today's global business environment, reliable business services are a requirement for a firm's long-term success. Unfortunately, American Samoa has not kept pace with the development of new business services and, as a result, some businesses have fallen behind the technological curve.

As an example, a business owner who would like to use a mobile point of sale system (POS) to transact business in the field (e.g.,...
Upgrades underway to the 3,000-ton slipway

American Samoa - Forging a Path Towards a Resilient Economic Future

Great quality of life, and economic/tax “Made in the U.S.A.” product designation, an American/English speaking workforce, but are not be limited to, low labor costs, territory’s stated advantages should include, in American Samoa in clear terms. The describe the advantages of doing business potential investors or businesses. Such opportunities in American Samoa to communicate business investment An investment guide is a critical tool used

Objective 5: Formalize the Territorial Investment Guide program. An investment guide is a critical tool used to communicate business investment in American Samoa to potential investors or businesses. Such a guide should be easily accessible and describe the advantages of doing business in American Samoa in clear terms. The territory’s stated advantages should include, but are not be limited to, low labor costs, an American/English speaking workforce, “Made in the U.S.A.” product designation, great quality of life, and economic/tax incentives.

Objective 6: Support innovators

Generally speaking, innovators have new ideas and entrepreneurs help these ideas become a reality. In a stagnant or shrinking economy, innovation is usually either scarce or suppressed and the entrepreneurial spirit is tempered. Until recently, American Samoa’s remote location and lack of certain resources made the territory a difficult location for budding innovation and entrepreneurship. This is no longer the case. The era of information technology in American Samoa was vastly improved after the American Samoa Government invested nearly $30 million in the Hawaiki submarine fiber optic cable, paving the way for the creation of a new, knowledge-based industry. Combining with current STEM (science, technology, engineering, mathematics) initiatives, this new and affordable resource helps lay a foundation for technological innovation and opportunities for entrepreneurs.

Objective 7: Capture data more effectively.

Investors, business owners, business managers, and policy makers all require sound and up-to-date data to make informed decisions. This becomes increasingly important in an environment where business opportunities are considered risky, margins are tighter, and resources are scarce. The ability to collect and interpret data in an efficient manner has long been a struggle due to a lack of resources, expertise, or other challenges. To compete in a global economy requires that data and information be accessible, reliable, and current. Unnecessary regulations can negate, suppress investment, increase start-up costs, delay progress, or temper the much-needed enthusiasm of a new entrepreneur. Such regulations exist in large part to protect consumers, the environment, or to address other concerns; however, it is important that non-essential regulations be reviewed regularly to determine continued relevance.

Objective 9: Continue to assess government-owned properties to ensure adequate space is available to support business growth.

The territory is a mere 72 square miles. As such, availability of land to establish new businesses or to allow current businesses to expand is limited. Land resources are a premium and, as such, the territory should manage this resource as efficiently as possible.

Objective 10: Incentivize local business investment to create jobs and strengthen industry.

The formalizing of the Territorial Investment Guide program (Goal 5), Objective 6 is primarily focused on encouraging external investment in the territory, or to incentivize other challenges foreign and U.S. businesses to relocate to American Samoa. However, similar incentives are needed to encourage local business owners to invest in the ongoing development of new and existing businesses that create jobs and access new revenue streams for the territory.

Objective 11: Pursue opportunities that will support efforts to lower costs of doing business. The cost of doing business refers to all of the operations and input costs incurred by businesses. These expenses are directly tied to a business’s ability to remain competitive and to continue to contribute to the broader economy. Expenses, such as the cost of goods, freight, overhead, utilities, fees, taxes and payroll, all impact the profitability of a business. Efforts by local government to decrease costs to businesses would likely yield economic dividends.

Objective 12: Address cyber security risks to territory.

In a global economy with a perpetual progression towards digitization of data and processes, technology utilization and data infrastructure in the territory is also evolving and improving. This evolution has opened up new opportunities to the people, businesses, and the government of American Samoa, but new opportunities are frequently accompanied by new dangers. The cyber security landscape continues to change as new threats and solutions emerge. Even the latest and greatest cyber security measures are prone to rapid obsolescence. It is necessary for both government agencies, and other organizations to adopt effective cyber security technologies to minimize or prevent digital threats or breaches, and to help maintain a strong, unified, digital business ecosystem in American Samoa.
The tuna canning industry has long been the cornerstone of American Samoa’s private goods-producing economy. In addition to being the largest private sector employer in the territory, the canneries have been integral to the growth and development of other small businesses that either support the canneries supply chain or provide goods and services to their employees. Over the past 60 years, the tuna canning industry has employed generations of Samoans, and supported the operation of the local government through direct and indirect tax contributions. However, an evolving competitive advantage and burdensome restrictions on ocean resources has cast the future of the tuna canning industry in American Samoa at risk. As noted previously, under COAL, Objective 2, the 2007 Fair Minimum Wage Act has had a devastating impact on private businesses in the territory, including the canneries, which are struggling to remain competitive in the global canned tuna market. The rise of alternative ocean monuments and international restrictions on allotted days of fishing in certain parts of the ocean adds to the cost of production as fishing vessels must travel greater distances to catch fish. A number of federal government oversight issues have put additional pressure on the tuna canning industry through onerous regulations and fines imposed by the U.S. Environmental Protection Agency (EPA) and the U.S. Coast Guard. Uncertainty about the future of the tuna canning industry has led to increased efforts to diversify American Samoa’s economy.

Effective tuna canning industry management is critical to the viability of the tuna canning industry and its ancillary businesses in American Samoa. The tuna canning industry is a fully-developed ocean fishing infrastructure with relatively favorable shipping rates. The high volume of material imports and product exported by American Samoa’s last remaining tuna cannery, Starkist, creates economies of scale that benefit from lower costs for other businesses and residents of the territory. This presents an opportunity to more affordably develop new export industries, such as light manufacturing, agriculture and aquaculture.

The newly installed Hawaii submarine fiber optic cable, internationally connected, $600+ million local fiber optic network (SOFTel) project has led to increased access to a greater variety of the ocean resources has put additional pressure on the tuna canning industry through increased regulation and fines imposed by the U.S. Environment Protection Agency (EPA) and the U.S. Coast Guard. Uncertainty about the future of the tuna canning industry has led to increased efforts to diversify American Samoa’s economy.

GOAL 2: Strengthen Current Industries and Develop New Industries.

Tourism has long been an industry that is prime for development in American Samoa as many neighboring island nations are already experiencing robust growth in their respective tourism sectors. As reported by the South Pacific Tourism Organization (SPTO), tourist arrivals to the region grew by 3.3% between 2016 and 2017. Over that same period, the internet-related economic sector in American Samoa decreased by 3.3%. There is a number of drivers behind American Samoa’s struggles to gain traction in tourism development, including a lack of available development financing for infrastructure improvements, stakeholder coordination, challenges with air transportation (both international and domestic), and a general lack of consensus on prioritization. The 2010 Tourism Masterplan is the primary, relevant planning document for tourism, and continues to serve as the definitive guide for development in the industry.

Please note that each objective listed below has specific strategies and actions designed to help achieve the stated objectives. These strategies and actions are outlined in Appendix C.

Objective 1: Strengthen Fishing & Tuna canning industry, aim to diversify where possible.

Tuna canning, and now tuna pouching, continues to be the territory’s primary export, accounting for more than 80% of all goods exported. Collaborative efforts between the remaining canneries, Starkist, and the territory has an unprecedented opportunity to create a valuable, new niche industry. Tourism has long been an industry that is prime for development in American Samoa as many neighboring island nations are already experiencing robust growth in their respective tourism sectors. As reported by the South Pacific Tourism Organization (SPTO), tourist arrivals to the region grew by 3.3% between 2016 and 2017. Over that same period, the internet-related economic sector in American Samoa decreased by 3.3%. There is a number of drivers behind American Samoa’s struggles to gain traction in tourism development, including a lack of available development financing for infrastructure improvements, stakeholder coordination, challenges with air transportation (both international and domestic), and a general lack of consensus on prioritization. The 2010 Tourism Masterplan is the primary, relevant planning document for tourism, and continues to serve as the definitive guide for development in the industry.

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Tuna purse seiner docked at Kosrae-Reagan shipyard, Kosrae.
local government, and American Samoa’s Congressional representative have culminated in a unified front that actively advocates for policies that allow the territory’s tuna industry to remain globally competitive, ensuring that the canneries continue to operate in the territory for the foreseeable future. The importance of these ongoing efforts cannot be overstated. Additionally, other opportunities to increase the productivity of our ocean resources must be explored. The fresh fish market remains a viable option and continued work to further develop the market will expand the efficient uses of these ocean resources. Efforts should also continue to support and improve the industry’s local infrastructure, such as improvements to cold storage facilities, modernize the shipyard facility, and upgrade the local fishing fleet.

Objective 2: Explore and develop new industries, leveraging the BLAST fiberoptic network, Hawai’i submarine cable, and other Information and Communication Technology (ICT) resources. Perhaps the single largest development in the modern history of the territory has taken place over the past 4 years. First, the American Samoa Recovery and Reinvestment Act (AS400) funded the BLAST (Broadband Linking American Samoa Territory) project, which financed the installation of a local fiberoptic network, Hawaiki submarine cable, and other technologies for the territory to the mainland U.S. through the top-of-the-line Hawaiki trans-pacific submarine cable. This new connection increased the territory’s bandwidth from 1 Gbps (via the old American Samoa-Hawai’i or ASH cable) to 200+ Gbps. Together, these two developments have effectively set the stage for the potential creation of new industries.

Objective 3: Continue the development of the Tourism industry. The 2010 Tourism Masterplan is the primary, relevant planning document for tourism and continues to serve as the definitive guide for development in the industry. The new inter-island link, a result of the continued development of tourism infrastructure, connectivity, and marketing, with greater effort placed on stakeholder coordination, community involvement, and collaboration. Additionally, the scope of the tourism industry has been rather broad and may benefit from a more focused approach. Tourism includes, but is not limited to, heritage, eco-tourism, food and beverage, adventure, sports, religious, medical, events & conferences, environmental research, and hotel development. These efforts would also benefit from the prioritization of tourism sectors to assist with more effective allocation of available resources.

Objective 4: Continue the development of the Agribusiness industry. Agriculture has always been a part of the Samoan way of life. Historically, agricultural activity has been largely limited to small-scale farms and subsistence farming. Efforts to improve the territory’s agricultural production capacity on a commercial scale have been ongoing since the early 1960s when the first agricultural programs were introduced by Governor H. Rex Lee. The territory has made significant headway in developing technologies and farming practices, such as hydroponics. Locally grown produce is now being packaged and sold in supermarkets, supporting import substitution efforts. Diversification of locally-grown crops has also improved over the decades. In addition to the traditional crops of taro, bananas, and breadfruit many farms in American Samoa now also grow eggplant, beans, squash, green onions, black-eyed peas, and many other varieties of which are commonly available at most roadside farm stands. Continued efforts to improve efficiency and productivity in these and similar agribusiness activities should be supported. In addition, efforts to produce value-added products (i.e. breadfruit flour, chocolate or cacao-based products) should continue to be explored and pursued. These efforts should also include the cultivation of traditional herbs and plants. The global herbal medicine market continues to expand as the popularity of the herbal products market has increased in many advanced economies. The global market for herbal products is expected to grow at a compound annual rate of nearly 6% through 2023.\(^1\)

Objective 5: Continue the development of the Aquabusiness industry. Aquaculture is defined as the controlled cultivation and harvest of aquatic plants and animals. By extension, aquabusiness can be defined as the utilization of aquaculture-related activities to support business development. The Samoan culture is thrived for thousands of years as a result of effective use of ocean resources. Thus far, this long-standing tradition has not translated into successful commercial development of these resources, with the exception of the tuna canneries. Recent advancements in aquaculture technologies and practices, such as open ocean fish farming, have reemphasized the value of the territory’s proximity to ocean environments for these new aquaculture techniques could be effectively employed.

\(^1\)https://www.marketresearchfuture.com/reports/herbal-medicine-market-3250

Cruise ship visiting American Samoa.
The Creative industry, which is also commonly referred to as the “Cultural industry”, is the range of economic activities that generally stems from the generation and/or exploitation of knowledge or cultural goods and services, such as traditional referred to the creation and sale of cultural goods and services, such as intellectual music, dance, or theater for entertainment as local handicrafts or the presentation of traditional handicrafts. The textile industry is one example that has already seen some success. Other ongoing efforts to develop this industry are gaining increased interest and should remain a part of the overall economic development strategy.

Objective 9: Pursue opportunities to transition specific health care services to the private sector where feasible.

By some accounts, the largest breakthrough for health care industry will be found in the territory for export to the U.S. market. Previous success in manufacturing goods in the territory for export to the U.S. market have been due, in part, to American Samoa’s low labor costs and duty-free entry into the U.S. The textile industry has expanded to cover intellectual property products, including fashion design, advertising, music, film, software development, gaming, TV, radio, music, animation, and so on. Content being developed at home on a personal computer or on a mobile phone can be instantly uploaded to the internet and monetized. An improved understanding of the prevailing trends in this industry is key in identifying new opportunities for income generation.

Objective 7: Improve the territory’s capacity to identify, pursue, and secure additional federal support through grant and other federal programs.

Federal program funds and grants provided to the American Samoa Government accounts for more than 20% of the territory’s nominal GDP, making those funds critical to the ongoing health of the local economy. The territorial government receives roughly $23 million, annually, along with the many other non-discretionary grants. Additionally, the Federal government offers several other discretionary or competitive grants, plus funding for other projects and programs that can add to the federal stream of dollars fueling the local economy. Improving the local capacity to better monitor, pursue, and compete for these grant funds can add to the federal contribution to our local economy.

Objective 8: Pursue opportunities to provide light manufacturing opportunities where feasible.

Previous success in manufacturing goods in the territory for export to the U.S. market has already seen some success. Other ongoing efforts to develop this industry are gaining increased interest and should remain a part of the overall economic development strategy.


In addition to improving our business environment, strengthening our primary industries, and improving economic diversification, there are specific areas of additional support for the American Samoa, which have been due, in part, to American Samoa’s low labor costs and duty-free entry into the U.S. The textile industry is one example that has already seen some success. Other ongoing efforts to develop this industry are gaining increased interest and should remain a part of the overall economic development strategy.

Please note that each objective listed below has specific statutes and actions designed to help achieve their stated objectives. These strategies and actions are outlined in Appendix C.

Objective 1: Improve Workforce Development initiatives to better prepare workforce.

A critical element of our economic development strategy is the continued effort to develop human resources to meet the growing needs of the economy. Cultivating a highly-trained workforce enhances the territory’s socio-economic stability and primes the economy for growth. Typically, workforce development and related partnerships provide a key role in workforce development initiatives, however local government, NGOs (Non-Governmental Organizations), and other stakeholders are equally important partners in this initiative.

Objective 2: Improve Financial Literacy to improve our capacity to plan and manage our overall financial well-being.

The financial literacy, or financial knowledge, of a developing state or territory can play a key role in the long-term growth and resilience of the underlying economy. Understanding the benefits of budgeting, saving, investing, financial planning, and moving away from a cash-based society can strengthen the territory’s fiscal foundation and build financial management capacity. American Samoa’s local banking institutions are gaining increased interest and should remain a part of the overall economic development strategy.

Issues that are discussed or actions that take place at the national level can, at times, have unintended results in communities like American Samoa. As an example, Goal 1

American Samoa - Forging a Path Towards a Resilient Economic Future

American Samoa - Forging a Path Towards a Resilient Economic Future (Non-Governmental Organizations), and other stakeholders are equally important partners in this initiative. In addition to improving our business environment, strengthening our primary industries, and improving economic diversification, there are specific areas of additional support for the American Samoa, which have been due, in part, to American Samoa’s low labor costs and duty-free entry into the U.S. The textile industry is one example that has already seen some success. Other ongoing efforts to develop this industry are gaining increased interest and should remain a part of the overall economic development strategy.

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Objective 1: Speaks to the decisions regarding a federal minimum wage mandate that has had a tremendously negative impact on the territory's economy. This is just one of many instances in which federal policies have yielded similar negative externalities. The State Small Business Credit Initiative (SSBCI), which came about as a result of the Jobs Act of 2010, was initially a great idea, but was implemented without fully considering the challenges that exist in smaller, insular communities. Rigid federal policy applied to jurisdictions with unique, local economic conditions has resulted in missed opportunities for jurisdictions like American Samoa. Another program that could have had a positive impact on economic development efforts in the territory is the EB5 Program, which was specifically designed to encourage foreign investment and to create jobs in underserved communities like American Samoa. Unfortunately, ambiguities in the EB5 statute prevents the territory from participating in the program. A similar language issue is also seen in the Community Development Financial Institution (CDFI) Natives program where language in the statute excludes American Samoans. The U.S. cabotage laws are another example of dispassionate federal regulations that were intended to protect U.S. businesses and workers, but have had unintentional, negative impacts on many small, U.S. jurisdictions.

Objective 4: Mobilize and encourage non-governmental organizations (NGOs) to participate in economic development strategies. NGOs can play a key role in the implementation of this economic development strategy. As such, the importance of fostering and advancing private-public partnerships cannot be overstated. The territory has a wealth of largely untapped resources available in many of these organizations. These groups include, but are not limited to, the American Samoa Chamber of Commerce (ASCOC), various industry associations, military veterans, faith-based groups, ethnic groups, and other non-profit organizations. The efficacy of this economic development strategy fundamentally depends on the effective utilization of all available resources. Additionally, the ability to successfully adopt a more collective approach to economic development is paramount, especially in a small, community-based, island territory.

Objective 6: Support collaborative efforts to address socioeconomic and/or environmental issues that have an adverse impact on our ability to support economic development objectives. The overall physical, socioeconomic, and environmental well-being of a community is necessary for the sustainable development of a productive local economy that provides ample education and work opportunities for its citizenry. At present, American Samoa is facing an obesity and drug epidemic, both of which have significant implications for the future of the territory. In addition, climate change is a growing risk, leading to the erosion of shorelines and a gradual loss of other natural resources. Efforts to address these issues should be integrated into all development plans.
The CEDS-AS evaluation framework will serve as a mechanism to gauge the progress of successful execution and implementation of our strategies. Periodic reports on progress will be developed to ensure that the CEDS-AS remains a relevant and effective tool for improving the economy of the territory. Both qualitative and quantitative measures will be tracked, with an emphasis on metrics that are measurable and time-specific.

To establish a baseline, the CEDS-AS workgroup will utilize datasets contained within the 2017 American Samoa Statistical Yearbook as benchmarks. Key indicators that will be measured and tracked include, but are not limited to:

1. Gross Domestic Product (GDP)
2. Unemployment Rate
3. Population changes
4. Private Nonfarm Employment, by industry
5. Local and Federal Government Employment
6. Average income per capita
7. Secondary education completion rates
8. Tertiary education completion rates

Other metrics may be established and benchmarked after CEDS-AS strategy implementation begins. As an example, ASG DOC plans to develop an annual business survey to gather employment and business utilization data, which is a useful leading indicator of many business cycle fluctuations. Quarterly and annual reporting will also be conducted by ASG DOC to capture the overall performance of the economy.

**Fa’aatualoa (centipede)**

The fa’aatualoa is a motif used in three of our main Samoan art forms: tatau, siapo, and woodcarving. It is associated with hardship and long suffering because of its sting, however this motif along with the fa’aanufe (worm) also references the richness of our soil, an essential element of our agricultural industry.
A key component to successfully developing the territorial economy is integrating long-term resiliency as a primary goal. Resiliency planning mitigates many risks associated with unanticipated global, regional, and territorial events that could undermine progress in even the most irrepressible economies. Planning with resiliency in mind is a critical element of a sustainable economic development strategy. As such, the CEDS-AS implementation phase will encourage stakeholders to seek solutions that build resilience into our economic systems.

As previously noted, American Samoa was struck by Cyclone Gita on February 9, 2018. As the territory worked to rebuild and recover from the devastation, a FEMA-led project was introduced that seeks to change the territory’s view or approach to disaster recovery. The aim of the program is to ensure that the territory is better positioned to withstand and recover from the impacts of a natural disaster by focusing on building a more resilient territory. This effort has resulted in the development of the American Samoa Resiliency Strategy Development Plan (ASRSDP).

At the time of publishing the CEDS-AS, an interagency territorial workgroup has been tasked with drafting the ASRSDP and has developed a comprehensive strategy to strengthen and build additional resilience into key infrastructure systems, including:
1. Power
2. Water
3. Telecommunication
4. Health
5. Transportation
6. Food
7. Housing
8. Financial
9. Education
10. Cultural & Historic

The initiative is being led by the Governor’s Office and the Department of Commerce, with key contributions coming from Department of Homeland Security (DHS), American Samoa Power Authority (ASPA), American Samoa Telecommunications Authority (ASTCA), Department of Public Works (DPW), Department of Education (DOE), Department of Health and Social Services (DHSS), Department of Health (DOH), LJB Tropical Medical Center, and other key agencies. Once complete, the CEDS-AS workgroup will utilize key strategies developed in the ASRSDP that support improved economic resilience.

Photo left: Pandanus trees along the Vaitogi village coastline; Rainmaker Mountain in the distance.

Fa’alaupaogo (Pandanus leaves)

The source of this motif is the Pandanus tree. The tree is used for important needs in the Samoan culture such as weaving the sails for our canoes, weaving mats for ceremonies and our homes, making keys to create an ula (long necklace) for wear & brushes to paint our siapo. The versatility of the pandanus tree along with its durability and resilient nature make it a vital part of the Samoan culture.
American Samoa Economic Forecast 2019

Appendix A

Average Annual Wage vs. Unemployment Rate

The 2019 American Samoa Economic Forecast can be read in its entirety at the following link:

Pala Lagoon, Nu’uuli village.

Appendix B

EMPLOYEE RIGHTS
UNDER THE FAIR LABOR STANDARDS ACT
FEDERAL MINIMUM WAGE IN AMERICAN SAMOA

BY INDUSTRY

The Fair Minimum Wage Act of 2007 (Public Law 110-28), as amended, applies the minimum wage rates shown above to industries in American Samoa. This law also provides for additional increases in the minimum wage of $0.40 per hour to occur every three (3) years (e.g. 2018, 2021, 2024, etc.) on September 30, until reaching the minimum wage generally applicable in the U.S.

By Industry

- Food and beverage services
- Retail trade
- Construction
- Transportation and warehousing
- Wholesale trade
- Health care and social assistance
- Professional, scientific, and technical services
- Manufacturing
- Wholesale trade
- Information
- Utilities
- Accommodation and food services
- Administrative and waste management services
- Administrative and waste management services
- Public administration
- Financial activities
- Management of companies and enterprises
- Educational services
- Other services (except public administration)

The law requires employers to display this poster where employees can readily see it.
Objective 1: Address the Fair Minimum Wage Act of 2007 and its negative impacts on American Samoa.

Strategy 1: Return minimum wage discussion making to local level.

- Action 1. Establish new Special Industry Committees to establish locally-driven minimum wage structure; no authority initially but will publish regular reports with recommendations to ASG and Fono.
- Action 2. Create coalition with other territories who are facing the same struggles.
- Action 3. Coordinate government affairs (lobbying) between ASG, Starlizer, AS Delegate to Congress.

Strategy 2: Develop Balanced Scorecards whenever feasible.

- Strategy 2.1: Implement Process Improvement Initiative geared specifically at business-related permits, licenses.
- Strategy 2.2: Implement Process Improvement Initiative geared specifically at immigration-related processes.
- Strategy 2.3: Automatic processes where feasible.
- Strategy 2.4: Implement committee recommendations.
- Strategy 2.5: Undertake Process Review.

Strategy 3: Explore options to expand business finance and improve access to capital.

- Strategy 3.1: Encourage development of private equity Investment Funds domiciled in AS.
- Strategy 3.2: Encourage development of revolving loan funds or microlenders to address need for RLFs.
- Strategy 3.3: Explore opportunities to expand business finance and improve access to capital.
- Strategy 3.4: Provide technical support throughout development process.
- Strategy 3.5: Create coalition with other territories who are facing the same struggles.

Objective 2: Improve efficiency and ease of securing business licenses and other business-related permits.

Strategy 1: Implement Process Improvement Initiative geared specifically at business-related permits, licenses.

- Action 1. Create Steering Committee comprised of relevant stakeholders.
- Action 2. Identify and prioritize processes that are to be reviewed and improved upon.


- Action 1. Create Steering Committee comprised of relevant personnel.
- Action 2. Identify and prioritize processes that are to be reviewed and improved upon.
- Action 4. Implement committee recommendations.
- Action 5. Create Advisory Council from relevant organizations to address need for CDFIs.

Strategy 3: Automate processes whenever feasible.

- Action 1. Improve ASCA’s capacity to support IT solutions.

Strategy 4: Develop Balanced Scorecards and similar reporting mechanisms for each process being improved upon.

- Action 1. Establish specific Time In Process (TIP) goals.
- Action 2. Developing reporting mechanisms to allow for real-time updates.

Appendix C

American Samoa - Forging a Path Towards a Resilient Economic Future 47

Objectives:

GOAL 1: Build a Robust Business Environment and Business Ecosystem

Objective 1: Address the Fair Minimum Wage Act of 2007 and its negative impacts on American Samoa.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1: GOAL 1: Build a Robust Business Environment and Business Ecosystem</td>
<td>Establish a new Special Industry Committees to establish a locally-driven minimum wage structure; no authority initially but will publish regular reports with recommendations to ASG and Fono.</td>
<td>ASG DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Create coalition with other territories who are facing the same struggles.</td>
<td>ASG DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Coordinate government affairs (lobbying) between ASG, Starlizer, AS Delegate to Congress.</td>
<td>ASG DOC</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Objective 2: Improve efficiency and ease of securing business licenses and other business-related permits.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1:</td>
<td>Implement Process Improvement Initiative geared specifically at business-related permits, licenses.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 1. Create Steering Committee comprised of relevant stakeholders.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 2. Identify and prioritize processes that are to be reviewed and improved upon.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 4. Implement committee recommendations.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

Objective 3: Explore options to expand business finance and improve access to capital.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
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<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1:</td>
<td>Encourage development of private equity Investment Funds domiciled in AS.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 1. Create Advisory Council from relevant organizations to address need for CDFIs.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 2. Create an Advisory Council from relevant organizations to create the American Samoa Diaspora Investment Fund or similar entity; goal is to create an investment fund whose priority is investing in development projects in American Samoa; equity raise is to be sourced through Samoans or non-Samoans from all over the world who have an interest in supporting the improved quality of life in the territory.</td>
<td>ASG DOC</td>
<td>2019-2020; ongoing</td>
</tr>
<tr>
<td></td>
<td>Action 3. Engage list of fintech companies to determine what is required for them to expand service areas to include American Samoa.</td>
<td>ASG DOC</td>
<td>2019-2020; ongoing</td>
</tr>
<tr>
<td></td>
<td>Action 4. Engage list of fintech companies to determine what is required for them to expand service areas to include American Samoa.</td>
<td>ASG DOC</td>
<td>2019-2020; ongoing</td>
</tr>
<tr>
<td>Strategy 2:</td>
<td>Provide technical support throughout development process.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 1. Establish workgroup with representation from relevant organizations.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 2. Create list of all known fintech companies who currently work in the region or other U.S. Territories.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td></td>
<td>Action 3. Engage list of fintech companies to determine what is required for them to expand service areas to include American Samoa.</td>
<td>ASG DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

American Samoa - Forging a Path Towards a Resilient Economic Future 48

46 American Samoa - Forging a Path Towards a Resilient Economic Future 47
Objective 4: Pursue improvements to business services.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1: Identify business services needs and where gaps currently exist and pursue solutions.</td>
<td>Action 1. Collaborate with AS Chamber of Commerce, SBDC and industry leaders to identify what business services gaps exist; develop programs to fill gaps.</td>
<td>ASCC, SBDC, ASCOC, DOC, CBIA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Strategy 2: Develop effective marketing strategy, which should include but not be limited to direct marketing, online advertising, and other proven methods.</td>
<td>Action 2. Develop a new Territorial Investment Guide, including all incentives, to highlight investment opportunities in American Samoa. Action 2. Develop effective marketing strategy, which should include but not be limited to direct marketing, online advertising, and other proven methods.</td>
<td>DOC, ASTCA</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Strategy 4: Incentives to support business community.</td>
<td>Action 2. Encourage government and private sector to accept invitations to Samoa in support of Business Festivals or other similar opportunities to share experiences and learn.</td>
<td>DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Strategy 5: Formalize the Territorial Investment Guide program.</td>
<td>Action 1. Conduct a competitive analysis to establish our position as it relates to other small island developing states in the region. Action 2. Develop a new Territorial Investment Guide, including all incentives, to highlight investment opportunities in American Samoa. Action 3. Develop effective marketing strategy, which should include but not be limited to direct marketing, online advertising, and other proven methods. Action 4. Publish a new Territorial Investment Guide on line with branded URL.</td>
<td>DOC, ASVB, TIGAS, DEL</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Strategy 6: Support innovators and entrepreneurs.</td>
<td>Action 1. Establish a territory-wide initiative advocating for and promoting innovation and the entrepreneurial spirit.</td>
<td>DOC, ASCC, ASCOC, ASTCA, ASVB, DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Strategy 7: Create a competitive advantage in emerging business trends (i.e. spinning of enterprise technology, artificial intelligence, blockchain developments, gig economy, etc.)</td>
<td>Action 1. Develop program to hold regular roundtables to discuss emerging business trends (i.e. blockchain developments, artificial intelligence, gig economy, etc.) and opportunities to start, expand, or improve businesses in these areas.</td>
<td>DOC, ASCC, SBDC, ASTCA, ASVB, ASVB, ASCOC, DOC</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### Objective 7: Capture data more effectively.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1: Establish working committee to review AG Code Annotated to identify opportunities to improve business environment.</td>
<td>Designate project sponsor, executive level.</td>
<td>LA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 1.</td>
<td>Create work group with key stakeholders.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td>Segment strategic to review laws that impact efficiency of doing business, fees, immigration, and other key factors.</td>
<td>TEAS</td>
<td></td>
</tr>
<tr>
<td>Action 3.</td>
<td>Identify pertinent censuses and surveys.</td>
<td>LA</td>
<td></td>
</tr>
<tr>
<td>Strategy 2: Conduct an in-depth Process Improvement Review program.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Action 1.</td>
<td>Convene a cross-functional Project Team with key stakeholders from all appropriate departments, agencies, or organizations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td>Initiate Process Improvement Review program.</td>
<td>TEAS</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Strategy 3: Modernize property database that captures all ASG properties and assets; integrate into current systems if possible.</td>
<td>Action 1.</td>
<td>LA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 2.</td>
<td></td>
<td>TEAS</td>
<td></td>
</tr>
<tr>
<td>Action 3.</td>
<td>Implement committee recommendations.</td>
<td>LA</td>
<td></td>
</tr>
<tr>
<td>Action 4.</td>
<td></td>
<td>TEAS</td>
<td></td>
</tr>
<tr>
<td>Objective 7: Capture data more effectively.</td>
<td></td>
<td></td>
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<tr>
<td>Objective 8: Eliminate outdated laws or regulations that impact businesses negatively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 9: Continue to assess government owned properties to ensure adequate space is available to support business growth.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Objective 10: Incentivize local business investment to create jobs and strengthen industries.</td>
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</tbody>
</table>

### Objective 8: Eliminate outdated laws or regulations that impact businesses negatively.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1: Identify and prioritize AGC properties to be developed for business purposes.</td>
<td>Establish list of potential development projects for each property to be developed, list in order of priority.</td>
<td>DOC</td>
<td></td>
</tr>
<tr>
<td>Action 1.</td>
<td>Ensure all property is surveyed and properly documented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td></td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Strategy 2: Create development plans/designs for properties prioritized in Strategy 1.</td>
<td></td>
<td>DOC</td>
<td></td>
</tr>
<tr>
<td>Action 1.</td>
<td>Develop high level development package for investors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td>Make development packages available via the TIC website.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Strategy 3: Create development plans/designs for properties prioritized in Strategy 2.</td>
<td></td>
<td>DOC</td>
<td></td>
</tr>
<tr>
<td>Action 1.</td>
<td>Conduct a market study to determine current and historic rates for AGC properties.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td>Develop a standard formula or practice to manage lease rates going forward.</td>
<td>DOA</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

### Objective 9: Continue to assess government owned properties to ensure adequate space is available to support business growth.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 1: Establish a Business Growth Incentives Program.</td>
<td>Evaluate the establishment of a program that includes a performance-based incentive, which may feature incentives like tax credits on new Territorial revenues generated by companies seeking to expand in American Samoa by adding new, qualifying jobs.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 2.</td>
<td>Evaluate the establishment of a program that offers tax credits on new depreciable, tangible, personal property (machinery and equipment) used in American Samoa.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 3.</td>
<td>Evaluate the establishment of a program that offers tax credits on new depreciable, tangible, personal property (machinery and equipment) used in American Samoa.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 4.</td>
<td>Improve marketing of and access to current workforce development training reimbursement programs via ASG HR.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy 2: Government to continue invest in infrastructure that support industry development.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 1.</td>
<td>Invest in improvements to airport &amp; seaport facilities.</td>
<td>DOA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 2.</td>
<td>Invest in improvements to tourism infrastructure, including hotels, shipyards, and other infrastructure needs of fishing industry.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 3.</td>
<td>Invest in improved access and access roads to rural areas, including Mau and Savusavu Islands, for agribusiness and aquabusiness development.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 4.</td>
<td>Invest in improved access and access roads to rural areas, including Mau and Savusavu Islands, for agribusiness and aquabusiness development.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Objective 11: Pursue opportunities that will support efforts to lower costs of doing business.

<table>
<thead>
<tr>
<th>Strategy 1</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 3: Explore options to promote or incentivize import substitution.</td>
<td>Action 1. Explore excise tax reductions or rebate programs for imported materials that result in local production of goods.</td>
<td>GO, TSA, LA, DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 2</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 3: Continue to pursue ASG renewable energy goal of achieving 100% renewable energy by 2035.</td>
<td>Action 1. Pursue PPA agreements with appropriate investors or parties for renewable energy projects.</td>
<td>ASPA</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Strategy 2: Conduct a review of taxes and fees paid by businesses to determine if they benefit or are detrimental to the territory in the long term.</td>
<td>Action 1. Create workgroup that will identify all fees and all taxes paid by businesses.</td>
<td>GO, TSA, ASG, DOC</td>
<td>2019-2020 Ongoing</td>
</tr>
<tr>
<td>Strategy 3: Identify grant programs that can offset business costs.</td>
<td>Action 1. Review all current known federal grant programs that allow for-profit enterprises to apply.</td>
<td>GO, TSA, ASG, DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Strategy 4: Review current contract laws to ensure lenders who use or would like to use long-term communal land leases as collateral (for mortgages as an example) are able to be supported and enforced by our courts.</td>
<td>Action 1. Create a workgroup with appropriate stakeholders to conduct an assessment of current state of affairs, provide input and recommendations to ASG leadership.</td>
<td>GO, LA, DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

## Objective 12: Address cyber security risks to territory.

<table>
<thead>
<tr>
<th>Strategy 1</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 3: Mitigate cyber threats and vulnerabilities in the territory.</td>
<td>Action 1. Identify mitigation and cybersecurity funding opportunities to address cyber threats and vulnerabilities.</td>
<td>ASG, ASGPM, TSA, ASGC, ASGA, ASG, CO, FRA, TRA, TBAS, UAR</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 2</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 4: Identify and mitigate cyber security threats assessment into hazard mitigation plan to track implementation, review, and updates.</td>
<td>Action 1. Identify and mitigate cyber security threats assessment into hazard mitigation plan to track implementation, review, and updates.</td>
<td>ASG, ASGPM, TSA, ASGC, ASGA, ASG, CO, FRA, TRA, TBAS, UAR</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

<table>
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<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 3: Mitigate cyber threats and vulnerabilities in the territory.</td>
<td>Action 1. Identify and mitigate cyber security threats assessment into hazard mitigation plan to track implementation, review, and updates.</td>
<td>ASG, ASGPM, TSA, ASGC, ASGA, ASG, CO, FRA, TRA, TBAS, UAR</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 2</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy 3: Mitigate cyber threats and vulnerabilities in the territory.</td>
<td>Action 1. Identify and mitigate cyber security threats assessment into hazard mitigation plan to track implementation, review, and updates.</td>
<td>ASG, ASGPM, TSA, ASGC, ASGA, ASG, CO, FRA, TRA, TBAS, UAR</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Objective 1: Strengthen fishing & tuna canning industry; aim to diversify wherever possible.

Strategy 1: Pursue permanent American Samoa Economic Development Credit (ASEDC), modify to include other potential investors and industries.

Objective 2: Explore and develop new industries, leveraging the BLAST fiberoptic network, Hawaii submarine cable, and other Information and Communication Technology (ICT) resources.

Strategy 2: Support and enhance telehealth & telemedicine initiatives at LBJ Tropical Medical Center and Dept. of Health Community Health Centers.

Strategy 3: Develop and implement a sustainable, market driven strategy.

Strategy 4: Develop a Territorial Broadband Strategy (TBS) to continue growth and development of a knowledge-based industry in American Samoa.

Strategy 5: Strengthen Current Industries and Develop New Industries.

Strategy 6: Develop a Territorial Business Development Strategy (TBD) to capitalize on access to ocean resources.

Strategy 7: Strengthen fishing & tuna canning industry; aim to diversify wherever possible.

Strategy 8: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 9: Develop a Territorial Business Development Strategy (TBD) to continue growth and development of a knowledge-based industry in American Samoa.

Strategy 10: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 11: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 12: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 13: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 14: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 15: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

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Strategy 17: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 18: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 19: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 20: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 21: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 22: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 23: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.

Strategy 24: Strengthen fisheries strategy for include, but not limited to, fresh fish market (local and export), aquaculture, nearshore fish farms (plant clams, sea cucumbers, etc.) and others.
Objective 3: Continue the development of the Tourism industry.

Strategy 1: Prioritize development of tourism infrastructure.

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1. Pursue continued airport and seaport improvements and new developments.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 2. Establish a visitor’s center at or near the Pago Pago port in the Pacific Harbor district. Visitor’s center should include tourism incubator program.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 3. Establish a site development program; this would include the development of a tourism asset map that identifies all potential visitor sites as well as a development mechanism (funding) to make sites visitor-ready.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 4. Incubate the development of new accommodations to improve room capacity (see Goal 1, Objective 10).</td>
<td>ASTCA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 5. Pursue continued airport and seaport improvements and new developments.</td>
<td>ASCOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 6. Pursue continued airport and seaport improvements and new developments.</td>
<td>ASTCA</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 7. Pursue continued airport and seaport improvements and new developments.</td>
<td>PHA</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Strategy 2: Develop an annual event calendar.

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1. Create Signature Event incubator program to cultivate and make permanent local events.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 2. Develop an annual event calendar.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 3. Create Signature Event incubator program to cultivate and make permanent local events.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

Strategy 3: Identify and/or establish permanent revenue sources to support tourism growth.

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1. Establish an appropriate slogan/motto/brand.</td>
<td>ASCOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 2. Consider opening access to local fiber optic network (BLAST) to private ISPs (Internet Service Providers) to improve competition, quality of service.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
<tr>
<td>Action 3. Continue work through partnerships (i.e. Brand USA) to improve tourist appeal in the New Zealand and Australian markets.</td>
<td>DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Action 4. Explore opportunities to use high-profile Samoans to market AS in neighboring countries.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

Strategy 4: Continue the development of the Tourism industry.

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
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<td>DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Action 4. Explore opportunities to use high-profile Samoans to market AS in neighboring countries.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>

Strategy 5: Develop the accommodation sector.

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action 1. Establish an appropriate slogan/motto/brand.</td>
<td>ASCOC</td>
<td>2019-2020</td>
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<tr>
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<td>DOC</td>
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</tr>
<tr>
<td>Action 3. Continue work through partnerships (i.e. Brand USA) to improve tourist appeal in the New Zealand and Australian markets.</td>
<td>DOC</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Action 4. Explore opportunities to use high-profile Samoans to market AS in neighboring countries.</td>
<td>DOC</td>
<td>2019-2020</td>
</tr>
</tbody>
</table>
### Objective 4: Continue the development of the Agribusiness industry.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy 1:</strong></td>
<td>Develop programs to teach new methods of farming i.e. hydroponics, aquaponics, indoor vertical farming, cross-cropping, or other methods to improve crop yield.</td>
<td>ASVB, ASCOC, ASVB, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 2:</strong></td>
<td>Develop workforce development program to improve capacity and expand labor pool in veterinary professions.</td>
<td>ASVB, ASCOC, ASVB, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 3:</strong></td>
<td>Develop programs to offer technical assistance as needed.</td>
<td>ASVB, ASCOC, ASVB, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 4:</strong></td>
<td>Develop workforce development program to improve capacity of industry stakeholders.</td>
<td>ASVB, ASCOC, ASVB, DOA</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### Objective 5: Continue the development of the Aquabusiness industry.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
<th>Action Assigned To</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy 1:</strong></td>
<td>Identify aquabusiness opportunities that are viable in American Samoa.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 2:</strong></td>
<td>Conduct feasibility study on aquaculture practices that are suitable for American Samoa.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 3:</strong></td>
<td>Support Supplemental Nutritional Assistance Program’s (SNAP) “buy off” initiative through collaborations and linking of resources.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 4:</strong></td>
<td>Conduct pilot projects to establish proof of concept for priority projects.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 5:</strong></td>
<td>Support aquaculture projects according to findings in feasibility study.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Strategy 6:</strong></td>
<td>Support private industry efforts to establish or identify markets in the US for locally produced value-added products.</td>
<td>ASCOC, ASCOC, DOA, DOC, GO, DOA</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

---

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59 American Samoa - Forging a Path Towards a Resilient Economic Future
Objective 6: Continue the development of the Creative Industry.

**Strategy Action**

**Objective 1:** Develop technology roadmap for the local creative industries.
- **Action:** Identify pathways to connect new technologies - digital environments, augmented reality, virtual reality - to the creative industry.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 2:** Incorporate the creative industry into current territorial LSTI initiative.
- **Action:** Include a platform into the annual STEM week to highlight the creative industry.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 3:** Ensure Tourism calendar of events include events that highlight the Samoan culture and traditions.
- **Action:** Collaborate with the Arts Council and other NGOs to define annual events to be included.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 4:** Incorporate the creative community to forge these linkages.
- **Action:** Provide technical assistance to organizations, associations, and the creative community to forge these linkages.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 5:** Ensure pathway to connect new technologies - digital environments, augmented reality, virtual reality - to the creative industry.
- **Action:** Develop and implement strategy to transition of services; must include financial strategy to ensure long-term sustainability.
- **Strategy Action Assigned To:** ASCACH
- **Target Date:** 2019-2020

**Objective 6:** Continue the development of the Creative industry.
- **Action:** Develop criteria by which ASG departments can compete and apply for federal grant application processes.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 7:** Improve the territory's capacity to identify, pursue, and secure additional federal support through grant and other federal programs.

**Strategy Action**

**Objective 1:** Maintain a budget set-aside to support federally required matching funds for specific grant programs.
- **Action:** Budget set-aside to support federally required matching funds.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 2:** Incorporate the creative industry into current territorial LSTI initiative.
- **Action:** Establish a budget set-aside to support federally required matching funds for specific grant programs.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 3:** Continue the development of the Creative industry.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 4:** Establish control systems that seek to ensure all grant funding is deployed in accordance with grant agreements and prior to performance period expiration dates.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 5:** Ensure pathway to connect new technologies - digital environments, augmented reality, virtual reality - to the creative industry.
- **Action:** Develop training program to address needs identified in Action 1.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** 2019-2020

**Objective 6:** Continue the development of the Creative industry.
- **Action:** Establish clarity around federal annual Program to analyze where opportunities exist to foster growth in the private health care sector.
- **Strategy Action Assigned To:** ASCACH
- **Target Date:** 2019-2020

**Objective 7:** Improve the territory's capacity to identify, pursue, and secure additional federal support through grant and other federal programs.

**Strategy Action**

**Objective 1:** Develop technology roadmap for the local creative industries.
- **Action:** Identify key development grant programs that have a cost-sharing or matching requirement.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 2:** Improve the territory's capacity to identify, pursue, and secure additional federal support through grant and other federal programs.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 3:** Establish a budget set-aside to support federally required matching funds for specific grant programs.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 4:** Continue the development of the Creative industry.
- **Action:** Develop standard operating procedures for ASG regarding federal grants relevant to their mandate.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 5:** Continue the development of the Creative industry.
- **Action:** Develop criteria by which ASG departments can compete and apply for federal grant application processes.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 6:** Continue the development of the Creative industry.
- **Action:** Develop training program to address needs identified in Action 1.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 7:** Improve the territory's capacity to identify, pursue, and secure additional federal support through grant and other federal programs.

**Strategy Action**

**Objective 1:** Develop technology roadmap for the local creative industries.
- **Action:** Identify key development grant programs that have a cost-sharing or matching requirement.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 2:** Incorporate the creative industry into current territorial LSTI initiative.
- **Action:** Establish a budget set-aside to support federally required matching funds for specific grant programs.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 3:** Continue the development of the Creative industry.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

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- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

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- **Target Date:** Ongoing

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**Strategy Action**

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**Objective 3:** Continue the development of the Creative industry.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing

**Objective 4:** Establish control systems that seek to ensure all grant funding is deployed in accordance with grant agreements and prior to performance period expiration dates.
- **Action:** Develop an annual budget for program.
- **Strategy Action Assigned To:** ASGA
- **Target Date:** Ongoing
Objective 1: Improve Workforce Development initiatives to better prepare workforce.

Objective 2: Improve Financial Literacy of community to improve our capacity to plan and manage our retirement security of all residents.

Objective 3: Strengthen Secondary Economic Development Support Systems

Objective 4: Mobilize and encourage non-governmental organizations (NGOs) to participate in economic development strategies.

Objective 5: Address socioeconomic and/or environmental issues that have an adverse impact on our ability to support economic development objectives.

Objective 6: Address socioeconomic and/or environmental issues that have an adverse impact on our ability so support economic development objectives.

GOAL 3: Strengthen Secondary Economic Development Support Systems

Strategy 1: Collaborate with local banks to assess where the public needs and priorities are.

Strategy 2: Establish 1 Community Reinforcement Act (CRA) has resources available to support financial literacy programs.

Strategy 3: Explore FDIC programs like Money Smart to support financial literacy programs.

Strategy 4: Offer programs to the community through various channels.

Action | Action Assigned To | Target Date
---|---|---
Action 1. | Collaborate with local banks to assess where the public needs and priorities are. | 2019-2020
Action 2. | Establish 1 Community Reinforcement Act (CRA) has resources available to support financial literacy programs. | Ongoing
Action 3. | Explore FDIC programs like Money Smart to support financial literacy programs. | Ongoing
Action 4. | Offer programs to the community through various channels. | 2019-2020

GOAL 4: Mobilize and encourage non-governmental organizations (NGOs) to participate in economic development strategies.

Strategy 1: Collaborate with American Samoa’s Delegate to the House of Representatives Office, DOI OIA, and other relevant agencies to assess current channels of communication and collaboration and their effectiveness.

Strategy 2: Based on findings in Action 1, make recommendations on how to significantly improve communication and collaboration between federal and local governments.

Action | Action Assigned To | Target Date
---|---|---
Action 1. | Collaborate with American Samoa’s Delegate to the House of Representatives Office, DOI OIA, and other relevant agencies to assess current channels of communication and collaboration and their effectiveness. | Ongoing
Action 2. | Based on findings in Action 1, make recommendations on how to significantly improve communication and collaboration between federal and local governments. | Ongoing

GOAL 5: Address socioeconomic and/or environmental issues that have an adverse impact on our ability so support economic development objectives.

Strategy 1: Monitor global and local trends impacting the community.

Strategy 2: Establish a program whereby ASG engages veteran groups to collaborate on implementation of CEDS-AS.

Strategy 3: Establish a program whereby ASG engages faith-based groups to collaborate on implementation of CEDS-AS.

Strategy 4: Establish a program whereby ASG engages various ethnic community business groups to collaborate on implementation of CEDS-AS.

Action | Action Assigned To | Target Date
---|---|---
Action 1. | Monitor global and local trends impacting the community. | Ongoing
Action 2. | Establish a program whereby ASG engages veteran groups to collaborate on implementation of CEDS-AS. | 2019-2020
Action 3. | Establish a program whereby ASG engages faith-based groups to collaborate on implementation of CEDS-AS. | 2019-2020
Action 4. | Establish a program whereby ASG engages various ethnic community business groups to collaborate on implementation of CEDS-AS. | 2019-2020

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63 American Samoa - Forging a Path Towards a Resilient Economic Future
Appendix D

Outreach Initiative: Roster of Interviewees

The CEDS-AS development team would like to acknowledge and thank the following people for participating in the development of this document.

### Appendix E

CEDS-AS Outreach Activities

The American Samoa Government Department of Commerce (DOC) Comprehensive Economic Development Strategy (CEDS) team conducted its stakeholder outreach over the course of 6 months through a survey that was made available online. Letters were delivered to over 50 public and private stakeholders outlining the purpose of the CEDS and providing instructions on how to complete the survey as well as a URL link to the google form survey. Responses were received by approximately 75% of stakeholders that were informed of the survey.

### Survey

**Industry**

What industry best describes the function of your business or organization?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, and Fishing</td>
<td>10.3%</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>10.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>10.3%</td>
</tr>
<tr>
<td>Wholesale and Retail trade; repair o.</td>
<td>10.3%</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>10.3%</td>
</tr>
<tr>
<td>Private households</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

**How long has your business or organization existed?**

- Less than 1 year
- 1–3 years
- 4–5 years
- 6–10 years
- More than 10 years

**How many employees does your business/organization employ?**

- 0
- 1–5
- 6–15
- 16–30
- 31–50
- 51–100
- 101–500
- More Than 500
How would you best describe the current state of the American Samoa economy?

- Significantly improving
- Slightly improving
- No improvement
- Slightly declining
- Significantly declining

Where do you see the American Samoa economy in the future (5 years)?

- Significantly improving
- Slightly improving
- No improvement
- Slightly declining
- Significantly declining

How confident are you with the prospect of re-investing into the expansion or growth of your business/organization?

- Very confident
- Slightly confident
- Not confident

Business Organizational Needs
As a business owner or leader, what do you need to expand or take your business to the next level?

- Access to capital
- Training for employees
- Qualified workforce
- Business counseling
- Technologies

**SWOT Analysis**

**STRENGTHS**

- Access to Zone Resources
- Federated government
- Military relationship with the USA
- Political relationship with the USA
- youth workforce
- English speaking workforce

**WEAKNESSES**

- High crime rates
- Low labor costs
- Limited access to market

**OPPORTUNITIES**

- Well-developed tourism assets
- Low fuel costs/ pricing than neighboring islands
- Well-organized shipping infrastructure
- Tariff-free exports to US

**THREATS**

- Low income levels
- Political relationship with the USA
- Military relationship with the USA
- Made in USA label
- Federal grant programs
SWOT Analysis - continued

WEAKNESSES

- All FIs closed down
- Bankruptcy and Financial Services
- Insufficient government revenue
- Non-diverse financial services
- Quality of Health care
- Public private sector relations
- Outdated legal system
- State of government
- Lack of innovation
- Quality of public education
- Undeveloped tourism infrastructure
- Federal regulations
- Limited natural resources
- Non-Communist influence
- Geographic location
- Aging infrastructure
- Immigration policy
- Political cycle
- Public debt
- Access to capital
- Economic growth
- Drug addiction
- Shrinking population

OPPORTUNITIES

- Information & Communication Technology Industry
- Attractions for existing or new tourism projects
- General Tourism
- Earth Science
- Federal Programs
- Scientific Research
- Aquaculture
- Agribusiness
- Scientific Research
- Informal Economy
- University
- Ecotourism
- General Tourism
- "Gig Economy"
- Other - More Service Oriented Opportunities
- Cruise Ship Tourism
- American Samoa Philanthropy
- Fishing Boat Tourism
- "Gig Economy"
- "Gig Economy"
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### THREATS

<table>
<thead>
<tr>
<th>THREATS</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large scale infrastructure projects, expansions, and organizational outlook over the next 3-5 years</td>
<td>30.6%</td>
</tr>
<tr>
<td>Perceptions and challenges in the current state of economy</td>
<td>33.3%</td>
</tr>
<tr>
<td>Potential policies or program that are either beneficial or harmful to their organization, business, and the overall economy</td>
<td>41.7%</td>
</tr>
</tbody>
</table>

Following the dissemination of the survey letters, staff conducted email/phone follow-ups to ensure continued survey responses. As survey responses continued to be completed, staff began scheduling interviews with government, business, and non-government leaders for a better sense of the various organizational insight and feedback with regard to the Territorial economy. While most of the interviews were open-ended, some pointed questions were asked in terms of:

- Large scale infrastructure projects, expansions, and organizational outlook over the next 3-5 years
- Perceptions and challenges in the current state of economy
- Potential policies or program that are either beneficial or harmful to their organization, business, and the overall economy

Utilizing the data received from the preliminary surveys, relevant existing plans, and in-depth interviews, the CEDS-AS work group was able to incorporate both historical and data analysis in order to devise objectives, strategies, and actions across various economic areas in moving forward. The list of interviewees who participated in the outreach initiative are listed in Appendix D.

SWOT Analysis - continued

Following the dissemination of the survey letters, staff conducted email/phone follow-ups to ensure continued survey responses. As survey responses continued to be completed, staff began scheduling interviews with government, business, and non-government leaders for a better sense of the various organizational insight and feedback with regard to the Territorial economy. While most of the interviews were open-ended, some pointed questions were asked in terms of:

- Large scale infrastructure projects, expansions, and organizational outlook over the next 3-5 years
- Perceptions and challenges in the current state of economy
- Potential policies or program that are either beneficial or harmful to their organization, business, and the overall economy

Utilizing the data received from the preliminary surveys, relevant existing plans, and in-depth interviews, the CEDS-AS work group was able to incorporate both historical and data analysis in order to devise objectives, strategies, and actions across various economic areas in moving forward. The list of interviewees who participated in the outreach initiative are listed in Appendix D.
# Appendix F

## American Samoa Government Department of Commerce CEDS-AS Workgroup

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>CEDS-AS Role</th>
</tr>
</thead>
<tbody>
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<td>Project Champion</td>
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<td>Sandra Faafenni-Lulu</td>
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<td>Michael McDonald</td>
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<td>Tufasa Alea</td>
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<td>Savali Sunia</td>
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<td>Faleasuga Salama</td>
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</tbody>
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We thank the following for their photo contributions:
- Paula Stevenson-McDonald (TourAmericanSamoa.com)
- Jan Heijdra (Parkwonders.com)
- American Samoa Telecommunications Authority, American Samoa Visitors Bureau, National Marine Sanctuary of American Samoa
- Regina Meredith (traditional Samoan siapo (tapa) motifs)

Photo right: Ofu Beach, National Park of American Samoa
Back cover: Fogama’a Beach, Vaitogi village.