

# American Samoa Investment Guide 2014





Lolo M. Moliga  
Governor

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Lieutenant Governor

## OFFICE OF THE GOVERNOR American Samoa Government

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Talofa!

On behalf of all the people of American Samoa it is my pleasure to invite you to learn more about our islands. We are located in the heart of Polynesia, and are known for our stunning scenery and gracious hospitality.

Provided herewith is a guide that will help you discover the business opportunities in our islands, and we are proud to extend our warmest welcome.

Not only do we encourage investors to look to our beautiful islands, we are proud to say that American Samoa has some of the best public and private infrastructure to be found anywhere in Oceania. We provide a stable political environment and my administration has placed economic development as its highest priority. As part of the United States, we also have an economy denominated in U.S. dollars.

Our famous Pago Pago harbor and international airport make it easy to get goods to and from American Samoa. Our telecommunications system is among the fastest and most cost-effective of any Pacific locale. Our visitor industry offers a wide range of excellent hotels and lodges to accommodate vacationers and business executives.

Most importantly, our best asset is our people! We have an experienced and educated workforce, and our Samoan culture is strong and vibrant, welcoming newcomers and encouraging them to become a part of fa'asamoa, the Samoan Way.

This special publication will give you a feel for all that we have to offer your business. Yes, we have beautiful tropical islands, friendly people, and a lifestyle that is the envy of the world, but we have so much more to offer businesses looking for new opportunities. On behalf of the people of American Samoa, I invite you to explore the possibilities of our islands!

Fa'afetai tele ma la Manuia,

Governor Lolo M. Moliga



**DEPARTMENT OF COMMERCE**

American Samoa Government

Pago Pago, American Samoa 96799

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**Lolo M. Moliga**

*Governor*

**Keniseli Faalupe Lafaele**

*Director*

**Lemanu Peleti Mauga**

*Lt. Governor*

**HTC Atuatasi Lelei Peau**

*Deputy Director*

Talofa lava:

I am pleased to present to you this Investment Guide to American Samoa. The Department of Commerce serves the people, communities, and businesses of the territory. We strive every day to realize this government’s economic development priority, and present the information in this guide to give you a better understanding of our competitive advantages.

Our islands have served as a safe and strategic gateway between America and Australasia for centuries. American Samoa has been a hub for regional trade, and today it offers a unique blend of political stability, modern infrastructure, and an ancient culture known worldwide for its friendliness.

My staff and I look forward to hearing from you, and will go out of our way to assist you in advancing your investment portfolio.

Sincerely,

Keneseli Lafaele

Director, Department of Commerce



Pago Pago Cruise Ship Terminal

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*North Shore of Tutuila Island*



# Why Invest in American Samoa

Talofa and Welcome to American Samoa, *where America's day ends*. This guide highlights the Territory of American Samoa's progressive economic environment and the generous incentives available for offshore investment.

American Samoa is the ideal gateway to the United States and Pacific markets. Our incentive package offers a wide range of specialized programs aimed at maximizing profits and rates of return to investors, while offering the flexibility to meet individual needs. Our territory boasts a modern infrastructure which places the United States at the forefront of the dynamic economic growth sweeping through the Pacific Basin. Some of these features include high-speed satellite telecommunications, an expanded industrial park, an international airport, and a protected deep-water harbor. With over 50 years of experience with multi-nationals, American Samoa has developed a definitive industrial and institutional infrastructure suitable for large-scale operations, and is also qualified for favorable duty treatment under the Generalized System of Preference.

American Samoa, therefore, is eager to welcome partners who seek competitive advantages and healthy growth of their investments. We have worked hard to develop a reliable, efficient and cost effective infrastructure that will provide a solid foundation for any business venture, and we will continue to help as your business grows.

The American Samoa Government remains committed to strengthening our local economy. The trend for economic development will continue to focus on expanding private business activities, encouraging outside investment with local participation, and diversifying the economy. We have no doubt that you will appreciate our year-round tropical climate and the warm hospitality that has won us international recognition. Our unique social and business environment is one that has become the envy of many.

The Department of Commerce should be your first stop to express your interest in establishing or expanding your business to American Samoa. Staff will provide you with all the detailed information and guide you through the registration and licensing process.



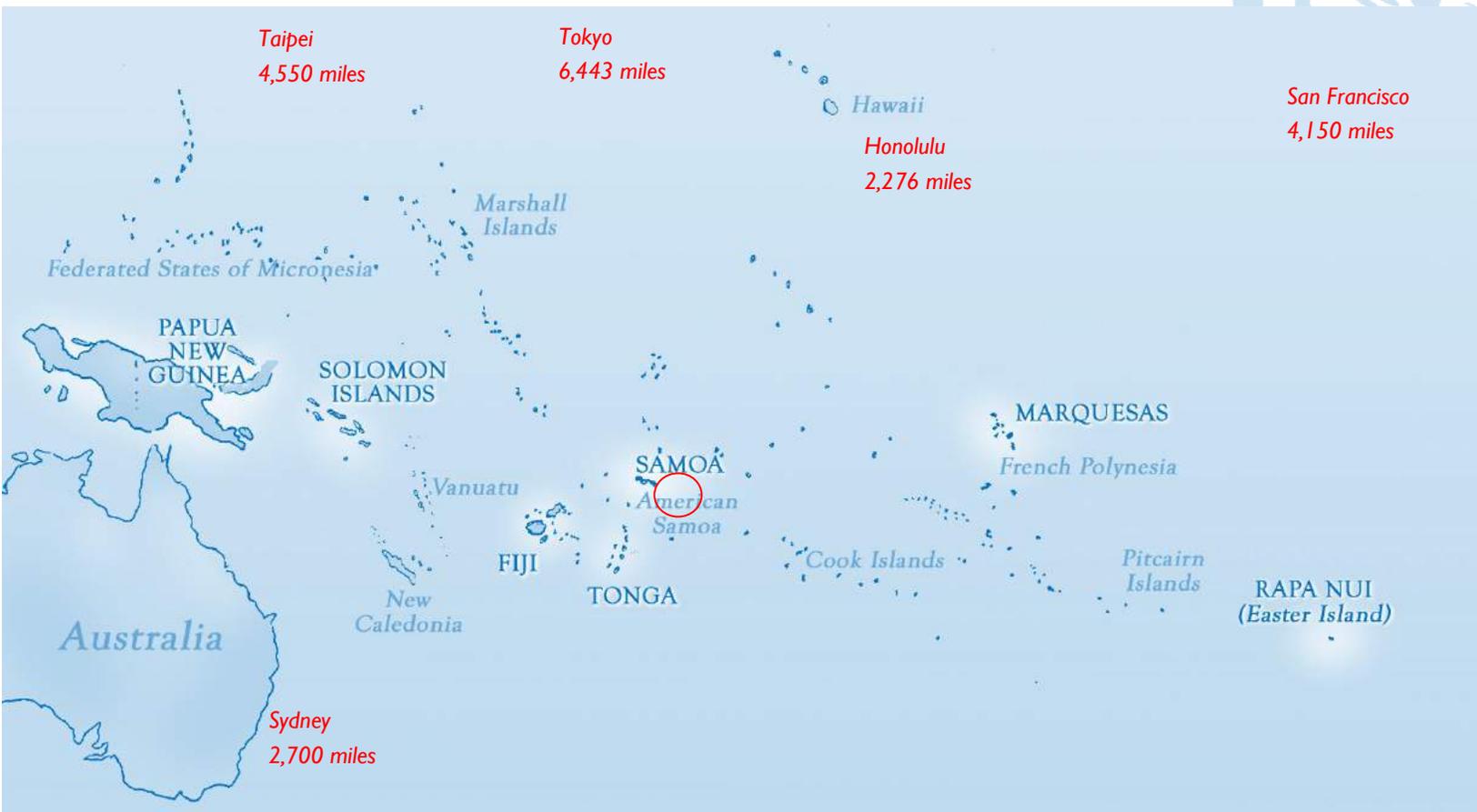
<b>Location</b>	Oceania, group of islands in the South Pacific Ocean, about half way between Hawaii and New Zealand 14 20 S, 170 00 W Pago Pago has one of the best natural deepwater harbors in the South Pacific Ocean, sheltered by shape from rough seas and protected by peripheral mountains from high winds; strategic location in the South Pacific Ocean
<b>Area</b>	77 square miles or 200 square km (slightly larger than Washington, DC) Territorial sea: 12 nautical miles Exclusive Economic Zone: 200 nautical miles
<b>Ethnic Groups</b>	Samoan 89.0% Other Pacific Islander 3.8% Asian 3.6% White 0.9% Other 2.7%
<b>Languages</b>	Samoan 89.0% (closely related to Hawaiian and other Polynesian languages) English 3.6% (official language; most people are bilingual) Tongan 2.7% Other Pacific Islander 3.0%, Other 1.8%
<b>Population</b>	55,519 (2010 Census)
<b>Government</b>	Unincorporated and unorganized territory of the US; administered by the Office of Insular Affairs, US Department of the Interior. Head of government: Governor Lolo Matalasi Moliga
<b>GDP</b>	\$725 million (2012 – U.S. Bureau of Economic Analysis)
<b>Labor force</b>	18,387
<b>Unemployment</b>	9.2%
<b>Inflation</b>	2.2%
<b>Agriculture products</b>	Bananas, coconuts, vegetables, taro, breadfruit, yams, copra, pineapples, papayas; dairy products, livestock
<b>Industries</b>	Tuna canneries (largely supplied by foreign fishing vessels), handicrafts, light manufacturing
<b>Exports</b>	\$418 million
<b>Export commodities</b>	Canned tuna 99%
<b>Imports</b>	\$270 million
<b>Import commodities</b>	Raw materials for canneries, food, petroleum products, machinery and parts

*Source: unless otherwise noted, all figures drawn from the American Samoa Statistical Yearbook 2011, American Samoa Department of Commerce, Statistics Division*

# Facts & Figures

American Samoa is the only U.S. Territory south of the equator. Its strategic location in the center of the South Pacific area, known as Polynesia, accentuates its economic value to investors. One of its most important assets is its people. Samoans have lived on these islands for over 2,500 years and have developed a rich, traditional culture that is still strong and vibrant.

The social structure of American Samoa is deeply rooted in the aiga (extended family) and fa'asamoa (the Samoan Way). It is a system consisting of a group of people related by blood, marriage or adoption, acknowledging a common allegiance to a matai (chief) who regulates their activities. The chief assumes the trustee functions over family land and property.



## Prospects

American Samoa has a stable government and close relationship with the United States. We use U.S. currency and American inflation drives our price index.

The economic prospects of American Samoa depend on maintaining the viability of the tuna canning industry, local business sector, and exports to the mainland U.S. market. The development of a culturally appropriate tourism industry that will protect the interests of the American Samoa people, the economy and the ecology of the islands is a necessary step in the economic development of the territory. Regional trade with other countries in the Pacific region could further support the local tourism industry. The trend for economic development will continue to focus on expanding current private business activities, increasing outside investment with local participation, and diversifying the economy.

## Export Opportunities

American Samoa has **preferred access to the U.S. market**. Most items with at least 30 percent of their value created in the territory enter the United States duty free. Eligible products must be manufactured or produced either wholly from local materials, or from imported materials which are substantially transformed in American Samoa. The cost of the transportation of the materials from source to American Samoa is included in the computation of foreign value, while the cost of transportation of product to the U.S. is excluded from its value for purpose of the calculation. Industries targeted for expansion through special incentives are listed in the table.

Industry	Foreign materials
Fish Canning & Processing	50%
Bottling, Brewing & Dairy Products	70%
Garment Manufacturing	50%
Miscellaneous (apparel and fashion accessories)	50%

## Infrastructure

American Samoa is renowned for its marine related industries. Pago Pago Harbor is one of the **finest all-weather, deep-draft harbors in the Pacific**. The main dock handles ships of up to 32-foot draft. The harbor provides comprehensive facilities and equipment, and has a ship-repair facility with a 3,000 ton marine railway. The port provides full service facilities, containerized cargo holding, warehousing, transshipment, and tugboat services. The harbor welcomes approximately 20 cruise ships per year.

**Pago Pago International airport** provides direct international passenger flights to Hawaii and Apia in the Independent State of Samoa with connections to the U.S. mainland, Australia, New Zealand, Asia and Europe, as well as frequent domestic flights between islands. The airport receives cargo flights from the United States and Asia. The airstrip can even accept the latest super-liners, such as the Boeing 787 Dreamliner.





ANZ Amerika Samoa Bank provides **full international banking services** with correspondent banks in the U.S. and the Pacific region. It is a member of the Federal Deposit Insurance Corporation (FDIC), a U.S. federally chartered organization that insures deposits in banks.

The American Samoa Telecommunication Authority (ASCTA) operates a **state-of-the-art telecommunications system**, permitting fast and easy contact with the outside world through our COMSAT satellite and fiber optic network, computer support system, 4G mobile phone service, and broadband internet services. ASCTA provides near 100% internet and mobile coverage throughout the islands. Rapid telex, telegraph and facsimile services are also available. The COMSAT satellite system also provides commercial television, video conferencing and radio broadcasts.

The **Industrial Park** was established to attract investment into the territory. The Department of Commerce manages the fully-serviced 100-acre Senator Daniel Inouye Industrial Park. Lots are available for up to 55 years at a rate of \$0.50 per square foot per year.

Sen. Daniel Inouye Industrial Park  
100 acres





<b>E-commerce &amp; telecommunications</b>	<ul style="list-style-type: none"> <li>Fiber optic cable connection network completed</li> <li>Closed caption training</li> <li>Transcription of medical files</li> <li>Television and cable program production</li> <li>Call Centers</li> </ul>
<b>Secondary cannery activities</b>	<ul style="list-style-type: none"> <li>Miscellaneous fish processing, canning and export</li> <li>Feed plant</li> <li>Can-making, box and labeling plant</li> <li>Barge ocean disposal of cannery sewage</li> <li>Fishing fleet brokerage services</li> <li>Samoa Tuna Processors Cold Storage Facility</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>Sports &amp; Eco Tourism: Mt. Alava Tramway Development</li> <li>Manu'a Islands Eco-Tourism</li> <li>Hotel, motel and B&amp;B development</li> <li>Selected tourism, recreational and duty-free shopping services</li> <li>Increased inter-island air, boat, and cargo services</li> <li>Cultural Center activities</li> <li>Charter Fishing operator</li> <li>Marine scooters, scuba diving, sailing tour operations</li> <li>Handicraft ventures</li> <li>Marina and Marine Railway Development</li> <li>Business Incubator Facility</li> </ul>
<b>Regional Trade &amp; Transshipment</b>	<ul style="list-style-type: none"> <li>Foreign sales corporations</li> <li>Export trading companies</li> <li>Warehousing and cold storage facilities</li> <li>Container repair services</li> <li>Shipping and air freight services</li> <li>Freight forwarding</li> </ul>
<b>Light Industry (Export &amp; Import)</b>	<ul style="list-style-type: none"> <li>Bulk asphalt drumming and distribution</li> <li>Sugar processing and refining</li> <li>Textile and electronic equipment assembly</li> <li>Bulk cement bagging</li> <li>Corned beef and tropical fruit juice processing</li> <li>Processing of regional exports, e.g., taro, snack chips, coconut oil, cocoa, vanilla beans, handicrafts</li> <li>Local slaughterhouse and meat processing</li> <li>Brewery plant</li> <li>Shoe manufacturing/repair shop</li> <li>Fish hook factory</li> <li>Watch assembling plant</li> </ul>
<b>Privatization of Local Government Operations</b>	<ul style="list-style-type: none"> <li>ASG Motor Pool</li> <li>ASG facilities maintenance</li> <li>Manu'a Island inter-island transport</li> <li>Port tugboat services</li> </ul>
<b>Local Fisheries</b>	<ul style="list-style-type: none"> <li>Fish processing and loining for U.S. and European market</li> <li>Cold storage facilities</li> <li>Expansion of fishing fleet including Philippine-type purse seiners</li> <li>Sashimi fish processing</li> <li>Dried and smoke fish processing plant</li> <li>Fish fillet plant</li> <li>Fish sausage plant</li> <li>Giant clam, Tilapia, Shrimp &amp; Eel operation</li> </ul>
<b>Agriculture</b>	<ul style="list-style-type: none"> <li>Diversified vegetable and fruit, and specialty production</li> <li>Farming Cooperatives</li> <li>Agriculture produce processing</li> <li>Animal feed mills and storage facilities</li> <li>Poultry and egg production</li> </ul>

## Government Priorities

The American Samoa Government (ASG), local business community, and legislators are aggressively working on the implementation of the 2013-2017 Comprehensive Economic Development Strategy (CEDS) Plan. The administration has set Economic Development as the top priority because of its potential positive impact on the socioeconomic status of our people and the quality of their lives. The economy cannot grow if people don't have money to spend. Under this plan, it is imperative to create new jobs. The administration intends to accomplish this by reaching out to the private sector to develop and strengthen working partnerships. The administration is committed to building a business nurturing environment by becoming an effective facilitator to help business grow and become profitable. The Department of Commerce is dedicated to fostering economic development. The CEDS Plan and Territorial Economic Development Implementation Plan (TEDIP) contain practical and feasible economic development projects to be implemented by the ASG in the next four years with the following key initiatives:

- Strengthen the economic development process by involving the business community and ensuring that capital investment decisions encourage targeted business development and growth;
- Reduce dependence on federal financial assistance;
- Encourage growth and diversification of existing businesses and seek new business partners, investors, developers and joint ventures; and
- Create new jobs.

The CEDS Plan identifies these opportunities for development and growth.

# Business Structures

## Sole Proprietorship

Only U.S. nationals, citizens and permanent residents of American Samoa may establish sole proprietorships.

## Partnership

Only U.S. nationals, citizens and permanent residents of American Samoa may establish partnerships.

## Local Incorporation

Local corporations are those corporations created under Title 30 of the American Samoa Code Annotated. Examples of local corporation laws include provisions that at least 3 persons of full age may form a corporation so long as two-thirds of whom are United States nationals or citizens and at least one must be a resident of American Samoa.

## Foreign Incorporation

All corporations organized under laws other than the laws of American Samoa are by definition foreign corporations, and must obtain a separate permit to transact business in the Territory. Corporations created in all U.S. states and other possessions are considered foreign.

Nevertheless, non-domestic corporations have the option of incorporating in American Samoa as either local or foreign. To register

Fishing Fleet



Articles of Incorporation must be signed and submitted by the incorporators. Once approved by the Governor and recorded by the Territorial Registrar, the Treasurer issues a Certificate of Incorporation.

The Articles must contain:

- The name of the corporation and the principal place of business in American Samoa;
- The objective for which it is formed, such objectives to be stated with specificity;
- The amount of authorized capital stock, the classes of stock authorized, and the par value and conditions of each class and the time when and conditions under which it is to pay;
- The time for commencement of existence of the corporation, not earlier than issuance of the certificate;
- The names and addresses of the incorporators and the officers or persons including at least three directors, to conduct its affairs, and the time when and manner in which such persons will be selected;
- A statement that private property of the stockholders is to be exempted from corporate debts; and
- The manner in which the articles may be amended.

as a foreign corporation in the territory, a corporation, upon approval by the Attorney General, must register its Articles of Incorporation with the Registrar's Office and apply for a Permit to Transact Business from the Governor. To register locally, on the other hand, non-

*Manu'a Islands*



domestic corporations have to amend their Articles of Incorporation to comply with all local corporation laws.

Every foreign corporation, in order to receive a permit to do business in American Samoa, must have at least \$10,000 of authorized capital stock and \$5,000 of paid-in capital stock. There are no requirements to

The application for foreign incorporation must include:

- A certified copy of the Article of Incorporation;
- A certified copy of a resolution of the Board of Directors authorizing the filing of the articles and service of process generally on any officers or agents in American Samoa engaging in its business here;
- The name and address of one resident agent for service of process must be indicated; and
- A statement under oath by the president, vice-president or other head officer and the secretary containing the information required for the articles of incorporation, total authorized capital, total paid-in capital, total value of all money and other assets planned for use in the territory during the next year.

Pago Pago Bay



maintain an office or agent, or to hold shareholder meetings in the Territory.

New businesses that are majority-owned by non-U.S. Nationals or non-U.S. Citizens or non-permanent residents will be referred to the Territorial Planning Commission for further review.

### Business Licenses

Any person who wishes to establish a business in American Samoa must obtain a business license with the exception of:

- Government-supervised activities;
- Sale by residents of agricultural products in their natural state; and
- Not-for-profit organizations (as defined in the Internal Revenue Code).



The Department of Commerce offers a **convenient 1-day turnaround on most business license applications**. Business Licenses are renewed on a calendar year basis regardless of when issued, and expire on December 31 of the year in which they are issued or renewed. Most business license fees are \$25 per year.

### Other Licenses

Businesses operating in American Samoa may be regulated by several different agencies, boards and commissions depending on the type of the business. More than one license, certificate or approval may be required. Staff at the Department of Commerce will be happy to provide you with comprehensive information specific to your business.

- You may be required to provide Workmen's Compensations depending on the number of employees and type of business activity.
- If you intend to erect a new structure or plan to extend or remodel an existing structure, you are required to apply for a Land Use Permit and/or a Zoning Variance. Applicants may be required to appear before the Project Notification Review System (PNRS) or Zoning Board.
- If your business activity includes the sale of alcoholic beverages, you must apply for a license with the Alcoholic Beverage Control Board.



Fautasi rowers

- You must obtain a health permit from the Department of Public Health if your business is defined as a restaurant or food establishment, barbershop or beauty parlor, or if your business activity involves the sale of food or drink.
- If your business will provide commercial transportation, you must obtain a Certificate of Convenience from the Commerce Commission.

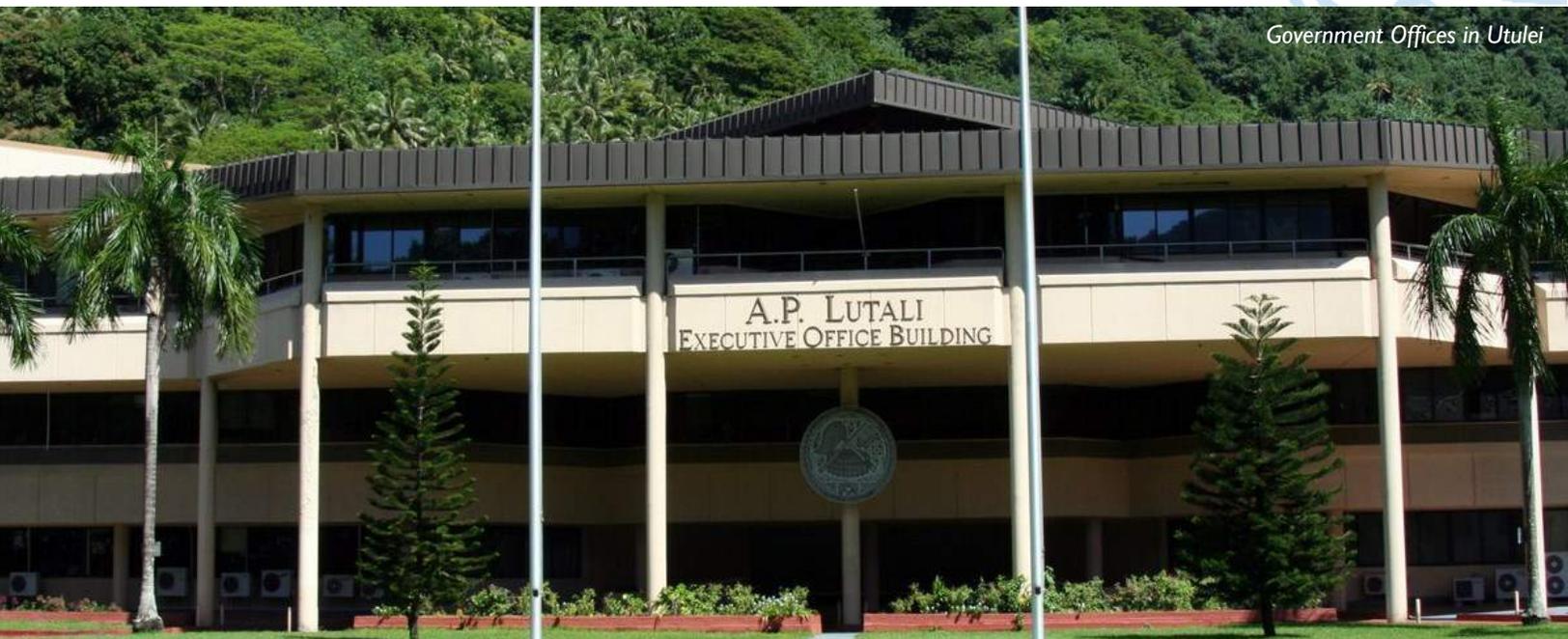
Certain professions require certifications before practicing. Professions requiring special licensures and certificates include, but are not limited to the following:

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Attorneys and Practitioners	Contractors
Public Accountants	Cosmeticians
Notary Public	Tradesmen
Commercial Vehicle Drivers	Medical Professionals
Professional Land Surveyors	Physical and Occupational Therapists
Marine Inspectors	Social Workers
Insurance Agents	

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*Government Offices in Utulei*



American Samoa has its own separate and independent tax system. Although its tax laws are modeled on the U.S. Internal Revenue Code, there are certain differences. Requests for advice about matters connected with Samoan taxation should be sent to the Tax Division.

## Corporate Taxation

The amount of tax imposed on corporations for taxable years are as follows:

Taxable income range		Tax rate
\$0	\$50,000	15%
\$50,000	\$75,000	25%
\$75,000	\$650,000	34%
\$650,000		44%



*American Samoa is qualified under Section 30A of the Internal Revenue Code specific to American Samoa Canneries. Section 30A has special provisions for calculating taxable income of wages and fringe benefits, as well as depreciation allowances.*

## Personal Taxation

There is a minimum 4% tax rate on personal income and a wage tax of 2%.

If you are a U.S. citizen and a resident of American Samoa, you must report your gross income from worldwide sources on your Samoan tax return.



If you are a nonresident of American Samoa, you should report only income from Samoan sources on your Samoan tax return. U.S. citizens residing in American Samoa are considered residents of American Samoa for income tax purposes.

### Other Taxes

There are **no gross receipt, property, or sales taxes**. There is a 5% excise tax on items imported for commercial resale.

### Tax Exemptions

Tax exemptions can be granted by the Governor of American Samoa on some or all taxes (except for individual income tax) for up to 10 years for the establishment or expansion of qualifying industrial or business enterprises under the Industrial Incentives Act.

Foreign Sales Corporations established in the Territory may receive an eleven-year exemption on corporate income taxes, dividend distributions, customs duties and other taxes.



*Bus Station and Marketplace*

Some exemptions are designed to promote employment of residents in the territory. More details can be obtained from the Tax Exemption Office.

### Fiscal Incentives

The ASG is authorized to issue **industrial revenue bonds** to provide financing for acquisition of fixed assets in approved industrial projects. Interest earned on revenue bonds is not subject to local income taxes.

Long-term and working **capital loans** are available to eligible enterprises through various business financial assistance programs administered by the U.S. Small Business Administration at the Honolulu District Office. These credit programs include both direct loans and loan guarantees.

There are minimal **restrictions on the repatriation of funds**.



## Employment Act

American Samoa is covered by the U.S. Fair Labor Standards Act. The current minimum wages range between \$4.18 and \$5.59 per hour. Most companies in the Territory offer fringe benefits such as paid holidays, vacation and sick leave. Some employers also provide pension/retirement benefits and medical insurance. All employers are required to provide Worker's Compensation insurance against work-related injuries or death, and must comply with the provisions of the U.S. Occupational Safety and Health Act, which regulates working conditions pertaining to the health and safety of employees.

The ASG's manpower training program includes a **subsidized pre-employment training program for manufacturing and significant employment-producing activities**. Under this program the government supplements 50% of workers' wages for up to one year.

## Foreign Employees

Our immigration policies and requirements must be met. Additional information to assist your organization can be obtained from the Attorney General's Office.

## Visas

All visitors to American Samoa require a passport valid for six months or more, a return ticket or onward ticket and enough funds to support their stay.

U.S. Citizens and U.S. Nationals do not require a visa and may enter and leave freely. Canadian, Australian, New Zealand and United Kingdom citizens may enter American Samoa, and will be issued with a 30 day entry permit on arrival. All other international passport holders are required to apply for an entry visa before arrival.

American Samoa is a Territory of the United States of America, and is represented abroad by U.S. Embassies, but Pago Pago is not a port of entry to the United States; passengers proceeding to the U.S. must comply with the appropriate regulations.

## Legal Protection

American Samoa has a mixed legal system of U.S. common law and Samoan customary law. The High Court of American Samoa consists of the chief justice, associate chief justice, and 6 Samoan associate judges, and is organized into trial, family, drug, and appellate divisions. American Samoa has no U.S. federal courts.

## Treaties and Agreements

American Samoa is a signatory in its own right to:

- Alliance of Small Island States (AOSIS)
- Interpol
- International Olympic Committee (IOC)
- Pacific Island Forum (PIF) (observer)
- Secretariat of the Pacific Community (SPC)
- Universal Postal Union (UPU)
- South Pacific Tourism Organization (SPTO)



# Contacts

We trust the information provided in this guide will provide you with an overview of our territory's business climate, and to assist you in investing in American Samoa's bright economic future. Should you require any further assistance please visit [www.americansamoa.gov](http://www.americansamoa.gov) and [www.doc.as](http://www.doc.as) for information about transacting business in the Territory and [www.asbar.org](http://www.asbar.org) for listings of all local statutes and codes.

## Business Development

Keniseli F. Lafaele, Director  
Department of Commerce  
Pago Pago, AS 96799

Telephone: 684-633-5155

Fax: 684-633-4195

### Business Licensing

Telephone: 684-633-5155

### Industrial Park

Telephone: 684-633-5155

### Land Use Planning

Telephone: 684-633-5155

## Taxes

### Tax Division

Department of Treasury

Pago Pago, AS 96799

Telephone: 684-633-4155

Fax: 684-633-4100

### Tax Exemptions

Falema'o M. Pili, Treasurer/Chairman

Tax Exemption Board

Telephone: 684-633-4155

## Foreign Labour & Incorporation

Afoa M.S. Lutu, Attorney General

Department of Legal Affairs

Pago Pago, AS 96799

Telephone: 684-633-4163

Fax: 684-633-1838

## Workers' Compensation

Workmen's Compensation Commission

Office of the Governor

Pago Pago, AS 96799

Telephone: 684-633-4116

## Health Permits

The Department of Public Health

LBJ Tropical Medical Center in Faga'alu

Telephone: 684-633-1468







*Oceania's Best Investment  
Business Hub of the South Pacific  
Islands of Opportunities*

