



BRUNEI DARUSSALAM KEY ECONOMIC DEVELOPMENTS

FIRST QUARTER | Q1 2023

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MAIN INDICATORS OF

THE BRUNEI DARUSSALAM ECONOMY


GDP


 Overall Economy (y-o-y growth) **+0.8%**


 Oil & Gas (y-o-y growth) **-5.0%**

 Non-Oil & Gas (y-o-y growth) **+6.2%**

PRICES


 Overall Prices (y-o-y growth) **+1.0%**


 Food (y-o-y growth) **+4.4%**

 Non-Food (y-o-y growth) **+0.2%**


MERCHANDISE TRADE


 Total Trade (BND Million) **6,142.0**

 Exports (BND Million) **3,890.0**

 Imports (BND Million) **2,252.0**

FISCAL

 Fiscal Balance (BND Million) **-610.4**

 Revenue (BND Million) **1,113.4**

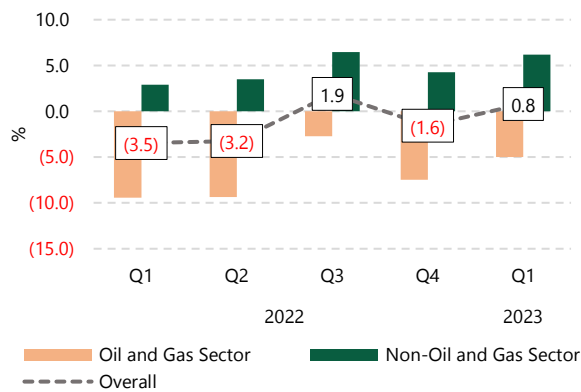
 Expenditure (BND Million) **1,743.8**

Gross Domestic Product (GDP)

Overview

Brunei Darussalam's economy began the first quarter of 2023 (Q1 2023) with a positive growth of 0.8 per cent year-on-year (y-o-y). The modest upturn was due to a sustained growth in the Non-Oil and Gas Sector by 6.2 per cent, offsetting the prolonged decline in the Oil and Gas Sector by 5.0 per cent (**Exhibit 1**).

Exhibit 1 : GDP Growth (Q1 2022 – Q1 2023)



Source: Department of Economic Planning and Statistics

Oil and Gas Performance

The decline in the Oil and Gas Sector was mainly owing to a decrease in the production of crude oil, natural gas, and liquefied natural gas (LNG) (**Table 1**) following the impact of the COVID-19 pandemic which has caused delays in exploration, development, production, and rejuvenation work.

Table 1 : Production of Crude Oil, Natural Gas and LNG (Q1 2022 & Q1 2023)

	Q1 2022	Q1 2023
Crude Oil (Thousand barrels /day)	101.6	91.1
Natural Gas (Million m ³ /day)	29.8	29.0
LNG (MMBtu/day)	758,016	718,862

Source: Energy Department, Prime Minister's Office

Non-Oil and Gas Performance

The expansion of the Non-Oil and Gas Sector was supported by positive growths recorded in several subsectors (**Table 2**).

Table 2 : Growth of Selected Non-Oil & Gas Sectors (Q1 2023)

	Growth (%)
Finance	71.7
Transportation	42.2
Restaurants	14.3
Other Manufacturing	11.2
Communication	5.6
Wholesale and Retail Trade	(0.7)
Electricity and Water	(4.7)
Construction	(7.8)
Agriculture, Forestry and Fishery	(7.8)
Manufacture of Petroleum & Chemical Products	(8.6)

Source: Department of Economic Planning and Statistics

The Finance Subsector registered a double-digit growth, mainly attributed to an increase in income from banking activities. In particular, this was mainly driven by higher interest income from placement investments abroad amid a high global interest rate environment.

Meanwhile, the Transportation Subsector also registered a substantial growth, fueled by the air transport activity. In particular, the improvement was in parallel with an increase in the number of arrivals and departures of air passengers (**Table 3**), buoyed by the full lifting of pandemic- and travel-related restrictions.

Table 3 : Air Arrivals and Departures (Q1 2022 & Q1 2023)

	Q1 2022	Q1 2023
Arrivals	10,735	111,781
Departures	13,477	95,358

Source: Department of Immigration

As for the Restaurants Subsector, its growth upturn was primarily attributed to the lifting of dine-in capacity limitations, in contrast to Q1 2022 when such restrictions were still intact. The positive growth was also supported by higher food and beverages services volume recorded in Q1 2023 compared to Q1 2022 (**Table 4**).

Table 4 : Quarterly Food and Beverages Index Sales Volume Index, Weight and Growth Rate by Activity (2019 = 100), Q1 2023

	Weights	% Growth (Q1 2022/Q1 2023)
Restaurants	6,243	14.6
Fast-Food Outlets	1,668	17.6
Catering Service Activities	923	43.9
Other Food Service Activities	895	(10.6)
Beverage Serving Activities	271	(5.8)
Total	10,000	12.7

Source: Department of Economic Planning and Statistics

As for the Other Manufacturing Subsector, its progress was underpinned by an increase in steel manufacturing activities.

Elsewhere, the positive development of the Communication Subsector was in line with the increase in the number of internet subscribers, particularly fixed broadband subscribers from residential and business/government (Table 5).

Table 5 : Internet Subscribers (Q1 2022 & Q1 2023)

	Q1 2022	Q1 2023	Growth (%)
Fixed Broadband	85,456	92,494	8.2
Mobile Broadband	541,746	539,863	(0.4)
Overall Subscribers	627,202	632,357	0.8

Source: Authority for Info-communications Technology Industry

On the other hand, several subsectors registered negative growths as follows:

- The Wholesale and Retail Trade Subsector, in line with the decrease in retail sales volume, particularly for Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialised Stores; Computer and Telecommunications Equipment; and Watches and Jewellery (Table 6).
- The Electricity and Water Subsector mainly due to a decrease in the production of electricity in line with the decrease in the electric consumption across government, domestic and commercial activities.
- The Construction Subsector, in line with the decrease in both development expenditure as well as import of construction materials.
- The Agriculture, Forestry, and Fisheries Subsector experienced a contraction mainly due to lower production in the both the agriculture and fishery segments. In particular, the fishery segment

Table 6 : Quarterly Retail Sales Volume Index, Weight and Growth Rate by Activity (2019 = 100), Q1 2023

	Weights	% Growth (Q1 2022/Q1 2023)
Department Store	2,576	(4.8)
Supermarket	1,711	(5.5)
Mini Mart	271	(1.1)
Food and Beverages in Specialised Stores	200	7.3
Petrol Station	1,192	22.3
Computer & Telecommunications Equipment	593	(23.1)
Textiles, Wearing Apparel & Footwear	373	8.8
Hardware, Paints and Glass in Specialised Stores	607	(8.6)
Furniture & Household Equipment	326	2.9
Electrical Household Appliances and Lighting Equipment in Specialised Stores	586	(10.3)
Books, Newspapers and Stationery in Specialised Stores	137	(9.2)
Recreational Goods	186	(9.6)
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	227	(26.3)
Watches & Jewellery	355	(20.1)
Others	659	(5.8)
Total	10,000	(4.9)

Source: Department of Economic Planning and Statistics

declined due to decreased production in the capture industry caused by unfavourable weather conditions, shortage of crew with technical capabilities handling fish vessels, changing fishing gear as well as revoked operating licenses of several vessels and also a decline in the number of small-scale fishermen from 6,213 people to 1,715 people. As for the aquaculture industry, it also experienced a downturn, especially prawn production due to diseases. Meanwhile, the performance of the agriculture segment was hampered by a reduction in the production of vegetables and paddy. In particular, the lower production of vegetables was mainly due to labour shortages and flood while paddy production was among others, affected by pest and diseases and high cost of input materials such as fertilisers.

- As for the Manufacture of Petroleum and Chemical Products Subsector, its growth was mainly undermined by a decrease in the production of petrochemicals due to maintenance activities, which are scheduled to be carried out every three (3) to four (4) years. Despite the downturn, methanol and urea fertilizer registered higher volumes of production compared to the same period of the prior year (**Table 7**).

Table 7 : Production of Petrochemical Products, Methanol and Urea (Q1 2022 & Q1 2023)

	Q1 2022	Q1 2023
Petrochemical Products (Tonnes)	1,950,391	1,639,608
Methanol (Metric Tonnes)	154,956	178,477
Urea (Metric Tonnes)	58,649	230,941

Source: Energy Department, Prime Minister's Office

GDP by Expenditure

By expenditure approach, the increase in GDP growth in Q1 2023 was due to an increase in the Household Final Consumption Expenditure by 24.2 per cent. However, the increase was moderated by a decrease in Gross Capital Formation by 5.7 per cent, Government Final Consumption Expenditure by 5.1 per cent, and Exports of Goods and Services by 4.1 per cent, mainly the export of mineral fuels (**Table 8**).

Table 8 : GDP by Expenditure (Q1 2023)

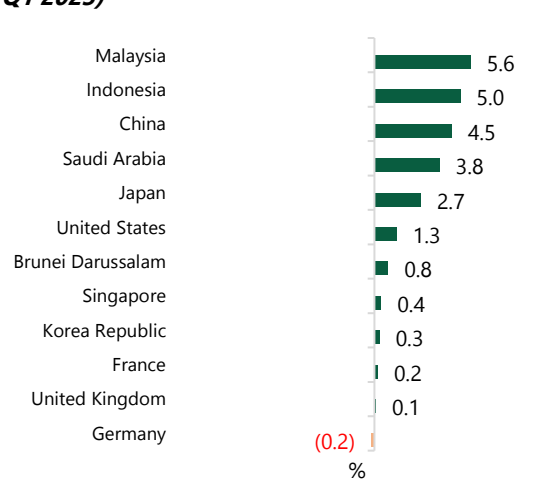
	Q1 2022 (BND Million)	Q1 2023 (BND Million)	Growth (%)
Government Final Consumption Expenditure	1,290.3	1,224.8	(5.1)
Household Final Consumption Expenditure	1,282.8	1,593.4	24.2
Gross Capital Formation	1,121.4	1,057.6	(5.7)
Exports of Goods and Services	3,635.2	3,486.4	(4.1)
GDP	4,621.1	4,657.5	0.8

Source: Department of Economic Planning and Statistics

Selected Global GDP Developments

Among the major economies in the world, the United States, China and Japan reported positive growth rates in Q1 2023 (**Exhibit 2**).

Exhibit 2 : GDP Growth of Selected Countries (Q1 2023)



Source: Organisation for Economic Co-operation and Development (OECD), General Authority for Statistic, Department of Statistics Malaysia and Ministry of Trade & Industry Singapore.

In Q1 2023, the U.S economy registered a growth of 1.3 per cent, softening from the 2.6 per cent growth posted in the prior quarter. The slowdown in growth was due to a decline in private inventory investment and a deceleration in non-residential fixed investment. Robust consumer spending, which accounts for about two-thirds of economic output, helped fuel the first

quarter's growth, along with strong government outlays¹.

China's economy expanded 4.5 per cent in Q1 2023, marking the highest growth since the first quarter of last year. In terms of economic contribution by industry, the services industry registered the highest growth, up 5.4 per cent as the economy ended its zero-Covid policy. As such, China's index of services production rose 9.2 per cent led by accommodation, catering, and information technology services in March². Meanwhile, the primary industry grew 3.7 per cent and the manufacturing industry grew 3.3 per cent³. Elsewhere, Japan's economy expanded by 2.7 per cent in Q1 2023 as a post-pandemic pickup in domestic spending and company restocking helped offset the hit to exports from slowing global demand⁴.

Moving to the ASEAN region, Singapore's economy pocketed a 0.4 per cent y-o-y growth in Q1 2023. Among the key growth contributors include the construction sector, supported by expansions in both public and private sector construction output; transportation & storage sector, supported by robust growth in the air transport segment; information & communications sector, supported by continued strong demand for IT and digital solutions; while the accommodation sector expanded on account of a strong recovery in international visitor arrivals⁵.

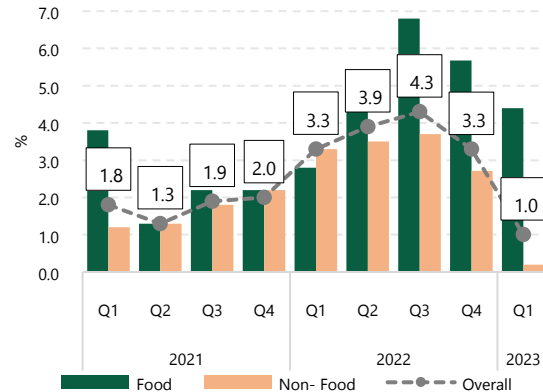
Meanwhile, Malaysia's economy expanded by 5.6 per cent y-o-y with the growth underpinned by broad based growth across all sectors especially services and manufacturing. The economic expansion was mainly driven by domestic demand, with further improvement in the labour market and continued expansion in wages supporting private consumption⁶.

Consumer Price Index

Overview

In Q1 2023, the Consumer Price Index (CPI) rose 1.0 per cent y-o-y compared to Q1 2022. The increase was contributed by the Food and Non-Food Indexes by 4.4 per cent and 0.2 per cent, respectively (**Exhibit 3**).

Exhibit 3 : Consumer Price Index
 (% Growth y-o-y), Q1 2021 – Q1 2023



Source: Department of Economic Planning and Statistics

Food Prices

The increase in the Food Index in Q1 2023 was associated with the rise in the following selected sub-indices:

- Meat prices increased by 7.6 per cent, primarily Chicken Meat (6.9 per cent). The surge was mainly attributable to the rising cost of chicken feed (**Table 9**) caused by rising soybean prices mainly due to shortage of supply from the leading exporters, Brazil and Argentina, as they have been experiencing adverse weather conditions⁷.

Table 9 : Average Price of Chicken Feed (BND/MT)

	Q1 2022	Q1 2023
Chicken Feed (BND/MT)	960.43	1,029.23

Source: Ministry of Primary Resources & Tourism.

- Rice & Cereals increased by 6.7 per cent, which was in line with the rise in raw material prices for biscuit and cookies products.
- The rise in the price of Fish and Seafood by 4.0 per cent was mainly due to the continuous increasing trend in the price of canned sardines/mackerel (15.2 per cent) (**Exhibit 4**).

¹ The US economy grew faster in the first quarter than previously reported (May 25, 2023). *CNN Business*.

² China's economy grew 4.5% in the first quarter, the fastest pace in a year (April 17, 2023). *CNBC*.

³ China's Economy in 2023: GDP Grew by 4.5% in Q1 (April 18, 2023). *China's National Bureau of Statistics*.

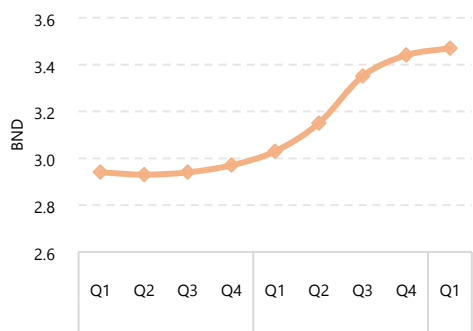
⁴ Japan upgrades Q1 GDP as business spending picks up (June 8, 2023). *Reuters*.

⁵ Singapore's GDP grew by 0.1 per cent in Q1 2023 (April 14, 2023). *Ministry of Trade and Industry Singapore*.

⁶ Media Release : Economy Achieves Growth of 5.6% in Q1 2023 (May 12, 2023). *Ministry of Finance Malaysia*.

⁷ Market Monitor (March 02, 2023). *Agriculture Market Information System (AMIS)*.

Exhibit 4 : Price of Canned Sardines/Mackerel (BND/Kg)



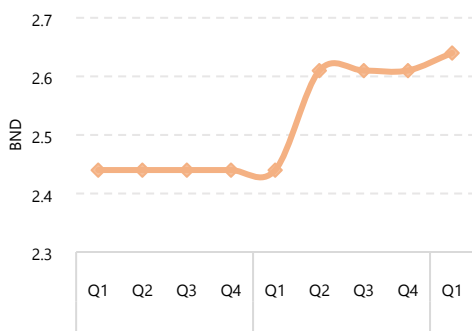
Source: Department of Economic Planning and Statistics

Non-Food Prices

The Non-Food Index showed a minimal increase of 0.2 per cent, mainly attributed to the rise in several of its sub-indices:

- Restaurants and Hotels registered an increase by 4.3 per cent as both contract catering services and accommodation services registered an increase.
- Housing, Water, Electricity, Gas and Other Fuels increased by 1.3 per cent following the rise in the materials for the maintenance and repair of the dwelling which in line with the cost of roofing materials (**Exhibit 5**).

Exhibit 5 : Average Price of Roofing Materials (BND/Sq. Ft)



Source: Department of Economic Planning and Statistics

- Miscellaneous Goods and Services rose by 1.1 per cent, mainly contributed by vehicle insurance.

Selected Global CPI Developments

Table 10 : Selected Countries Consumer Price Index, Q1 (January - March) 2023

% Changes	Q1 2022 / Q1 2023	
	Overall	Core
Singapore	6.1	5.4
Indonesia	5.2	3.1
Malaysia	3.6	3.9
Philippines	8.3	7.7
United Kingdom	10.2	6.2
United States	5.0	5.6

Sources: Countries CPI Data Statistics

Singapore's inflation rate continued to experience a significant increase in Q1 2023 of 6.1 per cent y-o-y compared to 4.6 per cent in Q1 2022, which was influenced by a surge in food prices, particularly in categories such as meat, bread & cereals, and fish & seafood. Additionally, for the non-food, it contributed by the rise in clothing and footwear prices due to more expensive ready-made garments and footwear; and housing and utilities due to the increased cost of accommodation and electricity⁸.

As for Indonesia, its inflation rate registered a further upward trend to 5.2 per cent in the first quarter of 2023 as compared to previous year in 2022, with an increase of 2.3 per cent⁹, primarily contributed by the rise in food such as rice and cooking oil as a result of increased demand ahead of Ramadhan and Eid Mubarak celebrations.

In addition, Malaysia recorded a higher inflation rate of 3.6 per cent in Q1 2023 compared to a 1.7 per cent in Q1 2022, owing to the rise in the average price of Unleaded petrol RON97 and, chicken prices due to the higher ceiling price¹⁰.

Meanwhile, the inflation rate for the Philippines in Q1 2023 was 8.3 per cent, up from a 3.3 per cent increase in Q1 2022¹¹. The main contributor to this increase was alcoholic beverages and tobacco due to the ongoing rise in sin taxes. Additionally, the rise in food and non-alcoholic beverages prices was due to supply disruptions, compounded by the impact of sugar tax.

⁸ Singapore Consumer Price Index (March 2023). Department of Statistics Singapore.

⁹ Consumer Price Index (March 2023). Badan Pusat Statistik (BPS), Indonesia.

¹⁰ Consumer Price Index (March 2023). Department of Statistics Malaysia.

¹¹ Summary inflation report consumer price index (2018=100): March 2023 (April 05, 2023). Philippine Statistics Authority.

Furthermore, the elevated prices of oil and coal influenced the cost of electricity, gas and other fuels¹².

The United Kingdom (UK) also experienced higher inflation rate of 10.2 per cent mainly due to upside surprise concentrated in core goods (excluding energy) and food prices¹³.

International Merchandise Trade

Overview

Brunei Darussalam's trade balance remained in surplus, amounting to BND1,638.0 million in Q1 2023. Meanwhile, the total trade was down to BND6,142.0 million from BND6,989.7 million in the previous year (**Exhibit 6**). The decline was attributed to a decrease in exports and imports by 12.0 per cent and 12.4 per cent, respectively.

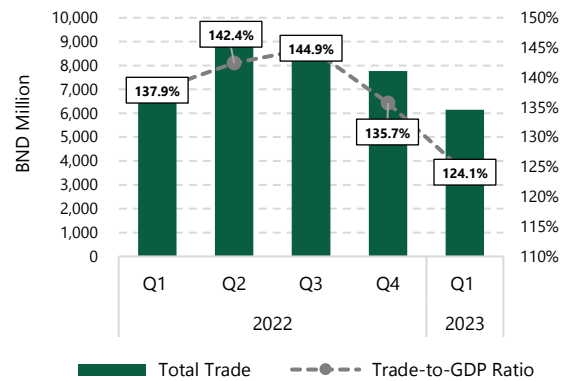
Exhibit 6 : Trade Statistics (Q1 2022 – Q1 2023)



Source: Department of Economic Planning and Statistics

As a percentage of GDP, total trade declined to 124.1 per cent from 137.9 per cent in the same quarter of 2022¹⁴, which is still a high ratio compared to some ASEAN countries such as the Philippines¹⁵ and Thailand¹⁶ (**Exhibit 7**).

Exhibit 7 : Trade-to-GDP Ratio (Q1 2022 – Q1 2023)



Source: Estimates by Department of Planning, Department of Economic Planning and Statistics

Exports Development

Brunei Darussalam's total exports in Q1 2023 amounted to BND3,890.0 million, decreasing from BND4,420.0 million in Q1 2022 (**Table 11**). This was largely caused by the fall in exports of downstream petrochemical products (**Table 15**).

Table 11 : Exports (Q1 2022 & Q1 2023)

	Q1 2022 (BND Million)	Q1 2023 (BND Million)	Change (BND Million)
Domestic Exports	4,341.2	3,802.5	(538.7)
Re-Exports	78.7	87.5	8.8
Total Exports	4,420.0	3,890.0	(530.0)

Source: Department of Economic Planning and Statistics

Oil and gas commodities accounted for 48.1 per cent of the total exports, while non-oil and gas exports accounted for 51.9 per cent.

In Q1 2023, oil and gas exports increased by 9.9 per cent owing primarily to an increase in LNG export in response to a rise in export volume and price. On the other hand, the value of crude oil export fell as a result of a decline in oil prices, while export volumes increased (**Table 12, 13 & 14**).

¹² High inflation in the Philippines could be due to dynamic domestic economy (April 24, 2023). *BusinessWorld*.

¹³ Monetary Policy Report (May, 2023). Bank of England.

¹⁴ The trade-to-GDP ratio indicates a country's openness or integration in the global economy. The ratio measures domestic producers' reliance on foreign

markets (export) as well as domestic demand's reliance on foreign supply of goods and services (import).

¹⁵ Philippines Statistics Authority.

¹⁶ National Statistic Office Thailand and Office of the National Economic and Social Development Council.

Table 12 : Exports Value of Crude Oil and LNG (Q1 2022 & Q1 2023)

	Q1 2022 (BND Million)	Q1 2023 (BND Million)	Change (BND Million)
Crude Oil	635.8	612.2	(23.7)
LNG	1,064.2	1,257.0	192.8
Total	1,700.1	1,869.2	169.1

Source: Energy Department, Prime Minister's Office

Table 13 : Exports Volume of Crude Oil and LNG (Q1 2022 & Q1 2023)

	Q1 2022	Q1 2023
Crude Oil (Thousand barrels per day)	50.19	59.42
LNG (MMBtu per day)	732,357	744,388

Source: Energy Department, Prime Minister's Office

Table 14 : Prices of Crude Oil and LNG (Q1 2022 & Q1 2023)

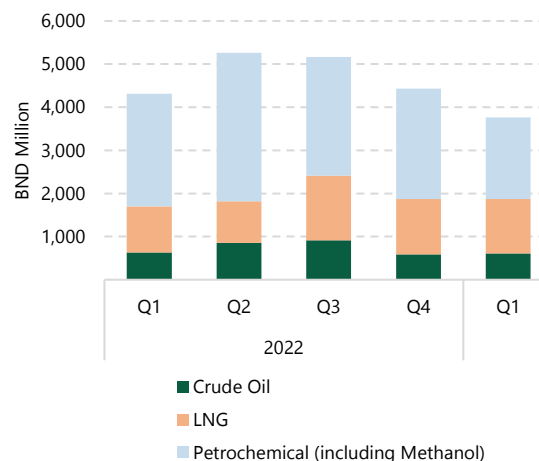
	Q1 2022	Q1 2023
Crude Oil (USD/barrel)	104.17	85.84
LNG (USD/MMBtu)	11.93	13.68

Source: Energy Department, Prime Minister's Office

The petrochemical industry however, declined to BND1,895.0 million in Q1 2023 from BND2,613.5 million in Q1 2022 (**Exhibit 8 & Table 15**). This was attributed to maintenance activities from Hengyi Industries beginning March, where production was adversely affected resulting in a significant drop in their exports. Consequently, imports of mineral fuels for feedstock also fell to record lows that month.

Meanwhile, other domestic exports value increased to BND38.3 million in Q1 2022 compared to BND27.6 million in Q1 2023, mainly contributed by a rise in the export of manufactured goods. Steel products were the major contributor to the increase of manufactured goods, entirely to the USA, meanwhile food was contributed mainly by shrimp products, largely to China, Taiwan, Japan and Australia. Notably, Brunei Darussalam continued to export eggs to Singapore this quarter totalling 44.7 tonnes, rising from the previous quarter in Q4 2022 totalling 1.0 tonnes.

Exhibit 8 : Domestic Exports (Q1 2022 – Q1 2023)



Source: Department of Economic Planning and Statistics

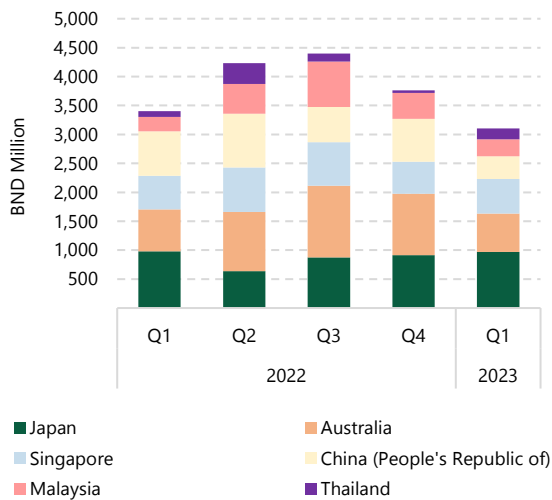
Table 15 : Domestic Exports (Q1 2022 & Q1 2023)

	Q1 2022 (BND Million)	Q1 2023 (BND Million)	Change (BND Million)
Crude Oil and LNG	1,700.1	1,869.2	169.1
Petrochemical Products	2,613.5	1,895.0	(718.5)
Others	27.6	38.3	10.7
Total	4,341.2	3,802.5	(538.7)

Source: Department of Economic Planning and Statistics

During this period, Japan regained the top export trading partner, with LNG as the main export commodity (**Exhibit 9**). This was followed by Australia, which imports our mineral fuels, primarily automotive fuels and crude oil. Exports to Singapore came in third, with exports comprising mainly of various mineral fuels such as automotive fuels.

**Exhibit 9 : Domestic Exports (Top 6 Destinations)
Q1 2022 – Q1 2023**



Source: Department of Economic Planning and Statistics

Imports Development

Brunei Darussalam's total imports in Q1 2023 decreased to BND2,252.0 million from BND2,569.7 million in Q1 2022. The decline was primarily due to mineral fuels, mainly used as feedstock for the petrochemical industry. For this quarter, most import commodities showed a decline except for chemicals, food and beverages, machinery and transport equipment as well as miscellaneous transactions which recorded a growth (Table 16).

**Table 16 : Imports by Commodity
(Q1 2022 & Q1 2023)**

	Q1 2022 (BND Million)	Q1 2023 (BND Million)	Change (BND Million)
Food	182.4	199.0	16.6
Mineral Fuels	1,651.9	1,220.8	(431.1)
Machinery & Transport Equipment	282.8	296.5	13.7
Chemicals	168.6	288.4	119.8
Manufactured Goods	135.0	113.5	(21.4)
Beverages and Tobacco	18.4	19.8	1.4
Animal Vegetable Oils and Fats	8.4	7.7	(0.8)

Miscellaneous Manufactured Articles	109.2	96.7	(12.5)
Miscellaneous Transactions	2.2	3.9	1.7
Crude Materials, Inedible	10.9	5.8	(5.1)
Total	2,569.7	2,252.0	(317.7)

Source: Department of Economic Planning and Statistics

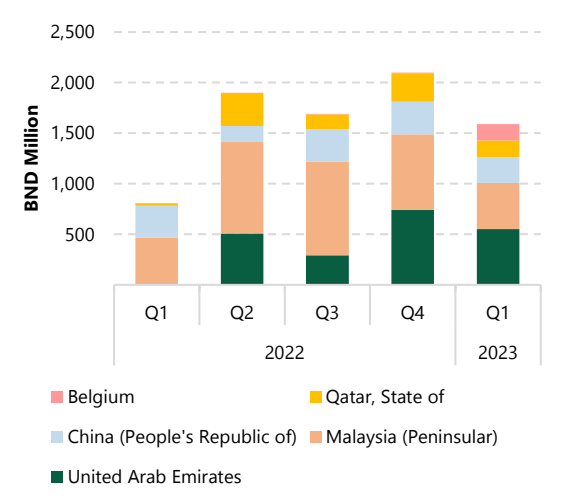
In terms of import origins, the United Arab Emirates (UAE) was the leading import market with a total value of BND550.6 million, primarily due to crude oil imports, surpassing overall imports from Malaysia, shifting them to second place with a total value of BND458.2 million. Large UAE crude oil imports serve as feedstock for the petrochemical industry (Exhibit 10).

Malaysia remains an important trade partner as imports primarily consisted of not just mineral fuels (50.7 per cent), which are used as petroleum oil by the petrochemical industry; but also, food items (20.8 per cent), including feedstocks, aquaculture, fruits, and other various food products. Most of Brunei Darussalam's food imports continues to be sourced from Malaysia, accounting for 48.0 per cent of the total food imports in Q1 2023. Due to the nature of food as a perishable product, importing food from a nearby bordering country such as Malaysia is advantageous. As a result, 52.4 per cent of food imports from Malaysia were transported by land, while 46.7 per cent are transported by sea, and 0.9 per cent was transport by air.

China was the third largest market for imports, with automotive fuels (other motor spirits) by Hengyi Industries comprising the majority of its imports.

Notably, a large import of medical related chemicals was recorded from Belgium this quarter which was a one-time shipment in the final month of the quarter, and is unlikely to continue in the future.

Exhibit 10 : Import Origins (Q1 2022 – Q1 2023)



Source Department of Economic Planning and Statistics

Selected Regional International Merchandise Trade Developments

Overall global trade developments remain strained, where in the first quarter of 2023, most ASEAN countries, experienced negative growth in their total trade (**Table 17**).

Among the other countries, Malaysia achieved positive total trade growth of 3.2 per cent, owing to an increase in exports and imports of 2.8 per cent and 3.7 per cent, respectively. The increase in exports was primarily attributable to petroleum products, while the rise in imports was due to crude petroleum¹⁷.

The decline in Singapore's total trade in the first quarter was due to a decrease in exports and imports by 6.5 per cent and import by 9.2 per cent. Non-oil domestic exports, mainly electronic and non-electronic, contributed to the decline in total exports. Meanwhile, the decrease in the import value was primarily due to a fall in oil imports¹⁸.

Indonesia's total trade recorded a minimal negative growth mainly due to a decline in the import value of consumption products, raw materials, and auxiliary goods. However, increased export value moderated the fall, particularly mining products¹⁹.

Table 17 : Total Trade Growth y-o-y in ASEAN Countries (Q1 2023)

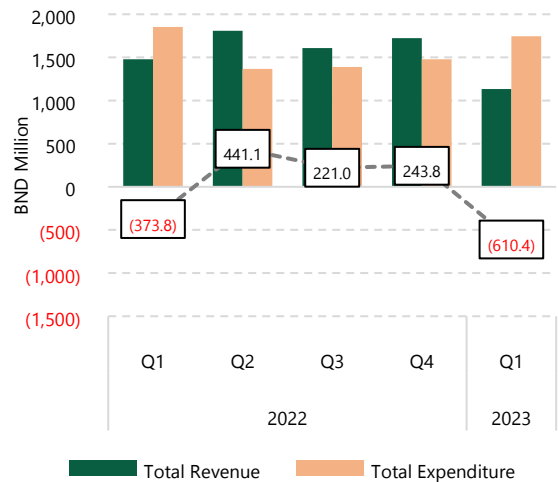
Countries	Q1 2023 (%)
Malaysia	3.2
Singapore	(7.8)
Indonesia	(0.8)
Thailand	(2.5)
Vietnam	(13.3)
Philippines	(7.3)

Source: MATRADE Malaysia, Asian Business Review, Badan Pusat Statistik Indonesia, Trade Policy Strategy Office Thailand, Vietdata, Philippines Statistics Authority

Fiscal

In Q1 2023, Brunei Darussalam recorded a deficit of BND610.4 million, compared to a deficit of BND373.8 million in the same period last year (**Exhibit 11**). This was mainly due to a larger fall in the government revenue by BND345.5 million despite a decrease of expenditure by BND108.9 million.

Exhibit 11 : Fiscal Balance (Q1 2022 – Q1 2023)



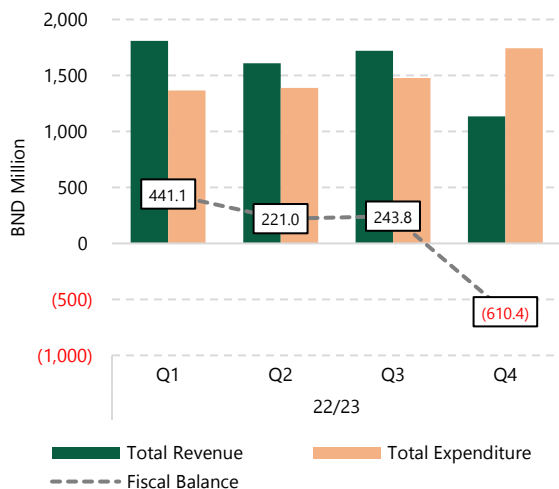
Source: Treasury Department, Ministry of Finance and Economy

¹⁷ Department of Statistic Malaysia.

¹⁸ Ministry of Trade and Industry Singapore.

¹⁹ Bank Indonesia.

Exhibit 12 : Fiscal Balance (FY2022/2023)



Source: Treasury Department, Ministry of Finance and Economy

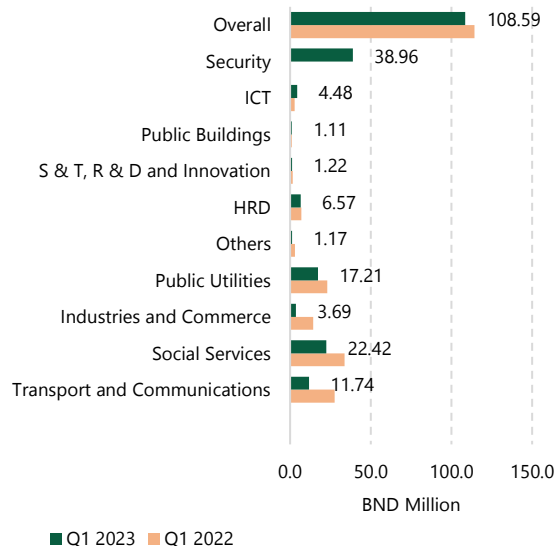
The decline in oil and gas revenue due to low oil prices mainly contributed to the decrease in total government revenue, as oil and gas revenue constitutes a substantial portion to the total revenue which was about 76.8 per cent in Q1 2023. The decline in investments and savings returns further contributed to the overall decrease in government revenue.

The fall in total government expenditure was mainly due to a drop in ordinary expenditure by 4.1 per cent, from BND1,367.2 million in Q1 2022 to BND1,310.6 million in Q1 2023, which was driven by a decline in other charges annual recurrent (OCAR) expenditure by 6.4 per cent. Furthermore, the decline in government expenditure was also driven by a fall in charged expenditure and development expenditure by BND46.5 million and BND5.7 million, respectively.

In Q1 2023, the decline in development expenditure was in line with a significant drop in project expenditure under the Transport and Communications Sector from BND27.6 million to BND11.74 million; and Social Services Sector from BND33.7 million to BND22.4 million during the same period last year. This was in view of major National Development Plan (RKN) projects having neared or seen completion.

Nevertheless, there are other major RKN projects which are currently ongoing that contributed to the increase in development expenditure. Among these are Air Transport Project under the Security Sector and National Registration System under the Info-Communications and Technology Sector (**Exhibit 13**).

Exhibit 13 : Main National Development Plan Sectors Expenditure, Q1 2022 & Q1 2023



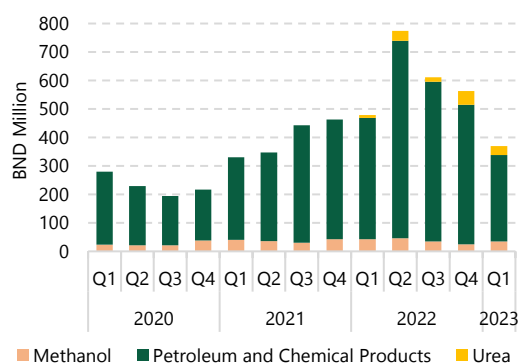
Source: Treasury Department, Ministry of Finance and Economy

Priority Sectors Development

Downstream Oil and Gas

During the first quarter of 2023, the Downstream Oil and Gas Sector faced some challenges that had a detrimental effect on its contribution to Gross Value Added (GVA) at current prices. There was a noticeable decrease in the Downstream Oil and Gas contribution to GVA in 2023 from BND478.8 million in the same quarter of the previous year to BND369.9 million (**Exhibit 14**).

Exhibit 14: Downstream Oil and Gas Sector GVA at Current Prices (Q1 2020 - Q1 2023)



Source: Department of Economic Planning and Statistics

PETROLEUM AND CHEMICAL PRODUCTS

This quarter, there was a contraction in the production of Downstream Oil and Gas, particularly the manufacturing of petroleum and chemical products. The contribution to GVA at current prices valuation stands at BND303.6 million, which is lower than the previous year's Q1 valuation of BND426.0 million.

This decline resulted from the scheduled turnaround activities, which affected the production growth in this subsector. The substantial decrease was highly notable in Jet Fuel, Paraxylene and Isobutane output (Table 18).

Table 18 : Selected Petroleum and Chemical Products

		Q1 2022	Q1 2023
		(Tonnes)	
Production	Jet Fuel	17,636	79
	Paraxylene	350,120	265,601
	Isobutane	43,696	16,334

Source: Energy Department, Prime Minister's Office

METHANOL

On a positive note, the production capacity of methanol has been increasing recently due to an increase in gas supply and fewer unscheduled shutdowns. However, even with the boosted production, the GVA at current prices for Q1 2023 amounted to only BND35.1 million, which is less than the previous year's Q1 at BND42.4 million. This is due to a significant drop in methanol prices in this quarter (Table 19).

Table 19 : Production of Methanol (Q1 2022 & Q1 2023)

		Q1 2022	Q1 2023
		Methanol (Metric Tonnes)	
Production		154,956	178,477
		Methanol (USD/MT)	
Weighted Average Price		358.10	288.14

Source: Energy Department, Prime Minister's Office

UREA

During this quarter, there was a significant increase in urea production compared to the same period last year as the industry was operating at full capacity. The contribution of urea to the Gross Value Added (GVA) at current price amounted to BND31.2 million this quarter, as opposed to BND10.4 million in Q1 of the previous year when production first began (Table 20).

Table 20 : Production of Urea (Q1 2022 & Q1 2023)

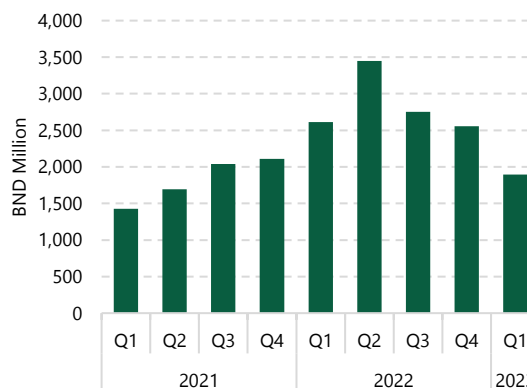
		Q1 2022	Q1 2023
		Urea (Metric Tonnes)	
Production		158,659	230,941

Source: Energy Department, Prime Minister's Office

EXPORTS FROM DOWNSTREAM OIL AND GAS

Meanwhile, for the first quarter of 2023, there was a significant drop in the export value of the Downstream Oil and Gas Sector. The exports fell from BND2,613.5 million recorded in the previous year to BND1,895.0 million. This was in line with the decline in the overall production of downstream oil and gas, particularly petroleum and chemical products (Exhibit 15).

Exhibit 15 : Downstream Oil & Gas Exports, (Q1 2021 – Q1 2023)



Source: Department of Economic Planning and Statistics

In other developments, it is anticipated that there will be a decline in petrochemical production during the upcoming quarter due to ongoing turnaround activities until the end of April 2023²⁰. Similarly, there will be a noteworthy reduction in methanol production,

²⁰Stakeholders briefed on refinery plant turnaround (February 15, 2023). *Borneo Bulletin*.

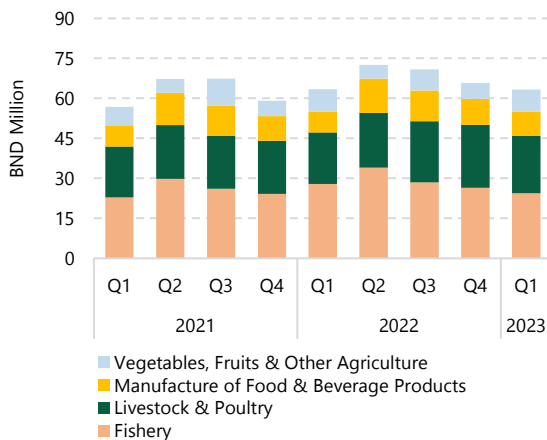
as scheduled turnaround activities are already underway from late April to early June of this year²¹.

On the upside, the expansion of Pulau Muara Besar Complex which is scheduled to become operational by 2028 is expected to increase its oil refinery capacity from 160,000 barrels per day to 280,000 barrels per day²². This expansion is expected to contribute to Brunei's economic growth and recovery from the COVID-19 pandemic.

Food

The Food Sector, which consists of four subsectors, namely Vegetables, Fruits, and Other Agriculture; Livestock and Poultry; Fishery; and Manufacture of Food and Beverage Products contributed BND63.36 million to GVA in Q1 2023, a slight decrease from BND63.45 million in the same quarter of 2022 (**Exhibit 16**).

Exhibit 16 : Food Sector GVA at Current Prices, Q1 2021 – Q1 2023



Source: Department of Economic Planning and Statistics

By subsector, the Vegetables, Fruits, and Other Agriculture Subsector was valued at BND8.3 million at GVA current prices in Q1 2023, compared to BND8.4 million in Q1 2022. The following commodities supported the decline in this subsector:

- Paddy fell from 1,522.2 MT in Q1 2022 to 1,304.6 MT in Q1 2023.
- Vegetables fell from 1,897.4 MT in Q1 2022 to 1,881.3 MT in Q1 2023.

The decline of the commodities was mainly due to unfavorable weather where farmers were affected by flood; labour shortage; increased cost of fertilizers as well as pest and diseases issues.

Other commodities in this subsector, however, showed an increase in production value where Fruits, which increased from 1,207.9 MT in Q1 2022 to 1,292.7 MT in the same quarter of 2023.

In Q1 2023, the Livestock & Poultry Subsector was valued at BND21.6 million at GVA current prices, rising marginally from BND19.3 million in Q1 2022. The improved performance of this subsector emerged from higher production in the following commodities:

- Goat and lamb meat, which rose from 6.3 MT in Q1 2022 to 11.1 MT in Q1 2023.
- Chicken eggs, which rose from 42.6 million eggs in Q1 2022 to 43.7 million eggs in Q1 2023.
- Broilers, which rose from 7,064.0 MT in Q1 2022 to 7,541.9 MT in Q1 2023.

Turning to the Fishery Subsector, it was valued at BND24.4 million at GVA in Q1 2023, decreasing from BND27.9 million in Q1 2022. The decline was due to decreased production in the capture industry caused by unfavorable weather conditions, shortage of crew with technical capability handling fish vessels, changing fishing gear as well as revoked operating licenses of several vessels and also a decline in the number of small-scale fishermen from 6,213 people to 1,715 people. As for the aquaculture industry, it also experienced a downturn, especially prawn production due to diseases (**Table 21**).

Table 21 : Fishery Production in Metric Tonnes (Q1 2022 & Q1 2023)

Capture Industries	Q1 2022	Q1 2023
Commercial Scale	563.98	453.10
Small Scale	3,530.78	3,315.19
Aquaculture Industries	Q1 2022	Q1 2023
Shrimp/Prawn	789.53	530.93

Source: Ministry of Primary Resources and Tourism

²¹Addressing safety issues, concerns with scheduled maintenance works (March 23, 2023). *Borneo Bulletin*.

²² US\$9 billion for expansion of Pulau Muara Besar Complex. (March 8, 2023). *Borneo Bulletin*.

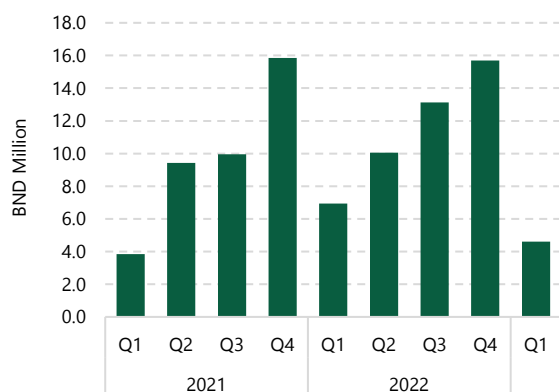
Other commodities in this subsector, however, showed an increase in production value as follows:

- Fish in Cages, which increased from 54.83 MT in Q1 2022 to 68.30 MT in the same quarter of 2023.
- Fresh Water Fish, which increased from 3.72 MT in Q1 2022 to 4.18 MT in Q1 2023.

In Q1 2023, the GVA of the Manufacture of Food & Beverage Subsector increased to BND9.1 million, up from BND7.8 million in Q1 2022. Among others, processed meat under agrifood showed an increase in production.

In terms of the Food Sector's exports, it amounted to BND4.6 million in Q1 2023, down from BND6.9 million in the same quarter of 2022 (**Exhibit 17**). This was in line with the fall in exports of shrimp and prawns, which have been our main domestic food export commodities to China, Taiwan, Japan and Australia.

Exhibit 17 : Food Exports, Q1 2021 – Q1 2023



Source: Department of Economic Planning & Statistics

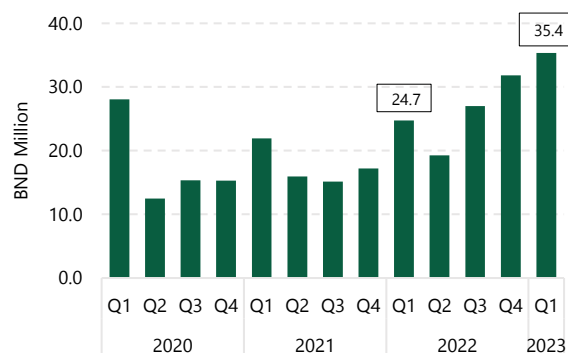
In addition, other initiatives aimed at accelerating the development of the food industry are among others:

- Touching on exports, several agricultural products such as musk melon and fishery items such as shrimp and frozen fish while the latest is the successful exportation of chicken eggs to Singapore for the first time. The Minister of Primary Resources and Tourism said around 300,000 chicken eggs were exported to Singapore on February 1st and this will continue to increase.

Tourism

In the first quarter of 2023, the Tourism Sector recorded another encouraging growth contributing about BND35.4 million at current prices to Gross Value Added (GVA), increasing from BND24.7 million recorded in the same period last year (**Exhibit 18**)²³.

Exhibit 18 : Tourism GVA at Current Prices (Q1 2020 – Q1 2023)

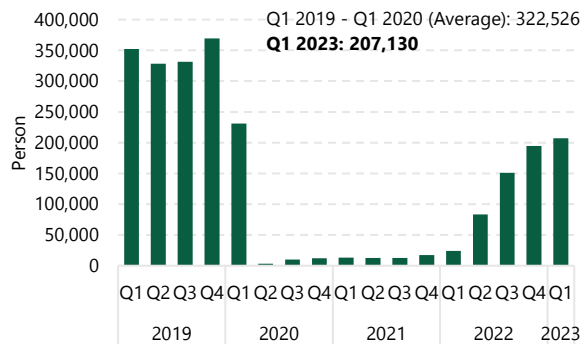


Source: Department of Economic Planning and Statistics

Upon entering the COVID-19 Endemic Phase which subsequently saw the lifting of travel restrictions on June 2022, international tourism has rebounded to pre-pandemic levels, as twice as many people travelled during the first quarter of 2023 than in the same period last year. As such, the number of arrival and departure by air increased from 24,212 persons to 207,139 persons, reaching 60.0 per cent of the pre-pandemic levels (**Exhibit 19**).

²³ The Tourism Sector's GVA comprises the following subsectors: Air Transport, Land Transport, Water Transport, Other Transport Services, Hotels, Restaurants.

Exhibit 19 : Total Air Arrivals and Departure (Q1 2019 – Q4 2022)



Source: Tourism Development Department, Ministry of Primary Resources and Tourism

Correspondingly, the number of international tourist arrivals via air jumped to 1,582 persons upon the Sultanate welcoming the return of cruise tourism with the arrival of the first two international cruises since the lifting of COVID-19 restrictions. The Oceania Nautica and Seven Seas Mariner cruise ships departed from South Africa and Florida respectively²⁴.

On top of that, commercial premises including restaurants, cafés, and food courts have been operating at full capacity, and this was reflected in the improved food and beverages services sales by 17.7 per cent y-o-y in Q1 2023 (Table 22). The increase was in line with the growth of the food and beverages services volume for Restaurants, Fast-food outlets, and Catering services activities.

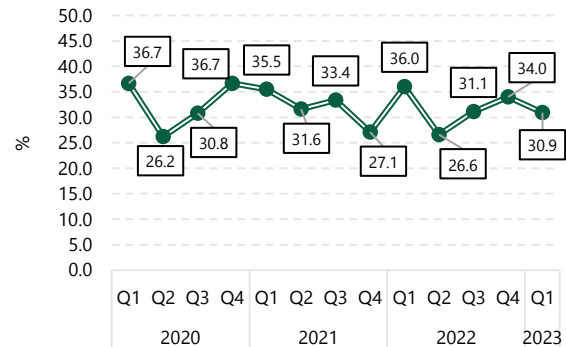
Table 22 : Quarterly Food & Beverages Estimated Value of Sales by Activity (Q1 2023)

	Q1 2022 (BND Million)	Q1 2023 (BND Million)	% Growth (Q1 2023/Q1 2022)
Restaurants	58.8	70.3	19.6
Fast-Food Outlets	16.5	20.3	22.8
Catering Service Activities	3.4	5.1	50.2
Other Food Service Activities	10.7	10.0	(6.7)
Beverage Serving Activities	2.6	2.5	(1.7)
Total	91.9	108.2	17.7

Source: Department of Economic Planning and Statistics

As for the accommodation and hospitality activity, the average occupancy rate marked a decline to 30.9 per cent in Q1 2023 compared to 36.0 per cent in Q1 2022 (Exhibit 20).

Exhibit 20 : Occupancy Rate of Hotels, Resorts, Apartments and Guest Houses (Q1 2020 – Q4 2022)



Source: Ministry of Primary Resources and Tourism

In an effort to revitalise the tourism industry, several initiatives have been introduced. Among others include:

- The Tourism Development Department under the Ministry of Primary Resources and Tourism organised the Brunei Mid-Year Conference and Exhibition 2023 or Brunei MYCE 2023 in June 2023, serving as a platform to invite or attract Meetings, Incentives, Conferences and Events (MICE), especially business travellers to the Sultanate. The Brunei MYCE 2023 has four themes: Islamic, Environment, Technology and Innovation, and Current Affairs which aims to promote local institutions of higher education as centres of excellence and be known regionally and internationally for research and learning²⁵.
- In an effort to foster domestic tourism, the Tourism Development Department promoted the *Kenali Negara Kitani* (KNK) domestic tourism campaign at the Brunei MSME Festival. The packages offered in a bid to kickstart the tourism industry with domestic activities in view of the school holidays²⁶.
- Royal Brunei Airlines (RB) is actively promoting through various initiatives, as such, RB has

²⁴ Brunei welcomes another cruise ship (March 05, 2023). *Borneo Bulletin*.

²⁵ Brunei MYCE to return in June (April 02, 2023) *Borneo Bulletin*

²⁶ Local tourism offers on display (March 17, 2023) *Borneo Bulletin*.

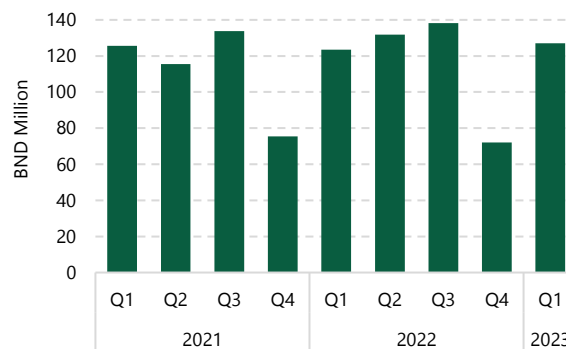
renewed its block-space agreement for flights between Brunei and Hangzhou to provide a seamless and efficient travel experience for Hengyi's employees and business partners. As part of the agreement, the Hangzhou Xiaoshan Ticketing Center will manage the block capacity of RB's flights between Brunei International Airport and Hangzhou Xiaoshan International Airport on behalf of Hengyi Industries²⁷.

- On top of that, RB and Tourism Malaysia have collaborated to introduce the "Hello Kawan" packages for travellers flying to Kuala Lumpur, Kuching, and Kota Kinabalu in Malaysia. These packages include RB's highly renowned flights and affordable hotel and accommodations in Malaysia, in a bid for the two nations to foster cultural exchange, tourism, and economic growth²⁸.
- Ride-Hailing platform Dart Logistics has increased the number of stops for its shuttle service to 50 from 27 initial destinations launched last year, encompassing the capital and the government complexes, and has revised its fare structure to range from \$1 to \$2. The three zones of Dart Shuttle are the City Centre – which includes Gadong, Kiulap, RIPAS and One Riverside; the Capital – which spans from St. Andrews Church to Tarindak; and the newly added government – which covers state buildings along Jln Menteri Besar and extends to ICC and Supa Save²⁹.

Info-Communication & Technology (ICT)

In the first quarter of 2023, the ICT Sector, which consists of 3 subsectors namely, Publishing, Motion picture, video, TV and Radio, Telecommunication and Computer Programming, Consultancy and Information Service Activities contributed BND127.1 million to GVA at current prices, increasing from BND123.5 million recorded in the same quarter of 2022 (**Exhibit 21**)³⁰.

Exhibit 21 : ICT Sector GVA at Current Prices (Q1 2021 – Q1 2023)



Source: Department of Economic Planning and Statistics

Correspondingly, the performance of the overall ICT sector was contributed by:

- Publishing, Motion picture, video, TV, and Radio increased from BND3.7 million to BND5.6 million.
- Telecommunication grew from BND88.1 million to BND90.3 million.
- Computer Programming, Consultancy and Information Service Activities dropped slightly from BND31.7 million to BND31.3 million.

MOBILE AND INTERNET PERFORMANCE

Mobile subscriptions declined slightly by 0.1 per cent from 535,914 in Q1 2022 to 535,232 in Q1 2023, while internet subscriptions increased by 0.8 per cent from 627,205 in Q1 2022 to 632,357 in Q1 2023 (**Exhibit 22**).

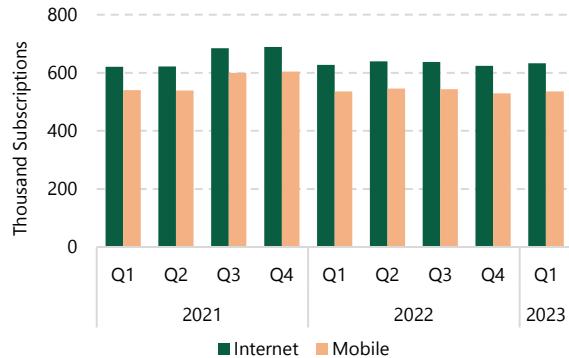
²⁷ RB renews block-space agreement for Brunei-Hangzhou flights (April 29, 2023) *Borneo Bulletin*.

²⁸ Hassle-free travel packages launched (June 25, 2023) *Borneo Bulletin*.

²⁹ Dart Shuttle expands to 50 stops including capital and government complexes (January 25, 2023) *Biz Brunei*.

³⁰ The ICT Sector's GVA comprises the following subsectors: Telecommunication, Computer Programming, Consultancy & Information Services and Publishing, Motion Pictures, Television and Radio.

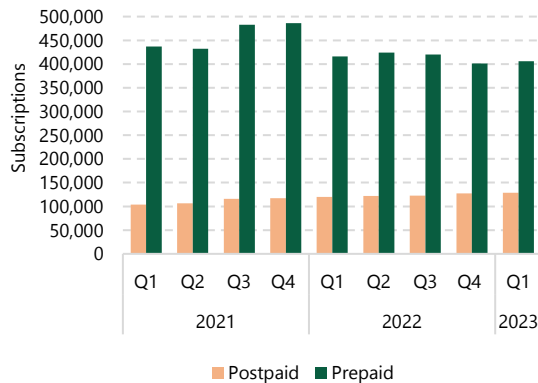
Exhibit 22 : Mobile and Internet Subscriptions (Q1 2021 – Q1 2023)



Source: Authority for Info-Communications Technology Industry (AITI)

With the active promotions by telecommunication companies to promote postpaid plans, there was a shift in consumer preferences towards the plan in which led to a decrease in the number of prepaid mobile subscribers. Postpaid users, on the other hand, increased by 7.7 per cent from 119,742 in Q1 2022 to 129,044 in Q1 2023.

Exhibit 23 : Mobile Subscriptions (Q1 2021 – Q1 2023)

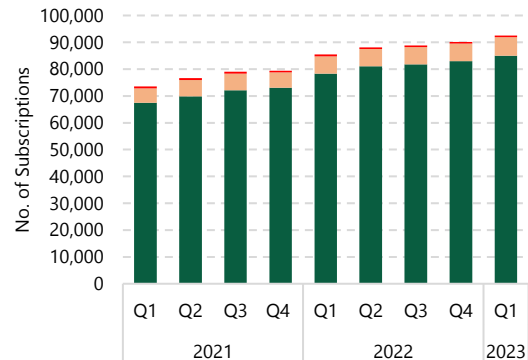


Source: Authority for Info-Communications Technology Industry (AITI)

As for internet subscriptions, there was an increase in the number of fixed broadband subscribers by 8.2 per cent (**Exhibit 24**), attributed by cheaper tariff that led to:

- An increase in residential users from 78,327 in Q1 2022 to 85,016 in Q1 2023; and
- Business/ Government users increased from 6,474 in Q1 2022 to 6,890 in Q1 2023.

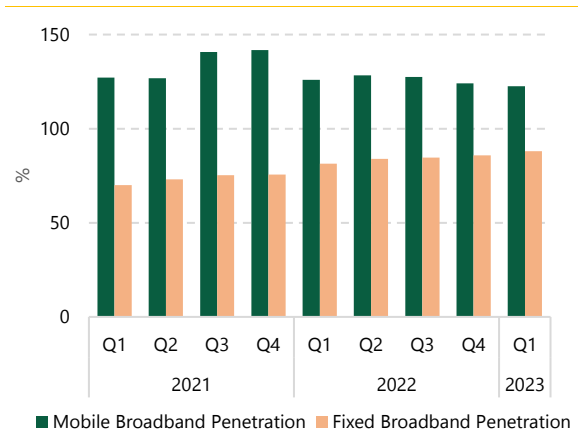
Exhibit 24: Fixed Broadband Subscribers (Q1 2021 – Q1 2023)



Source: Authority for Info-Communications Technology Industry (AITI)

Looking at the penetration rate (**Exhibit 25**), fixed broadband penetration rate climbed from 81.4 per cent in Q1 2022 to 88.1 per cent in Q1 2023 mainly due to active promotion by the telecommunication providers and consumer preference over the fixed broadband.

Exhibit 25 : Mobile and Fixed Broadband Penetration (Q1 2021 – Q1 2023)



Source: Authority for Info-Communications Technology Industry (AITI)

As part of its vision to become a smart nation, Brunei Darussalam is committed to advancing its digital transformation agenda. The country has launched several initiatives to support this objective among which:

- Unified National Networks (UNN) introduced Penetration Testing (PenTest) as a digital solution, where businesses or organisations in Brunei Darussalam can subscribe to UNN's cyber security

packages to mitigate against cyber exploits and protect their digital assets (i.e., customer data, financial and financial information)³¹.

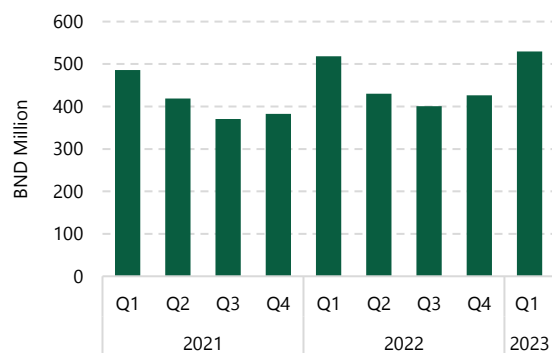
- UNN has continued to improve on its service capability on Cloud Hosting Service which was launched way back in December 2021. With the availability of geographical redundancy capability, customers' data are now protected against single site failure whereby their data is stored in multiple location in Brunei to ensure greater service availability and reliability³².
- Progresif Sdn Bhd has announced a new exclusive partnership with NordVPN, in the effort to combat the rising cases of security breaches and better serve its customers. The partnership aims to empower Progresif customers with the necessary tools to thrive in the digital age, while always maintaining their privacy and security³³.
- UNN signed with Vertiv, a global provider of critical digital infrastructure and continuity solutions, to design and construct its data centre facility in support of the nation's digitization efforts. The signing ceremony took place at UNN Tungku Submarine Landing Station, a 51,000 square feet data centre complex will be situated in Kampong Tungku. The prefab data centre is slated to begin construction in April 2023. Upon completion, UNN's prefab data centre will have the capacity to host data centre and IT services and infrastructure of government and private businesses in Brunei³⁴.
- Multisys Technologies corporation signed a joint intellectual property development and commercialization agreement with DST Sdn Bhd. Under the agreement, the companies will co-develop an end-to-end telco business operation support system as well as fintech and mobile commerce digital platform which will be integrated with five flagship platforms of Multisys³⁵.
- Brunei Darussalam begins a new digital era as the 5th Generation (5G) Mobile Services which are now available nationwide since June 2023. The

significance of this change is to enable used technology to improve the digital landscape as well as economic growth and living standards while promoting sustainable development. Introduction of 5G mobile services also provides potential and opportunities to enhance digitalisation for everyone including individuals, businesses, and communities alike³⁶.

Services

The Services Sector comprising activities of Wholesale & Retail Trade, Business Services, and Transport & Logistics, continue to contribute year-on-year this quarter about BND529.6 million to GVA, compared to BND518.3 million in Q1 2023 (**Exhibit 26**).

Exhibit 26 : Services Sector GVA at Current Prices (Q1 2019 – Q3 2022)



Source: Department of Economic Planning and Statistics

Wholesale and retail trade sector contributed at BND365.5 million, a slight increase compared to BND363.7 million in Q1 2022.

On the other hand, the overall retail sales performance recorded a 4.0 per cent decrease due to a fall in domestic demand in line with the decrease in retail sales volume. The contraction was mainly contributed by Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in specialised stores by 26.3 per cent, followed by sales of Computer and Telecommunications Equipment (21.4 per cent); sales of Watches and Jewellery (21.1 per cent); sales of Electrical Household Appliances and Lighting Equipment in specialized stores (9.5 per cent); and sales at Department Store 4.3 per cent (**Table 23**).

³¹ Protect Against Cyber Attacks by Enhancing Cyber Security Strategy (January 31, 2023), *UNN News*.

³² UNN enhances its Cloud Hosting Service to meet the growing market demands (March 28, 2023), *UNN News*.

³³ Progresif Forms Strategic Alliance with NordVpn (March 8, 2023), *Progresif News*.

³⁴ Unn invests in Eco-efficient data centre infrastructure to meet Brunei's increasing digital needs (March 8, 2023), *UNN News*.

³⁵ Multisys partners with Bruneian firm DST to co-develop a digital platform for telcos (7 March 2023), *Philstar.com*.

³⁶ Brunei Darussalam is 5G-Ready (June 22, 2023), *UNN News*.

Table 23 : Quarterly Retail Estimated Value of Sales by Activity (Q1 2023)

	Q1 2022 (BND million)	Q1 2023 (BND million)	% Growth
Department Store	122.3	117.1	-4.3
Supermarket	78.7	76.3	-3.0
Mini Mart	14.5	14.7	1.4
Food and Beverages in Specialised Stores	6.8	7.7	12.0
Petrol Station	35.6	43.5	22.2
Computer & Telecommunications Equipment	26.8	21.1	-21.4
Textiles, Wearing Apparel & Footwear	15.1	16.2	7.9
Hardware, Paints and Glass in Specialised Stores	26.5	25.8	-2.8
Furniture & Household Equipment	11.9	11.9	-0.3
Electrical Household Appliances and Lighting Equipment in Specialised Stores	28.3	25.6	-9.5
Books, Newspapers and Stationery in Specialised Stores	6.9	6.4	-7.0
Recreational Goods	9.2	8.4	-8.3
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	15.3	11.2	-26.3
Watches & Jewellery	19.8	15.6	-21.1
Others	33.4	31.7	-5.2
Total	451.1	433.2	-4.0

Source: Department of Economic Planning and Statistics

The Transport and Logistics Sector's contribution also showed an increase from BND40.3 million in Q1 2022 to BND50.4 million in Q1 2023. The performance of trade and logistics activities are as follows:

- Seaborne cargo throughput in the country's national port (**Table 24**) increased by 89.5 per cent mainly contributed by the growth of loaded cargo from 19.6 thousand tonnes to 207.0 thousand tonnes in Q1 2023.

Table 24 : Seaborne Volume Cargo Throughput (in Tons)

	Q1 2022	Q1 2023	% Growth
Discharged	216,326	240,133	11.0
Loaded	19,571	206,958	957.5
Total	235,897	447,091	89.5

Source: Ministry of Transport and Info-Communications

- Air cargo throughput (**Table 25**) also showed a positive growth by 31.3 per cent mainly contributed by the growth of transit throughput volume from 0.7 million kg to 2.1 million kg in Q1 2023.

Table 25 : Air Volume Cargo Throughput (in Kg)

	Q1 2022	Q1 2023	% Growth
Inward	2,684,904	2,214,429	-17.5
Outward	533,038	765,930	43.7
Transit	670,449	2,123,460	216.7
Total	3,888,391	5,103,819	31.3

Source: Ministry of Transport and Info-Communication

In terms of trade value, sea trade (**Table 26**) shows a negative growth by 17.9 per cent from BND6.7 billion to BND5.5 billion in Q1 2023. Total trade value through air (**Table 27**) and land (**Table 28**), on the other hand, shows a positive growth by 71.8 per cent and 178.0 per cent respectively.

Table 26 : Trade via Sea

	Q1 2022 (BND million)	Q1 2023 (BND million)	% Growth
Export	4,384.1	3,834.2	-12.5
Import	2,272.2	1,628.4	-28.3
Total	6,656.8	5,462.6	-17.9

Source: Department of Economic Planning and Statistics

Table 27 : Trade via air

	Q1 2022 (BND million)	Q1 2023 (BND million)	% Growth
Export	28.7	52.0	81.1
Import	202.3	344.9	70.5
Total	231.1	396.9	71.8

Source: Department of Economic Planning and Statistics

Table 28 : Trade via land

	Q1 2022 (BND million)	Q1 2023 (BND million)	% Growth
Export	7.1	3.8	-46.3
Import	94.4	278.6	195.0
Total	101.6	282.4	178.0

Source: Department of Economic Planning and Statistics

In terms of freight by transport medium in Q1 2023, goods exported via air were mainly various machinery parts. Imports of medicaments, however, is the largest in terms of a single commodity type (**Table 29**).

As for sea freight, mineral fuels and chemicals accounted for a large share of the exported goods while imports through sea were mainly comprised of mineral fuels and various manufactured goods.

Meanwhile for land freight, various manufactured goods including tubes, pipes and metal piling had been exported. Imports, on the other hand, comprised of animal feed and various manufactured goods such as cement bricks.

Yang Di-Pertuan of Brunei Darussalam signed an Air Services Agreement with the Government of Malaysia. The modernisation of the Air Services Agreement is intended to ensure that commercial air transport services in both countries can be implemented liberally and in accordance with the most recent International Civil Aviation Organisation (ICAO) standards and guidelines, including regulations and legislation in both countries. It also increases air connectivity and creates chances for collaboration between selected airlines and destinations in both countries³⁸.

Table 29 : Main Exports and Imports in Weight/Volume by Transport Medium (Q1 2023)

	<i>Main Exports</i>	<i>Main Imports</i>
Air	Various Machinery Parts	Medicaments
Sea	Mineral Fuels and Chemicals	Mineral Fuels; Various Manufactured Goods
Land	Various Manufactured Goods	Various Manufactured Goods; Animal Feed

Source: Department of Economic Planning and Statistics

The following initiatives and future plans will help to grow our service sectors:

- A contract was officially signed between Anson International Sdn Bhd and Petrofac South East Asia (B) Sdn Bhd, which covers the provision of project management services for the construction of the marine maintenance yard and decommissioning yard on Pulau Muara Besar. With a total allocated area of 11 hectares, the yard will provide a safe and self-sustaining world-class facility addressing the marine and decommissioning needs of Brunei and the wider Asia-Pacific region³⁷.
- In Langkawi, Malaysia, the Government of His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and

³⁷ Contract inked on Marine maintenance, decommissioning yard (May 20, 2023), *Borneo Bulletin*.

³⁸ Improved Brunei-Malaysia connectivity with renewed Air Service Agreement (May 25, 2023), *Borneo Bulletin*.