



BRUNEI DARUSSALAM KEY ECONOMIC DEVELOPMENTS

SECOND QUARTER | Q2 2023



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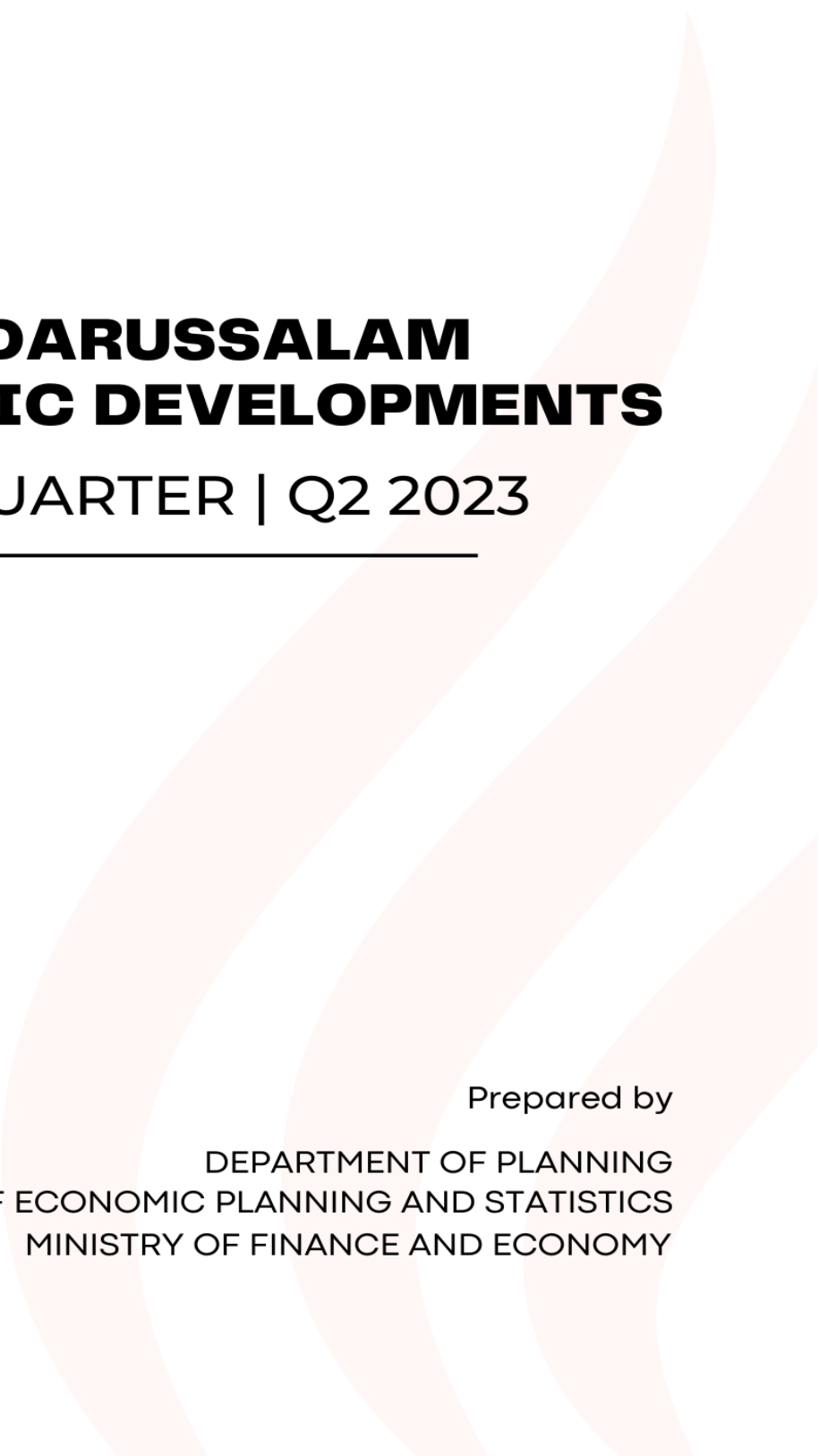


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MAIN INDICATORS OF

THE BRUNEI DARUSSALAM ECONOMY

GDP


 Overall Economy (y-o-y growth) **-3.1%**


 Oil & Gas (y-o-y growth) **-10.7%**

 Non-Oil & Gas (y-o-y growth) **4.3%**


PRICES

 Overall Prices (y-o-y growth) **+0.4%**

 Food (y-o-y growth) **+2.6%**

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


MERCHANDISE TRADE

 Total Trade (BND Million) **4,962.9**

 Exports (BND Million) **2,739.2**

 Imports (BND Million) **2,223.7**

FISCAL

 Fiscal Balance (BND Million) **-580.9**

 Revenue (BND Million) **635.0**

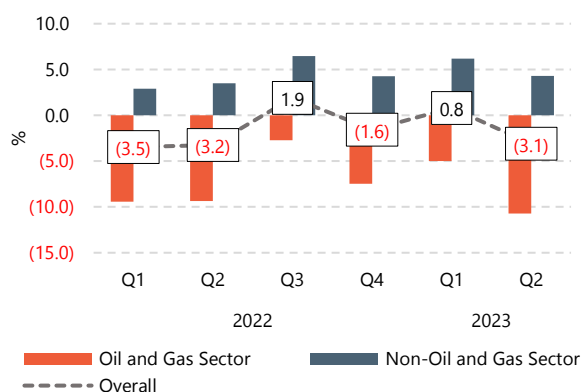
 Expenditure (BND Million) **1,216.0**

Gross Domestic Product (GDP)

Overview

In the second quarter (Q2) of 2023, the Non-Oil and Gas Sector continued to grow by 4.3 per cent. Meanwhile, the Oil and Gas Sector recorded a significant decline of 10.7 per cent which resulted in the negative growth of Brunei Darussalam's GDP by 3.1 per cent compared to the previous year (**Exhibit 1**).

Exhibit 1 : GDP Growth (Q1 2022 – Q2 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 scheduled and unscheduled maintenance activities.

Table 1 : Production of Crude Oil, Natural Gas and LNG (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Crude Oil (Thousand barrels /day)	94.5	78.0
Natural Gas (Million m ³ /day)	27.3	23.9
LNG (MMBtu/day)	685,438	586,865

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 growth recorded in several subsectors (**Table 2**).

Table 2 : Growth (% y-o-y) of Selected Non-Oil & Gas Sectors (Q2 2023 & H1 2023)

	Q2 2023	H1 2023
Finance	79.9	75.5
Other Manufacturing	34.2	25.7
Construction	27.9	11.7
Transportation	14.5	26.9
Restaurants	12.5	13.4
Fishery	6.7	(3.7)
Business Services	5.2	2.6
Electricity & Water	1.3	(1.1)
Communication	(0.9)	2.2
Wholesale and Retail Trade	(1.7)	(1.2)
Manufacture of Petroleum & Chemical Products	(33.6)	(20.4)

Source: Department of Economic Planning and Statistics

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

The improved growth of the Construction Subsector was in parallel with an increase in the development expenditure, among which are mainly in the Security and Public Utilities sectors.

The Other Manufacturing Subsector also gained in this quarter, among others backed by increased cement and steel manufacturing activities. In particular, the latter was in view of higher exports of steel-related products recorded in this quarter mainly to the United States.

The Transportation Subsector registered substantial growth, fueled by the air transport activity. The improvement was due to an increase in the number of air passengers arriving and departing (**Table 3**), facilitated by the full lifting of pandemic and travel-related restrictions, allowing for a gradual return to normal operations. As such, total flight frequency per week recorded an increase from an average of 22 in Q2 2022 compared to 70 in Q2 2023.

**Table 3 : Air Arrivals and Departures
(Q2 2022 & Q2 2023)**

	Q2 2022	Q2 2023
Arrivals (Persons)	39,094	99,280
Departures (Persons)	44,251	97,332

Source: Department of Immigration, Ministry of Home Affairs

As for the Restaurants Subsector, its growth upturn was supported by higher sales volume of food and beverages services (**Table 4**).

**Table 4 : Quarterly Food and Beverages Sales
Volume Index, Weight and Growth Rate by
Activity (2019 = 100), Q2 2023**

	Weights	% Growth (Q2 2022/Q2 2023)
Restaurants	6,243	4.9
Fast-Food Outlets	1,668	11.4
Catering Service Activities	923	49.7
Other Food Service Activities	895	9.7
Beverage Serving Activities	271	1.0
Total	10,000	8.0

Source: Department of Economic Planning and Statistics

Elsewhere, the Fishery Subsector grew on the back of higher production in the capture industry, offsetting the decline in production experienced in the aquaculture industry. In particular, the higher production in the capture industry was observed in both commercial scale and small-scale fishermen activities.

Turning to the Business Services Subsector, its progress was mainly traced to increased engineering and technical activities in line with intensified oil and gas maintenance as well as construction activities.

Meanwhile, growth in the Electricity and Water Subsector was underpinned by increased production of electricity in line with higher government consumption.

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

- The Communication Subsector, in parallel with the decrease in the number of both internet and mobile subscribers (**Table 5**).

**Table 5 : Internet and Mobile Subscriptions
(Q2 2022 & Q2 2023)**

	Q2 2022	Q2 2023	Growth (%)
Internet	639,603	630,546	(1.4)
Mobile	545,669	533,071	(2.3)
Overall	1,185,272	1,163,617	(1.8)

Source: Authority for Info-communications Technology Industry

- The Wholesale and Retail Trade Subsector, in line with the decrease in retail sales volume, particularly for Department Store, Textiles, Wearing Apparel and Footwear; and Watches and Jewellery (**Table 6**).

**Table 6 : Quarterly Retail Sales Volume Index, Weight
and Growth Rate by Activity (2019 = 100), Q2 2023**

	Weights	% Growth (Q2 2022/Q2 2023)
Department Store	2,576	(7.7)
Supermarket	1,711	(2.5)
Mini Mart	271	3.2
Food and Beverages in Specialised Stores	200	16.7
Petrol Station	1,192	8.6
Computer & Telecommunications Equipment	593	(13.2)
Textiles, Wearing Apparel & Footwear	373	(16.9)
Hardware, Paints and Glass in Specialised Stores	607	4.2
Furniture & Household Equipment	326	(4.3)
Electrical Household Appliances and Lighting Equipment in Specialised Stores	586	(6.9)
Books, Newspapers and Stationery in Specialised Stores	137	(3.3)
Recreational Goods	186	(12.3)
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	227	(13.2)
Watches & Jewellery	355	(19.7)
Others	659	(14.3)
Total	10,000	(5.7)

Source: Department of Economic Planning and Statistics

- As for the Manufacture of Petroleum and Chemical Products Subsector, its growth was mainly undermined by a decrease in the production of petrochemicals, methanol and urea fertilizer due to scheduled maintenance activities (**Table 7**).

Table 7 : Production of Petrochemical Products, Methanol and Urea (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Petrochemical Products (Tonnes)	2,113,757	1,623,349
Methanol (Metric Tonnes)	164,926	61,909
Urea (Metric Tonnes)	137,004	91,183

Source: Department of Energy, Prime Minister's Office

GDP by Expenditure

By expenditure approach, the decline in GDP growth for Q2 2023 was due to a decrease in the Exports of Goods and Services by 2.1 per cent particularly the export of mineral fuels. This was followed by a reduction in the Government Final Consumption Expenditure by 4.4 per cent. However, Investment increased by 19.0 per cent, owing to positive performance by both private and government investment. Furthermore, the Household Final Consumption Expenditure increased by 16.3 per cent (**Table 8**).

Table 8 : GDP by Expenditure (Q2 2022, Q2 2023 & H1 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	Growth (%)	H1 2023 (BND Million)
Government Final Consumption Expenditure	1,006.7	962.7	(4.4)	(4.8)
Household Final Consumption Expenditure	1,165.6	1,355.8	16.3	20.5
Gross Capital Formation (Investment)	1,627.3	1,935.7	19.0	8.9
Exports of Goods and Services	2,905.0	2,843.5	(2.1)	(3.2)
GDP	4,543.3	4,403.1	(3.1)	(1.1)

Source: Department of Economic Planning and Statistics

Regional GDP Developments

GDP Growth among several ASEAN countries remained upbeat in Q2 2023, benefitting from healthy domestic demand, the reopening of the People's Republic of China (PRC), rebounding tourism, and stable financial conditions¹ (**Table 9**).

Table 9 : GDP Growth of Selected ASEAN Countries (Q2 2023)

Countries	Q2 2023 (% y-o-y)
Indonesia	5.2
Philippines	4.3
Vietnam	4.1
Malaysia	2.9
Thailand	1.8
Singapore	0.5

Source: General Statistics Office (Indonesia); Philippine Statistics Authority (Philippines); General Statistics Office of Vietnam (Vietnam); Bank Negara Malaysia (Malaysia); National Economic and Social Development Council (Thailand); and Ministry of Trade and Industry (Singapore).

The Indonesian economy expanded by 5.2 per cent y-o-y, shored up by strong household consumption and government spending, though exports weakened with falling commodity prices. The increase in household consumption, which made up over half of the country's GDP came on the back of rising household spending for the Muslim fasting month and Eid al-Fitr festivities in late April and school holidays in June. Meanwhile, the growth in government spending was underpinned by the government's initiative to expedite construction of roads and irrigation systems ahead of the end of President Joko Widodo's final term in 2024².

The Malaysian economy grew by 2.9 per cent y-o-y, anchored by strong domestic demand on the back of increased private consumption and investment. Household spending in particular, was supported by further growth in employment and wages while investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. In addition, continued recovery in inbound tourism partially offset the slower goods export growth³.

The Singapore economy pocketed a 0.5 per cent y-o-y growth in Q2 2023. Among the key growth contributors

¹ ASEAN Development Outlook : September 2023. ASEAN Development Bank.

² Indonesia Q2 GDP growth strongest in three quarters (August 7, 2023). Reuters.

³ Malaysia's economy grows 2.9% in 2Q 2023 as slower external demand weighs (August 18, 2023). The Star.

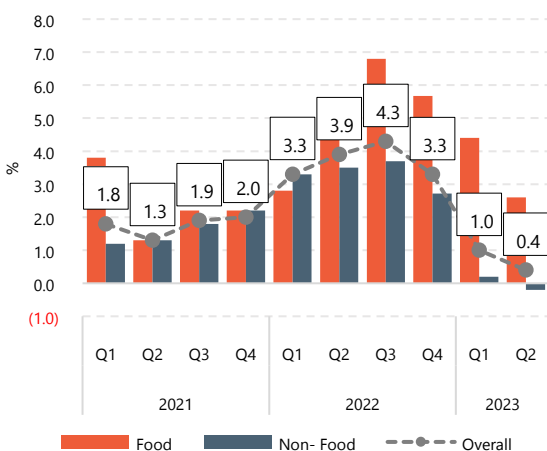
include the transportation sector in view of increased container throughput and sea cargo handling as well as continued recovery in air passenger volume and international visitor arrivals; and IT & information services, on the back of an increase in activities related to data hosting services and online marketplaces for goods and travel services⁴.

Consumer Price Index

Overview

The Consumer Price Index (CPI) for Q2 2023 registered a moderate increase of 0.4 per cent y-o-y compared to Q2 2022, attributed to a 2.6 per cent increase in Food and Non-Alcoholic Beverages prices. Meanwhile, the Non-Food prices registered a decrease of 0.2 per cent (Exhibit 2 & Table 10).

Exhibit 2 : Consumer Price Index (% Growth y-o-y), Q1 2021 – Q2 2023



Source: Department of Economic Planning and Statistics

Table 10 : Consumer Price Index (% Growth y-o-y), Q2 2023 & H1 2023

	Q2 2023	H1 2023
Food	2.6	3.5
Non-Food	(0.2)	(0.01)
Overall CPI	0.4	0.7

Source: Department of Economic Planning and Statistics

Food & Non-Alcoholic Beverages Prices

The increase in the Food and Non-Alcoholic Beverages prices in Q2 2023 was mainly associated with the rise in the following selected commodities:

- Rice and Cereals prices increased by 5.6 per cent, primarily contributed by the rise in raw material prices for biscuits and cookies products (12.4 per cent).
- Meat prices increased by 2.9 per cent, primarily Chicken Meat (3.9 per cent). The price surge was attributable to the decrease of chicken meat production⁵ (Table 11).

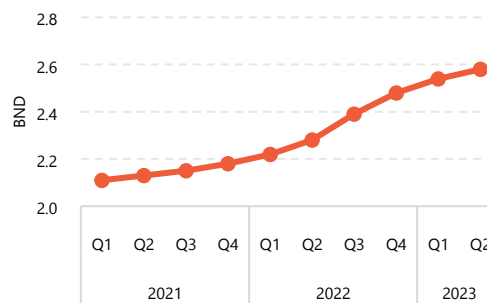
Table 11 : Average Production of Chicken Meat (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Chicken Meat (MT)	2,474.7	2,378.4

Source: Ministry of Primary Resources & Tourism

- The rise in the prices of Milk, Dairy Products and Eggs by 3.8 per cent was mainly due to the increasing trend in the price of full cream milk (12.9 per cent), in view of decreased global milk production⁶ (Exhibit 3).

Exhibit 3 : Average Prices of Full Cream Milk (BND/Box of 1L), Q1 2021 – Q2 2023



Source: Department of Economic Planning and Statistics

- Meanwhile, Non-Alcoholic Beverages prices recorded a 2.7 per cent increase, mainly attributed to the rise in soft drinks price (3.3 per cent), in line with the amendments to the Customs Import and Excise Duties for low-sugar drinks (ready to drink) items, which have been effective since May 2023.

⁴ MTI Narrows Singapore's GDP Growth Forecast for 2023 to "0.5 to 1.5 Per Cent" – Economic Performance in Second Quarter 2023 (August 11, 2023). Ministry of Trade and Industry Singapore.

⁵ Ministry of Primary Resources and Tourism (MPRT).

⁶ Global Dairy Quarterly Q2 2023: It's always darkest before dawn (June 19, 2023). Australia's Food & Beverages Industry News

Non-Food Prices

The Non-Food prices showed a minimal decrease of 0.2 per cent, mainly attributed to the rise in several of its commodities, notably:

- Transport prices decreased by 2.7 per cent, resulting from a 16.9 per cent decrease in the prices of air fares, as travel operations have slowly resumed compared to the previous year amidst the COVID-19 pandemic, which travel services were limited and disrupted.
- Communication prices registered a decrease of 3.1 per cent, primarily driven by a decline of 3.2 per cent in the prices of telephone and telefax services.
- Miscellaneous Goods and Services prices decreased by 0.4 per cent, mainly contributed by a fall in vehicle insurance prices by 0.7 per cent.

Selected World Developments

Table 12 : Selected Countries Consumer Price Index, Q2 (April - June) 2023, % Changes
 Q2 2022 / Q2 2023

	Overall	Food and Non-Alcoholic Beverages	Non-Food
Australia	6.0	7.5	5.9
Singapore	5.1	6.6	4.7
Indonesia	3.9	2.9	3.3
Malaysia	2.8	5.6	1.7
Philippines	6.0	7.4	4.9

Sources: Countries CPI Data Statistics

In Q2 2023, Australia recorded an increase in inflation rate by 6.0 per cent, due to the rise in prices of Food and Non-Alcoholic Beverages, particularly dairy products, bread and cereal products, and spices and sauces. Meanwhile, Non-Food also increased, in line with the rise in rentals for housing, utilities, and insurance⁷.

Singapore's inflation rate continued to experience a significant increase in Q2 2023 by 5.1 per cent y-o-y compared to 5.9 per cent in Q2 2022, mainly attributed

to the rise in food prices such as meat, bread & cereals, and fruits. Meanwhile, Non-Food mainly contributed to the rise in recreational and cultural goods, particularly holiday expenses⁸.

As for Indonesia, its inflation rate registered at 3.9 per cent in Q2 2023 as compared to previous year in 2022, with an increase of 3.8 per cent, primarily contributed by the rise in Food prices, notably on rice and meat prices. Whereas, Non-Food prices increased, primarily contributed by the rise in prices of transportation, restaurants, and personal care⁹.

Malaysia inflation rate also increased by 2.8 per cent in Q2 2023 compared to the same quarter in 2022, influenced by the setting of a higher ceiling price for Food prices, notably chicken meat, and milk, cheese and eggs¹⁰.

Meanwhile, the Philippines's inflation rate in Q2 2023 was 6.0 per cent compared to the same quarter previous year, mainly due to increase in Food, in particular cereals, fish, and eggs; and Non-Food prices, mainly restaurants and café, personal care, and rentals for housing¹¹.

International Merchandise Trade

Overview

Brunei Darussalam's total merchandise trade in Q2 2023 decreased by 45.6 per cent, to BND4,962.9 million from BND9,117.6 million in the previous year. The decline was attributed to a decrease in exports and imports by 49.3 per cent and 40.1 per cent, respectively, contributed mainly by weaker performance in the downstream petrochemical industry. Overall, the country's trade balance remained in surplus, amounting to BND515.5 million in Q2 2023 (**Exhibit 4**).

⁷ Consumer price index (June, 2023). *Australia Bureau of Statistics.*

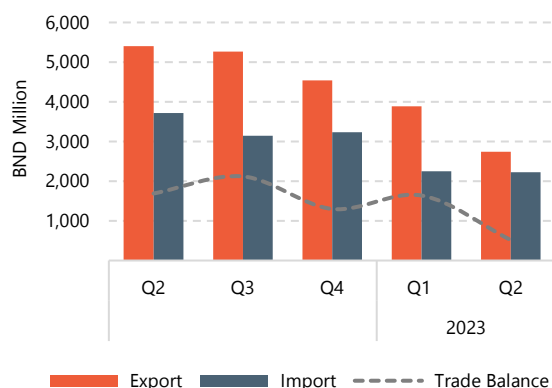
⁸ Singapore Consumer Price Index (June 2023). *Ministry of Trade and Industry.*

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

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

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

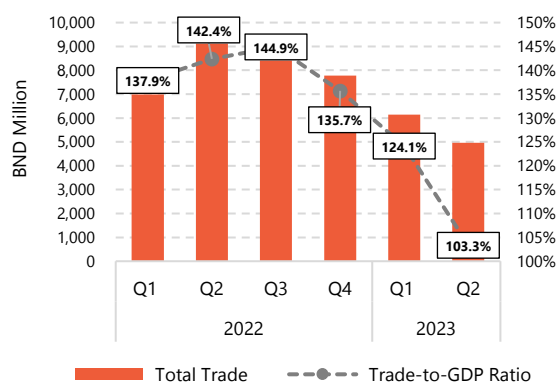
Exhibit 4 : Trade Statistics (Q2 2022 – Q2 2023)



Source: Department of Economic Planning and Statistics

Meanwhile, total trade as a percentage of GDP slipped further down to 103.3 per cent from 142.4 per cent in the same quarter of 2022¹² (Exhibit 5). This was in line with weaker trade performance that contributed less to the economic growth in this quarter. Despite this, Brunei's total trade as a percentage of GDP remains higher compared to some ASEAN countries such as Indonesia¹³ and Thailand¹⁴.

Exhibit 5 :Trade-to-GDP Ratio (Q2 2022 – Q2 2023)



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

Exports Development

Brunei Darussalam's total exports in Q2 2023 amounted to BND2,739.2 million, decreasing from BND5,403.3 million in Q2 2022 (Table 13). This was largely caused by the fall in exports of downstream petrochemical products (Table 17).

Table 13 : Exports (Q2 2022, Q2 2023 & H1 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	Change	
			Q2 2022 vs Q2 2023 (BND Million)	H1 2023 (BND Million)
Domestic Exports	5,297.5	2,672.2	(2,625.3)	6,474.1
Re-Exports	105.8	67.0	(38.8)	155.1
Total Exports	5,403.3	2,739.2	(2,664.1)	6,629.2

Source: Department of Economic Planning and Statistics

Oil and gas commodities accounted for 38.7 per cent of the total exports, while non-oil and gas exports accounted for 61.3 per cent.

In Q2 2023, oil and gas exports decreased by 41.6 per cent, due to the decline in export volume and price for both crude oil and LNG (Table 14, 15 & 16).

Table 14 : Exports Value of Crude Oil and LNG (Q2 2022 & Q2 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	Change (BND Million)
Crude Oil	852.5	429.2	(423.2)
LNG	963.8	631.5	(332.3)
Total	1,816.3	1,060.8	(755.5)

Source: Energy Department, Prime Minister's Office

Table 15 : Exports Volume of Crude Oil and LNG (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Crude Oil (Thousand barrels per day)	57.2	42.1
LNG (MMBtu per day)	540,712	525,133

Source: Energy Department, Prime Minister's Office

Table 16 : Prices of Crude Oil and LNG (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Crude Oil (USD/barrel)	119.9	83.9
LNG (USD/MMBtu)	14.2	9.9

Source: Energy Department, Prime Minister's Office

¹² 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).

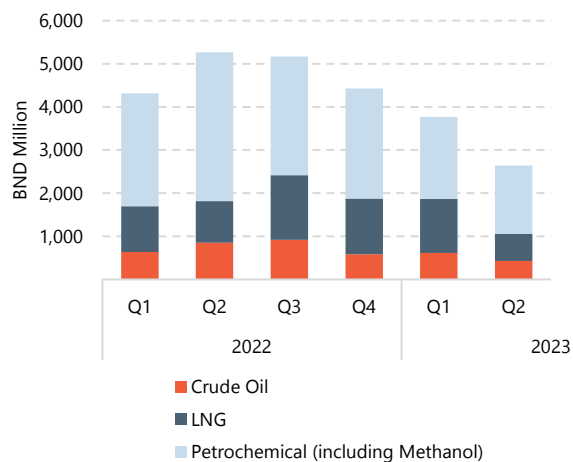
¹³ CEIC.

¹⁴ National Statistic Office Thailand and Office of the National Economic and Social Development Council.

Downstream petrochemical industry exports fell to BND1,579.2 million in Q2 2023, a decrease from BND3,448.6 million in Q2 2022 (**Exhibit 6 & Table 17**). This was attributed to maintenance activities of the petrochemical industry from early March until the end of April 2023, which affected the production resulting in a drop in their exports. Consequently, this also constrained imports of mineral fuels for feedstock during this quarter. However, production began to recover in May 2023, which was also reflected in the export and import of petrochemical products.

Meanwhile, other domestic exports value decreased slightly to BND32.0 million in Q2 2023 compared to BND32.5 million in Q2 2022. This is mainly due to the fall in domestic exports of foods from BND10.0 million to BND7.7 million, mainly driven by lowered production of prawns due to diseases as well as insufficient electricity and sea water supply in the industrial sites¹⁵. This decrease however, was offset by an increase in export of steel products, mainly to the USA, followed by Singapore.

Exhibit 6 : Domestic Exports (Q2 2022 – Q2 2023)



Source: Department of Economic Planning and Statistics

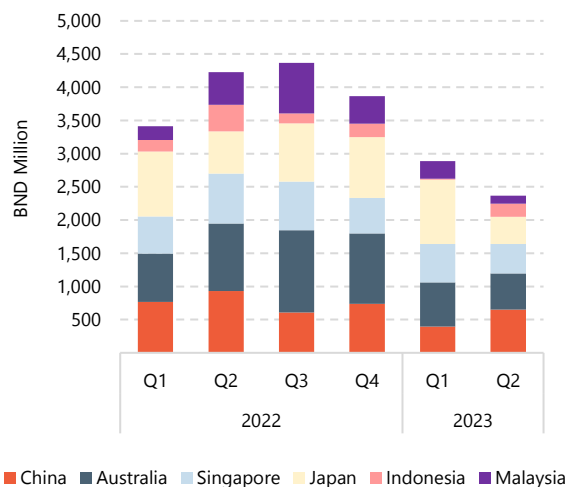
Table 17 : Domestic Exports (Q2 2022, Q2 2023 & H1 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	Change	H1 2023 (BND Million)
			Q2 2022 vs Q2 2023 (BND Million)	
Crude Oil and LNG	1,816.3	1,060.8	(755.5)	2,930.0
Petrochemical Products	3,448.6	1,579.5	(1,869.1)	3,480.3
Others	32.6	32.0	(0.6)	63.9
Total	5,297.5	2,672.2	(2,625.3)	6,474.1

Source: Department of Economic Planning and Statistics

During this period, China was the biggest export partner with downstream petrochemicals as the main export products as well as LNG (**Exhibit 7**). This was followed by Australia consisting mainly of automotive diesel fuels as well as crude oil. Exports to Singapore came third, with exports comprising of various mineral fuels including automotive fuels and crude oil.

Exhibit 7 : Domestic Exports (Top 6 Destinations), Q2 2022 – Q2 2023



Source: Department of Economic Planning and Statistics

Imports Development

Brunei Darussalam's total imports in Q2 2023 decreased to BND2,223.7 million from BND3,714.3 million in Q2 2022. The decline was primarily due to mineral fuels, mainly used as feedstock for the petrochemical industry. For this quarter, most import

¹⁵ Ministry of Primary Resources and Tourism.

commodities showed a decline except for manufactured goods and miscellaneous transactions which recorded a growth (Table 18).

Table 18 : Imports by Commodity (Q2 2022, Q2 2023 & H1 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	Change	H1 2023 (BND Million)
			Q2 2022 vs Q2 2023 (BND Million)	
Food	211.9	188.7	(23.2)	387.7
Mineral Fuels	2,624.8	1,351.3	(1,273.5)	2,572.1
Machinery & Transport Equipment	310.3	296.7	(13.6)	593.2
Chemicals	213.0	109.8	(103.2)	398.2
Manufactured Goods	141.9	157.2	15.3	270.7
Beverages and Tobacco	16.1	15.6	(0.5)	35.4
Animal Vegetable Oils and Fats	11.7	6.8	(4.9)	14.5
Miscellaneous Manufactured Articles	107.0	83.9	(23.1)	180.6
Miscellaneous Transactions	3.5	4.0	0.5	7.9
Crude Materials, Inedible	74.2	9.6	(64.6)	15.4
Total	3,714.3	2,223.7	(1,490.6)	4,475.7

Source: Department of Economic Planning and Statistics

Imports from Malaysia were the largest by import origin, amounting to BND424.6 million this quarter. This consisted of not just imports of mineral fuels (49.0 per cent), which are used as petroleum oil by the petrochemical industry; but also, food items (20.5 per cent), including feedstocks, aquaculture, fruits, and other various food products.

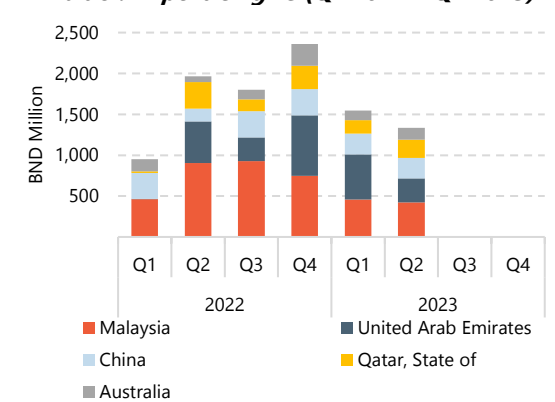
Most of Brunei Darussalam's food imports continues to be sourced from Malaysia, accounting for 46.2 per cent of the total food imports in Q2 2023. Due to the nature of food as a perishable product, importing food from a nearby bordering country such as Malaysia is advantageous. As a result, a sizeable amount of food imports from Malaysia were transported by land at 25.1

per cent, while 81.6 per cent are transported by sea, and 1.4 per cent was transport by air.

Imports from the United Arab Emirates (UAE) were the second largest recorded at BND292.4 million, primarily crude oil imports, surpassing crude oil imports from Malaysia. The UAE crude oil imports serve as feedstock for the petrochemical industry (Exhibit 8).

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

Exhibit 8 : Import Origins (Q2 2022 – Q2 2023)



Source: Department of Economic Planning and Statistics

Global Trade Developments

In the second quarter of 2023, most of the ASEAN countries experienced a decline in their total trade. (Table 19).

Malaysia experienced a decline in total trade in the second quarter of 2023 as exports and imports decreased. The drop in exports reflected a significant decrease in exports of petroleum products, palm oil, and palm oil-based products. The slow pace of recovery in mainland China's economy in the first half of 2023 also affected Malaysia's exports, as China is one of Malaysia's largest export markets¹⁶.

Similarly, Singapore recorded a decrease in total trade by 18.7 per cent, which was attributed to reduction in both exports and imports. The decline in export and imports activities resulted from a decrease in oil and non-oil commodities.

Thailand saw their exports from multiple sectors fall in Q2 2023 y-o-y including machinery & equipment, vehicle parts and animal food. This significantly

¹⁶ S&P Global.

impacted the overall decline in exports and primarily contributed to the contraction of total trade growth during the second quarter of 2023.

Table 19 : Total Trade Growth y-o-y in ASEAN Countries (Q2 2023)

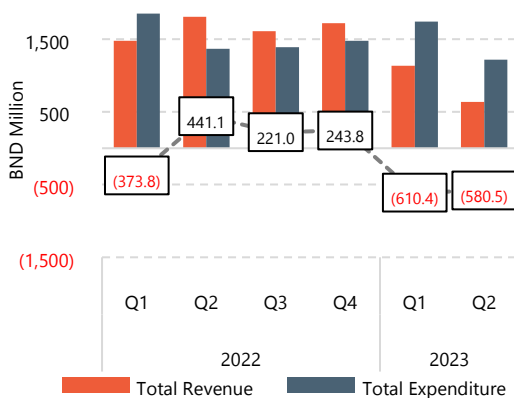
Countries	Q2 2023
Malaysia	(11.3)
Singapore	(18.7)
Indonesia	(15.1)
Thailand	(5.3)
Vietnam	(9.7)
Philippines	(10.1)

Source: Business Today Malaysia, Ministry of Trade and Industry Singapore, Badan Pusat Statistik Indonesia, NESDC Thailand, Philippines Statistics Authority, Vietnam Briefing

Fiscal

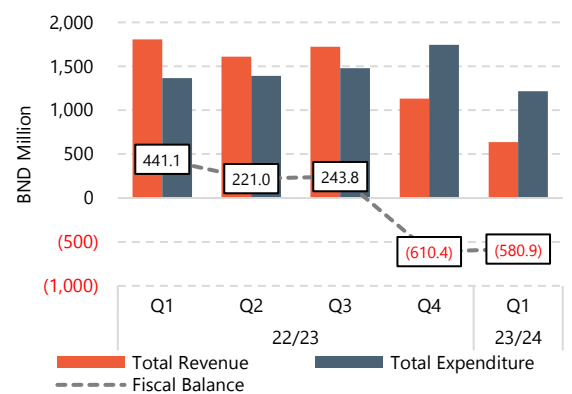
In Q2 2023, Brunei Darussalam recorded a fiscal deficit of BND580.5 million compared to a surplus of BND441.1 million in the same period last year (**Exhibit 9**). This was mainly due to a fall in the government revenue from BND1,807.9 million in Q2 2022 to BND635.5 million in Q2 2023 despite a fall in expenditure from BND1,366.8 million in Q2 2022 to BND1,216.0 million in Q2 2023.

Exhibit 9 : Fiscal Balance (Q1 2022 – Q2 2023)



Source: Treasury Department, Ministry of Finance and Economy

Exhibit 10 : Fiscal Balance (FY2022/2023 - FY2023/2024)



Source: Treasury Department, Ministry of Finance and Economy

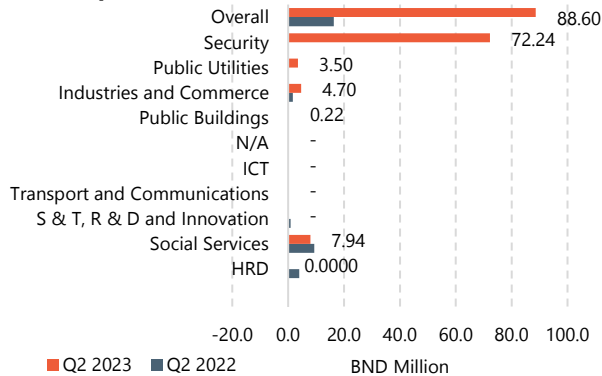
The decline in oil and gas revenue in Q2 2023 was mainly due to lower production and price of crude oil. As such, crude oil production declined from 94.5 thousand barrels per day in Q2 2022 to 78.0 thousand barrels per day in Q2 2023 while crude oil price fell from USD119.9 per barrel in Q2 2022 to USD83.9 per barrel in Q2 2023. The decrease in oil and gas revenue significantly impacted the overall government revenue, as it constitutes a substantial portion, representing 69.3 per cent of the total revenue in Q2 2023.

The fall in total government expenditure in Q2 2023 was primarily due to a 33.2 per cent drop in charged expenditure. Additionally, ordinary expenditure decreased by 8.9 per cent, from BND926.9 million in Q2 2022 to BND844.9 million in Q2 2023, driven by 4.5 per cent decline in personnel emoluments and a 13.6 per cent decline in other charges annual recurrent (OCAR) expenditure. On the other hand, development expenditure increased by BND72.2 million in Q2 2023.

The increase in development expenditure was in line with a significant rise in project expenditure under the Security Sector by BND72.2 million; and Public Utilities Sector by BND3.3 million. Among these are Air Transport Project under the Security Sector and Propose 66KV Network Circuit from 66 / 11KV Mentiri Main Stations to New Stations 66/11KV Perdayan, Temburong District under the Public Utilities Sector.

However, there are significant drop in project expenditure under the Human Resource Development (HRD) Sector by BND4.0 million; and Social Services Sector by BND1.42 million. This was in view of major National Development Plan (RKN) projects having neared or seen completion (**Exhibit 11**).

Exhibit 11 : Main National Development Plan Sectors Expenditure (Q1 2022 & Q1 2023)



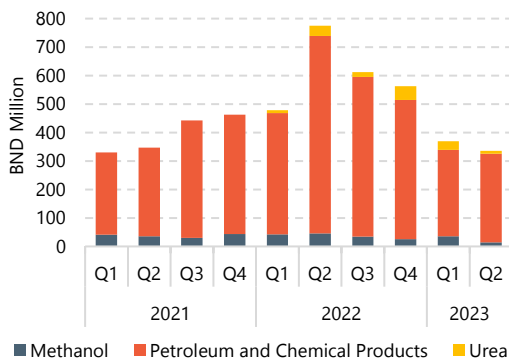
Source: Treasury Department, Ministry of Finance and Economy

Priority Sectors Development

Downstream Oil and Gas

In Q2 2023, a notable decline was observed in the contribution of Downstream Oil and Gas sector to Gross Value Added (GVA). Specifically, the sector's contribution decreased from BND774.4 million in Q2 2022 to BND335.0 million (Exhibit 12).

Exhibit 12 : Downstream Oil and Gas Sector GVA at Current Prices (Q1 2021 – Q2 2023)



Source: Department of Economic Planning and Statistics

PETROLEUM AND CHEMICAL PRODUCTS

Manufacturing of petroleum and chemical products' contribution to GVA in Q2 2023 is BND310.6 million at current prices, which decreases from BND 692.9 million in 2022 of the same quarter.

This subsector underwent a considerable reduction in production as a direct result of scheduled turnaround activities. The significant decrease was particularly noticeable in Diesel, RON90 and Paraxylene production (Table 19).

Table 20 : Selected Petroleum and Chemical Products (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023	
(Tonnes)			
Production	Diesel	788,697	509,324
	RON90	384,050	225,696
	Paraxylene	347,276	284,885

Source: Energy Department, Prime Minister's Office

METHANOL

The GVA at current prices for Q2 2023 decreased to only BND 14.5 million, significantly lower than Q2 2022 at BND46.2 million. This was mainly attributable to the decline in Methanol production and price. The decreased production capacity has been adversely impacted due to scheduled turnaround activities and unanticipated gas supply interruption (Table 20).

Table 21 : Production of Methanol (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Methanol (Metric Tonnes)		
Production	164,926	61,909
Methanol (USD/MT)		
Weighted Average Price	356.16	246.66

Source: Energy Department, Prime Minister's Office

UREA

Concurrently, as a result of both scheduled maintenance activities and unforeseen gas supply interruption, the production of urea has also decreased. This has led to a decline in its contribution to the Gross Value Added (GVA) at current price amounting to BND10.0 million this quarter, as opposed to BND35.3 million in Q2 of the previous year (Table 21).

Table 22 : Production of Urea (Q2 2022 & Q2 2023)

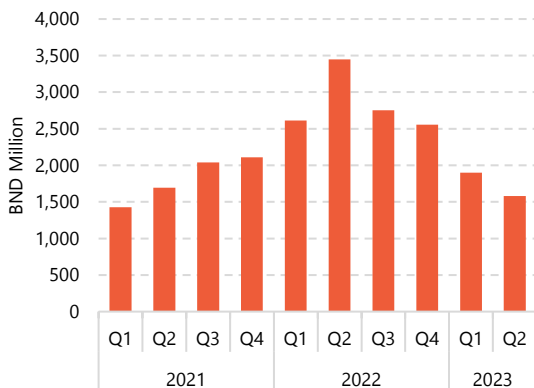
	Q2 2022	Q2 2023
Urea (Metric Tonnes)		
Production	137,004	91,183

Source: Energy Department, Prime Minister's Office

EXPORTS FROM DOWNSTREAM OIL AND GAS

During Q2 of 2023, there was a notable decrease in the export value of the Downstream Oil and Gas Sector. The total value of exports dropped from BND3,448.6 million in the previous year to BND1,579.5 million, which was in line with the overall reduction in downstream oil and gas production during this period. (Exhibit 13).

Exhibit 13 : Downstream Oil & Gas Exports, (Q1 2021 – Q2 2023)

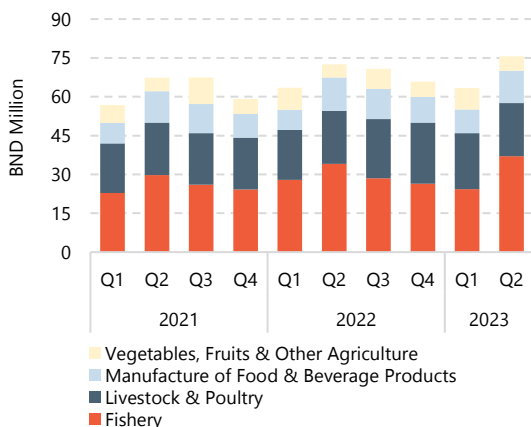


Source: Department of Economic Planning and Statistics

Food

In the second quarter of 2023, 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 BND75.6 million to GVA in Q2 2023, increasing from BND72.6 million in the same quarter of 2022 (Exhibit 14).

Exhibit 14 : Food Sector GVA at Current Prices, Q1 2021 – Q2 2023



Source: Department of Economic Planning and Statistics

By subsector, the Vegetables, Fruits, and Other Agriculture Subsector was valued at BND5.6 million at GVA in Q2 2023, increasing from BND5.2 million in Q2 2022. The increase was caused by higher production of several commodities (Table 22).

Table 23 : Agriculture Production in Metric Tonnes (Q2 2022 & Q2 2023)

	Q2 2022	Q2 2023
Paddy	498.8	777.4
Vegetables	1,890.1	1,904.7
Fruits	1,229.0	1,253.4
Miscellaneous Crops	448.5	431.3

Source: Ministry of Primary Resources and Tourism

The rise in agricultural output was attributed to the availability of labour, improved distribution channels by sea, favorable weather conditions, adequate water supply, and an increase in non-seasonal fruits.

As for the Livestock and Poultry Subsector, its GVA at current prices was valued slightly lower at BND20.4 million in Q2 2023 compared to the BND20.6 million in Q2 2022. This was in line with lower production of Buffalo and Cattle meat by 17.3 per cent, drop from 611.6 MT in Q2 2022 to 505.7 MT in Q2 2023 mainly due to the decrease in the number of imported buffalo and live cattle as well as decreased of broiler chicken by 3.9 per cent, drop from 7,424.1 MT in Q2 2022 to 7,135.3 MT in Q2 2023.

Meanwhile, the Fishery Subsector was valued at BND37.1 million at GVA in Q2 2023, up from BND34.0 million in Q2 2022. This improvement stemmed from increased production in the capture industry activities by 25.7 per cent from both commercial and small-scale industries contributed by availability of technical capability vessels crew and increased of full-time fisherman respectively. The aquaculture industry, on the other hand, decreased by 64.2 per cent in line with lower production of farm prawn due to diseases as well

as insufficient electricity and sea water supply in the industrial sites¹⁷.

Table 24 : Fishery Production in Metric Tonnes (Q2 2022 & Q2 2023)

Capture Industry	Q2 2022	Q2 2023
Commercial Scale	798.8	1,334.4
Small Scale	3,661.2	4,273.0
Aquaculture Industry	Q2 2022	Q2 2023
Fish in Cages	66.9	47.5
Shrimp/Prawn	1,128.8	377.9
Fresh Water Fish	4.8	4.3

Source: Ministry of Primary Resources and Tourism

The Manufacture of Food & Beverage Products Subsector amounted to BND12.5 million at GVA in Q2 2023, a decrease from the BND12.8 million recorded in Q2 2022. The decline of this subsector is in line with the decrease in production of agrifood and processed food-fisheries by 0.9 per cent and 8.2 per cent respectively (**Table 24**). This is due to less demand for local made food compared to imported food¹⁸.

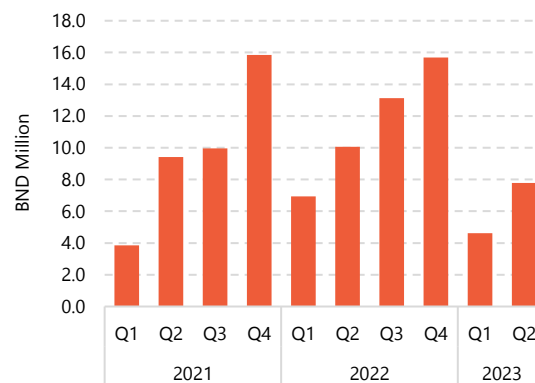
Table 25 : Manufacture of Food and Beverage Production in Metric Tonnes (Q2 2022 & Q2 2023)

Manufacture of Food and Beverage	Q2 2022	Q2 2023
Agrifood	18,801.2	18,632.0
Processed Food-Fisheries	1,440.7	1,323.1

Source: Ministry of Primary Resources and Tourism

In terms of the Food Sectors domestic exports, it shows a decrease from BND10.1 million in Q2 2022 to BND7.8 million in Q2 2023. This is due to decrease in exports of shrimp and prawns to China, Taiwan, Japan and Singapore, which was in line with decrease in production of the shrimp and prawns (**Exhibit 15**).

Exhibit 15 : Food Exports, Q1 2021 – Q2 2023



Source: Department of Economic Planning & Statistics

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

- Chief Executive Officer/Director of Technical Education at the Institute of Brunei Technical Education (IBTE) highlighted the importance of modern agriculture in the era of Industrial Revolution 4.0. The use of current technologies like drones and modern farming machinery makes agriculture more appealing to the younger generation¹⁹.
- On September 2023, the first container export of Bruneian-made products to Mustafa Centre, Singapore was sent off at Muara Port. The presence of Brunei products at the Mustafa Centre is testament to the commitment of Brunei and Singapore in fostering economic collaboration and highlighting the exceptional quality of Bruneian products in the Singaporean market. Among the Bruneian products featured on Mustafa Centre's shelves are Bruneihalalfoods crackers and vegetable cooking oil, Marimin prawn crackers, Cinta chilli sauce, Sabli's teh tarik and Taurean Bakeshop and Café's handmade cookies²⁰.

¹⁷ Ministry of Primary Resources and Tourism

¹⁸ Ministry of Primary Resources and Tourism

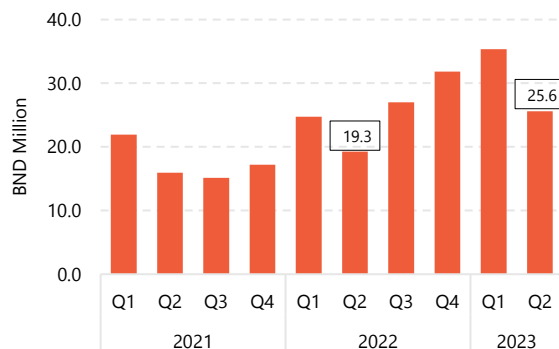
¹⁹ Modern agriculture attracts younger generation. (October 19, 2023). *Borneo Bulletin*.

²⁰ Brunei goodies now available in Singapore (October 26, 2023). *Borneo Bulletin*.

Tourism

In Q2 2023, year-on-year figures reveals signs of recovery of the Tourism Sector in Brunei Darussalam, amounted to BND25.6 million at current prices to GVA, rebounding from BND19.3 million registered in Q2 2022. (**Exhibit 16**)²¹.

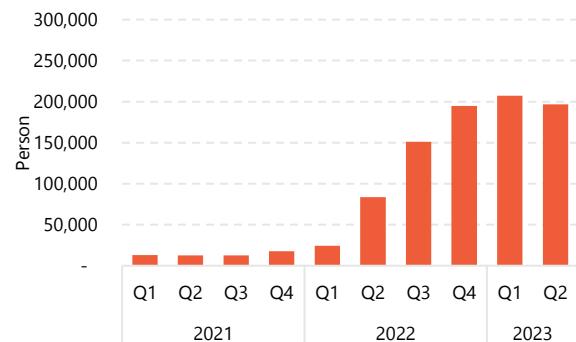
Exhibit 16 : Tourism GVA at Current Prices (Q1 2021 – Q2 2023)



Source: Department of Economic Planning and Statistics

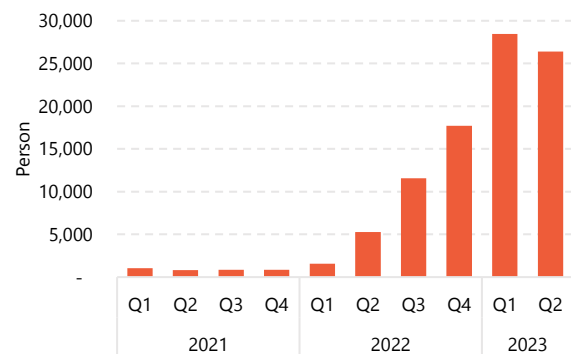
With travel-related restrictions no longer in place, Tourism sector continued its recovery momentum, buoyed by increased passenger arrivals and departures. In particular, the improvement in Q2 2023 was supported primarily by the Air Transport sector in view of an increase in the number of arrival and departure by air from 83,525 persons to 196,615 persons (**Exhibit 17**). Likewise, the number of international visitors arriving by air also rose to 26,408 visitors compared to 5,277 visitors in Q2 2022 (**Exhibit 18**). As such, the optimistic development was in tandem with the increased Royal Brunei Airlines' flight frequencies and resumption of flights, among others to Seoul, Taipei and Hangzhou, China.

Exhibit 17 : Total Air Arrivals and Departure (Q1 2021 – Q2 2023)



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

Exhibit 18 : International Air Arrivals (Q1 2021 – Q2 2022)



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

Correspondingly, the Sultanate continued to welcome the return of cruise tourism to the country with the arrival of The Oceania Insignia, an international cruise departed from port of origin in Miami, Florida. Upon the lifting of COVID-19 restrictions, the Oceania Insignia was the third ship making its port of call in Brunei Darussalam, carrying 554 international passengers²².

Besides aviation, Food and Beverages Services sales under the Tourism Sector also registered an increase of 12.8 per cent y-o-y in Q2 2023 (**Table 25**). In particular, the increase was in line with the growth of the food and beverages services sales for Restaurants, Fast-food outlets, and Catering services activities.

²¹ The Tourism Sector's GVA comprises the following subsectors: Air Transport, Land Transport, Water Transport, Other Transport Services, Hotels, Restaurants.

²² Third cruise ship docks at Muara Port (May 22, 2023). *Borneo Bulletin*.

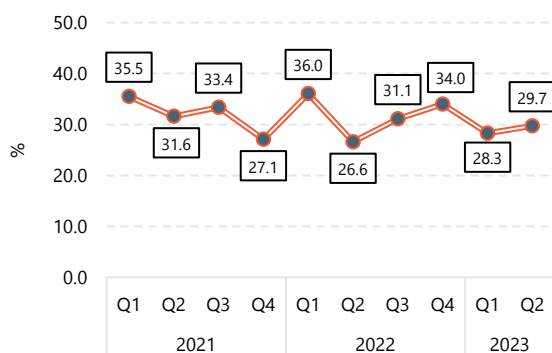
Table 26 : Quarterly Food & Beverages Estimated Value of Sales by Activity (Q2 2023)

	Q2 2022 (BND Million)	Q2 2023 (BND Million)	% Growth (Q12023/Q1 2022)
Restaurants	64.8	70.4	8.7
Fast-Food Outlets	18.0	20.8	15.5
Catering Service Activities	3.4	6.1	79.6
Other Food Service Activities	10.1	11.4	13.8
Beverage Serving Activities	2.7	2.9	4.8
Total	99.9	111.7	12.8

Source: Department of Economic Planning and Statistics

Benefitting from the increase in international visitors arrivals, the accommodation and hospitality activity with average occupancy rate recorded at 29.7 per cent in Q2 2023, an improvement from 26.6 per cent in Q2 2022 recorded in the same period last year. Likewise, the seasonal promotional rates offered by hotels also contributed to the improvement²³ (**Exhibit 19**).

Exhibit 19 : Occupancy Rate of Hotels, Resorts, Apartments and Guest Houses (Q1 2021 – Q2 2023)



Source: Ministry of Primary Resources and Tourism

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

- The launch of the Competencies Framework and Career Pathway for the Hospitality and Tourism Sector by the Manpower Industry Steering

Committee Working Group for Hospitality and Tourism Sector (MISC-WG H&T), a subcommittee of the Manpower Planning and Employment Council (MPEC), is set to improve the workforce of the hospitality and tourism industry. The frameworks serve as a comprehensive guide on the job roles, outlining specific skills and competencies required, as well as the potential career pathways and opportunities for professional development. In particular, the skills and competencies skills and competencies were developed to meet recognised international standards, specifically the ASEAN Common Competency Standards for Tourism Professionals (ACCSTP), which focused on labour divisions within housekeeping, front office, food and beverage, food production services, travel agents and tour operators²⁴.

- A new potential Brunei-based airline called Gallop Air is expected to operate in the near future, positioning the Sultanate as a potential aviation hub for the BIMP-EAGA region. The airline and Commercial Aircraft Corporation of China (COMAC) had signed a letter of intent (LOI) to purchase 30 aircrafts worth US\$2 billion at the 20th China-ASEAN Expo (CAEXPO). As such, the promising deal had shown a profound implication of a shared vision to revolutionise air travel and foster economic development to enhance regional connectivity by offering direct flights from Bandar Seri Begawan to several cities in China, and the Brunei Darussalam – Indonesia – Malaysia – Philippines East ASEAN Growth Area (BIMP-EAGA)²⁵.
- Marking the gradual revival of local tourism industry in post COVID-19 pandemic, Royal Brunei Airlines announced resumption of direct flights to Beijing in July 2023. With the re-introduction of Beijing flights, the country is expected to see a surge of tourist arrivals especially from China²⁶.
- On top of that, towards fostering the domestic tourism, the Tourism Development Department under the Ministry of Primary Resources and Tourism organised the 18th Sabre Brunei Travel Fair 2023. As such, over 80 local tourism suppliers which among others include, airlines, national tourist offices, hotels, and travel agents showcased

(Note: The occupancy rate for Hotels, Resorts, Apartments and Guest Houses for Q1 2023 has been revised from the previous quarters' reports.)
²³ Ministry of Primary Resources and Tourism

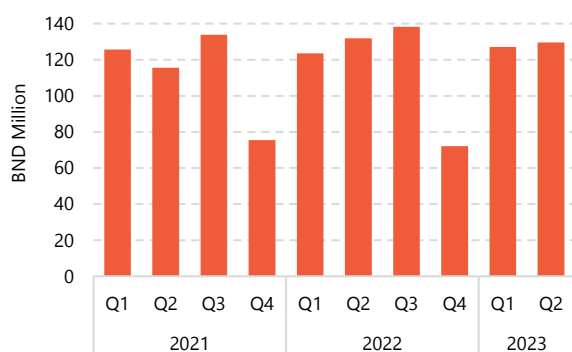
²⁴ Hospitality and tourism industry on better footing (July 07, 2023) *Borneo Bulletin*
²⁵ Milestone in aviation history (September 24, 2023) *Borneo Bulletin*.
²⁶ Milestone in aviation history (September 24, 2023) *Borneo Bulletin*.

their wide range of travel products and services. Moreover, the travel fair presents as the optimal platform for locals and international visitors to explore the latest packages and promotions available in the country²⁷.

Info-Communication & Technology (ICT)

In Q2 2023, the ICT Sector, which consists of Publishing, Motion picture, video, TV, and Radio; Telecommunication; and Computer programming, consultancy and information service activities contributed BND129.5 million to GVA at current prices, decreasing slightly from BND131.8 million recorded in the same quarter of 2022 (Exhibit 20).

Exhibit 20 : 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 is contributed by:

- Publishing, Motion picture, video, TV, and Radio remained constant at BND8.2 million.
- Telecommunication edged down from BND96.4 million to BND92.4 million.
- Computer programming, consultancy and information service activities rose from BND27.3 million to BND29.0 million mainly contributed by computer programming activities; and computer consultancy and computer facilities management activities.

MOBILE AND INTERNET PERFORMANCE

Looking at the performance of mobile and internet subscriptions in Q2 2023, both mobile and internet subscribers fell by 2.3 percent and 1.4 percent respectively (Table 26).

Table 27 : Mobile and Internet Subscriptions (Q2 2022 & Q2 2023)

Telecommunication	Q2 2022	Q2 2023
Mobile Subscribers	545,669	533,071
Internet Subscribers	639,603	630,546

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

The slow performance in Mobile subscriptions was mainly due to the decrease in prepaid subscribers which offset the positive gain in postpaid subscribers. (Table 27).

Table 28 : Mobile Subscribers (Q2 2022 & Q2 2023)

Mobile subscribers	Q2 2022	Q2 2023
Prepaid	423,954	405,459
Postpaid	121,715	127,712

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

Nevertheless, telecommunication companies continue to promote postpaid plans with a lot of attractive promotions. This has led to a shift in consumer preferences towards the plan, which may cause the decrease in the number of prepaid mobile subscribers among others.

As for Internet subscriptions, there was an increase in the number of fixed broadband subscribers by 5.9 per cent attributed by cheaper tariff that led to an increase in Residential and Business/Government users by 5.8 per cent and 9.9 per cent respectively (Table 28).

Table 29 : Fixed Broadband Subscribers (Q2 2022 & Q2 2023)

Internet Subscription (Fixed Broadband)	Q2 2022	Q2 2023
Residential	81,095	85,781
Business/ Government	6,376	7,008
Leased Lines	652	564

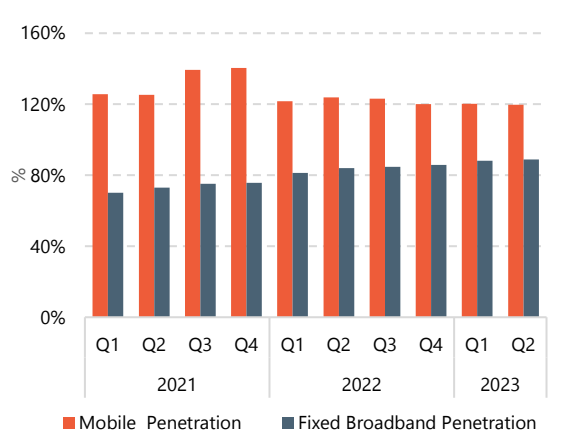
Source: Authority for Info-Communications Technology Industry (AITI)

In line with the performance of internet subscription particularly for Fixed Broadband subscribers, fixed broadband penetration rate rose from 83.9 per cent in Q2 2022 to 88.9 per cent in Q2 2023. The main reason for the increase was due to aggressive marketing strategies by telecommunication providers and the change in consumer preference for fixed broadband over other alternatives. Mobile subscription penetration rate on the other hand, fell slightly from

²⁷ 18th Sabre Brunei Travel Fair kicked off (September 30, 2023) *The Bruneian*.

123.81 per cent in Q2 2022 to 119.68 per cent in Q2 2023 due to the decrease in the number of prepaid mobile subscribers (**Exhibit 21**).

Exhibit 21 : Mobile and Fixed Broadband Penetration (Q1 2021 – Q2 2023)



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

Moving forward, Brunei Darussalam has set a vision to be a smart nation and is working on a digital transformation agenda to accomplish this vision. The country has put into action various initiatives that are aligned with this agenda and that aim to enhance its digital capabilities such as:

- Brunei’s first prefabricated modular data centre, a joint project between UNN and Vertiv, began its construction yesterday at UNN Tungku Submarine Landing Station. The data centre, which will be completed in five months, aims to support Brunei’s digitization roadmap and the Digital Masterplan 2025 by hosting data centre and IT services and infrastructure of government and private businesses in Brunei. The data centre will also provide geo-redundancy with other UNN’s existing data centre locations. The data centre will use Vertiv’s technology and solutions to achieve eco-efficiency, high availability, high energy efficiency, and fast deployment²⁸.
- Recently, the collaborative efforts from the Authority for Info-communications Technology Industry (AITI), Darussalam Assets Sdn Bhd, Datastream Digital Sdn Bhd (DST), imagine Sdn Bhd, Progresif Sdn Bhd and Unified National Networks Sdn Bhd (UNN), the fixed broadband baseline speed for all subscribers has been raised

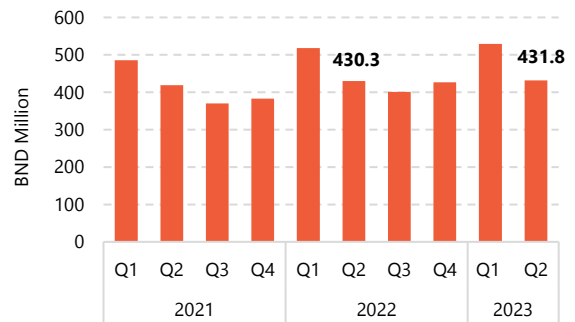
²⁸ UNN Tungku Prefab Data Centre Groundbreaking Ceremony (August 03, 2023) UNN

to at least 100Mbps. The increase of fixed broadband speed to 100Mbps up to 500Mbps bandwidths will ensure all devices can operate smoothly simultaneously. These efficiency and operational improvements will come with affordable prices, comparable to regional countries. Additionally, existing subscribers will also be migrated to higher bandwidths at no additional costs²⁹.

Services

In Q2 2023, the Services Sector comprising activities of Wholesale & Retail Trade, Business Services, and Transport & Logistics, contributed BND431.8 million, which is a slight increase compared to the Q2 2022 contribution of BND430.3 million (**Exhibit 22**).

Exhibit 22 : Services Sector GVA at Current Prices (Q1 2021 – Q2 2023)



Source: Department of Economic Planning and Statistics

The Wholesale and Retail Trade Sector’s contribution to GDP during this quarter shows a decrease from BND294.4 million in Q2 2022 million to BND289.7 million. This is in line with decrease in the overall retail sales performance by 5.0 per cent which contributed by sales of watches and jewellery (18.5 per cent); textiles, wearing apparel and footwear (16.5 per cent); and computers and telecommunication equipment (13.8 per cent). The decrease in sales revenue was in line with the decrease in sales volume.

Table 30 : Quarterly Retail Estimated Value of Sales and Growth Rate by Activity (Q2 2023)

	Q2 2022 (BND million)	Q2 2023 (BND million)	% Growth
Department Store	131.9	122.4	(7.2)
Supermarket	78.8	78.1	(0.9)

²⁹ Brunei Telecommunications Industry enables second broadband uplift (September 01, 2023) Progresif

Mini Mart	14.2	14.9	4.9
Food and Beverages in Specialised Stores	6.7	8.1	19.7
Petrol Station	41.8	45.3	8.4
Computer & Telecommunications Equipment	24.3	21.0	(13.7)
Textiles, Wearing Apparel & Footwear	20.1	16.7	(16.5)
Hardware, Paints and Glass in Specialised Stores	25.4	27.1	6.7
Furniture & Household Equipment	13.8	12.9	(6.8)
Electrical Household Appliances and Lighting Equipment in Specialised Stores	29.9	28.3	(5.2)
Books, Newspapers and Stationery in Specialised Stores	5.5	5.4	(2.2)
Recreational Goods	9.2	8.0	(12.9)
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	12.8	11.2	(12.7)
Watches & Jewellery	20.9	17.0	(18.5)
Others	35.0	30.2	(13.8)
Total	470.3	446.6	(5.0)

Source: Department of Economic Planning and Statistics

Transport and Logistics sector, on the other hand, recorded an increase in its contribution from BND50.4 million in Q2 2022 to BND51.7 million in Q2 2023. The performance of trade and logistics activities are as follows:

The country's national port has seen a significant rise of 68.9 per cent in seaborne cargo throughput (**Table 30**), primarily due to the increased volume of loaded cargo being transported to Australia, China, and the Philippines.

Table 31 : Seaborne Volume Cargo Throughput (in Tonnes)

	Q2 2022	Q2 2023	% Growth
Discharged	211,693	240,199	13.5
Loaded	12,116	137,778	1,037.2
Total	223,809	377,977	68.9

Source: Ministry of Transport and Info-Communications

Meanwhile, air cargo throughput (**Table 31**) experienced a negative growth of 7.0 per cent due to 17.3 per cent decline in import throughput volume. However, export throughput and transit throughput recorded an increase of 71.7 per cent and 5.0 per cent, respectively.

Table 32 : Air Volume Cargo Throughput (in Tonnes)

	Q2 2022	Q2 2023	% Growth
Import	1,823.5	1,508.5	(17.3)
Export	93.9	161.1	71.7
Transit	954.6	1,002.4	5.0
Total	2,872.0	2,672.0	(7.0)

Source: Brunei International Airport Cargo Centre (BIACC)

Trading by all modes of transport experienced a decline in value in the second quarter of 2023 compared to the same period in 2022. The decline in trade via sea was due to lower trade in Mineral Fuels, Chemicals and Crude Materials Inedible.

Table 33 : Trade via Sea

	Q2 2022 (BND million)	Q2 2023 (BND million)	% Growth
Export	5,345.0	2,698.2	(49.5)
Import	3,434.6	1,986.0	(42.2)
Total	8,779.6	4,684.2	(46.6)

Source: Department of Economic Planning and Statistics

In addition, the decline in trade via air, particularly in import, was caused by lower demand for Chemicals; Miscellaneous Manufactured Articles; and Machinery and Transport Equipment.

Table 34 : Trade via air

	Q2 2022 (BND million)	Q2 2023 (BND million)	% Growth
Export	49.0	36.0	(26.5)
Import	196.6	158.6	(19.3)
Total	245.6	194.6	(20.7)

Source: Department of Economic Planning and Statistics

As for trade via land, the main factors for the drop in import were Machinery and Transport Equipment; Miscellaneous Manufactured Articles; and Chemicals.

Table 35 : Trade via land

	Q2 2022 (BND million)	Q2 2023 (BND million)	% Growth
Export	9.3	5.0	(46.3)
Import	83.2	79.1	(4.9)
Total	92.5	84.1	(9.1)

Source: Department of Economic Planning and Statistics

In terms of the main trading commodities by mode of transport (**Table 35**), export by air freight in Q2 2023 were mainly exported different types of machinery parts. However, the biggest import item by air was medicaments.

For sea freight, the bulk of the exports was mineral fuels and chemicals, while the imports were mostly mineral fuels and assorted manufactured goods.

For land freight, the exports consisted of diverse manufactured goods, while the imports included animal feed and various manufactured goods.

Table 36 : Main Exports and Imports in weight/volume by Transport Medium (Q2 2023)

	Main Exports	Main Imports
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 sultanate and its trading partner have signed various bilateral meeting and memorandums to

enhance the collaboration between them, which will boost the trade among the countries.

- To promote the ASEAN-China Free Trade Area (ACFTA), The Brunei Economic Development Board (BEDB) and Darussalam Enterprise (DARE) were taking part in the 20th China-ASEAN Expo (CAEXPO), a global event that showcases the ASEAN-China trade partnership. At the expo, Brunei Darussalam and China have been exploring ways to enhance their economic and trade ties, industrial cooperation and cultural exchanges, with a focus on the 3rd Brunei-Guangxi Economic Corridor (BGEC), an upgraded agreement signed in February 2023, and the International Land-Sea Trade Corridor. The BGEC has created possibilities for joint ventures between Brunei and Guangxi in various fields, such as the ones outlined in the Brunei Darussalam Economic Blueprint, and new areas like digital economy, clean energy and cultural tourism³⁰.
- The Sultan and Yang Di-Pertuan of Brunei Darussalam, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddin Sa'adul Khairi Waddien, during the ASEAN Meeting 2023, had a joined a bilateral meeting with Cambodia's Prime Minister Hun Manet, in which they reaffirmed the special bond between the Sultanate and Cambodia, through collaboration in the fields of cultural exchanges, trade and defence. They also urged for the pursuit of opportunities to broaden cooperation further for both nations³¹.
- The first departure of the initial container journey from Muara Port, Brunei Darussalam to Beibu Gulf Port, China, marked a new economic opening, enhancing the bond between the Sultanate and China. The launch of the new shipping route will bring economic advantages to both nations in accordance with the goals of the Brunei-Guangxi Economic Corridor initiative. The initial container journey started on April 27, 2023 and left from Muara to Hong Kong and then to Qinzhou before coming back to Muara via Bintulu. The establishment of the container route will draw the

³⁰ Brunei's potential, products touted at China-ASEAN expo (September 18, 2023), Borneo Bulletin.

³¹ Bilateral Meeting explore opportunities to further cooperation (September 7, 2023), Borneo Bulletin.

cargo from China to Brunei and East Malaysia regions to Qinzhou Port for transshipment³².

- The National Chamber of Commerce and Industry Brunei Darussalam (NCCIBD) made a significant move towards enhancing international partnership and boosting economic collaboration with the signing of a memorandum of understanding (MoU) with the China Council for the Promotion of International Trade (CCPIT) Inner Mongolia Autonomous Region Committee. The main goal of the MoU is to create a comprehensive cooperation framework between NCCIBD and CCPIT Inner Mongolia Autonomous Region Committee to improve business ties, increase trade and investment, support food security, and enable economic collaboration between the two countries³³.

³² *Maiden container voyage marks new economic gateway* (July 9, 2023), Borneo Bulletin.

³³ *Boost for Brunei-Inner Mongolia economic ties with signed MoU* (July 8, 2023). Borneo Bulletin.