



SECOND QUARTER 2024 | Q2 2024

BRUNEI DARUSSALAM KEY ECONOMIC DEVELOPMENTS

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STATEMENTS CONTENTS

01.

Gross Domestic Product

02.

Consumer Price Index

03.

International Merchandise Trade

04.

Foreign Direct Investment

05.




Fiscal

06.

Priority Sectors Developments

MAIN INDICATORS OF THE BRUNEI DARUSSALAM ECONOMY Q2 2024



GDP

 Overall Economy (y-o-y growth)	6.0%
 Oil & Gas (y-o-y growth)	7.7%
 Non-Oil & Gas (y-o-y growth)	4.5%

PRICES

 Overall Prices (y-o-y growth)	-0.2%
 Food (y-o-y growth)	1.5%
 Non-Food (y-o-y growth)	-0.6%




FDI

 FDI Flows BND Million	13.2
 FDI Stock BND Million	8,282.4

TRADE

 Total Trade BND Million	6,465.7
 Exports BND Million	3,802.9
 Imports BND Million	2,662.8

FISCAL

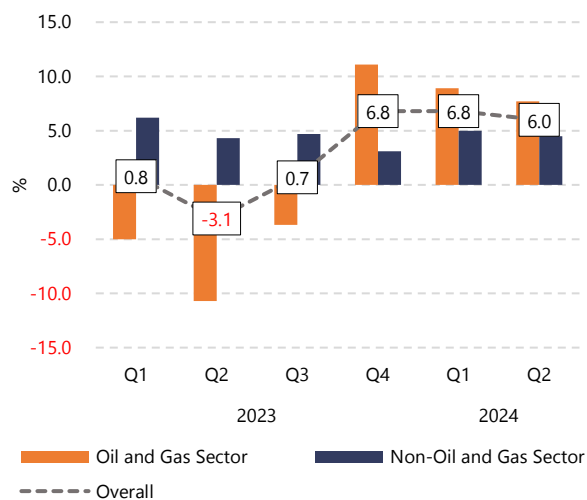
 Fiscal Balance BND Million	550.7
 Revenue BND Million	794.8
 Expenditure BND Million	1,345.5

Gross Domestic Product (GDP)

Overview

Brunei Darussalam's economy recorded year-on-year (y-o-y) growth of 6.0 per cent in the second quarter of 2024 (Q2 2024). This positive growth was driven by improvements in both the Oil and Gas Sector (7.7 per cent) and the Non-Oil and Gas Sector (4.5 per cent) (**Exhibit 1**).

Exhibit 1 : GDP Growth (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

Oil and Gas Performance

The growth in the Oil and Gas Sector was fuelled by higher production of crude oil, natural gas and liquefied natural gas (LNG) (**Table 1**). The increase in crude oil and natural gas was mainly due to production from a new oil field that started operation in October 2023. Meanwhile, the uptick in LNG production was attributed to higher gas supply.

Table 1 : Production of Crude Oil, Natural Gas and LNG (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024
Crude Oil (Thousand Barrels /Day)	77.9	81.0
Natural Gas (Million m ³ /Day)	21.5	25.8
LNG (MMBtu/Day)	586,865	656,287

Source: Energy Department, Prime Minister's Office

Non-Oil and Gas Performance

Meanwhile, the expansion of the Non-Oil and Gas Sector was driven by a positive performance in various subsectors (**Table 2**).

Table 2 : Growth of Selected Non-Oil and Gas Sectors (Q2 2024)

	% Growth
Manufacture of Petroleum and Chemical Products	52.8
Air Transport	24.2
Business Services	6.1
Electricity and Water	3.1
Health and Education Services	2.4
Communication	2.2
Wholesale and Retail Trade	2.1
Hotels	1.1
Finance	-3.9
Construction	-7.0
Agriculture, Forestry and Fishery	-8.2

Source: Department of Economic Planning and Statistics

The significant rise in the Manufacture of Petroleum and Chemical Products subsector aligns with the growth in petrochemical production, especially for diesel and benzene, as well as the introduction of a new product known as Vacuum Gas Oil (VGO). In addition, methanol production increased in line with the availability of gas. Concurrently, urea fertilizer also observed higher production, mainly in response to increased external demand (**Table 3 & Table 24**).

Table 3 : Production of Petrochemical Products, Methanol and Urea (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024
Petrochemical Products (Tonnes)	1,620,689	1,998,424
Methanol (Metric Tonnes)	61,909	154,784
Urea* (Metric Tonnes)	91,184	230,534

Source: Hengyi Shd Bhd, Energy Department, Prime Minister's Office
 *Figures obtained from Brunei Fertilizer Industries.

The development of the Air Transport subsector was fuelled by a rise in the number of air passenger arrivals and departures (**Table 4**) as well as increased flight frequency (**Table 5**).

**Table 4 : Air Arrivals and Departures
(Q2 2023 & Q2 2024)**

	Q2 2023	Q2 2024
Arrivals (Persons)	99,280	128,077
Departure (Persons)	97,332	121,899

Source: Department of Immigration, Ministry of Home Affairs

**Table 5 : Scheduled Aircraft Movements
(Q2 2023 & Q2 2024)**

	Q2 2023	Q2 2024
Scheduled Aircraft Movements (Unit)	2,325	2,769

Source: Department of Civil Aviation, Ministry of Transport and Info-Communications

Meanwhile, the growth in the Business Services subsector was among others, linked to an increase in architectural and engineering activities, mainly driven by oil and gas supporting companies.

Increased electricity production led to the expansion in Electricity and Water subsector. This was in parallel with higher consumption of electricity from commercial activities.

Elsewhere, the progress in the Health Services subsector was mainly attributed to growth in the private healthcare segment. Additionally, the Education Services subsector also gained from improvements in both private and government education segments.

As for the Communication subsector, its improved performance was evident in the increase in internet and mobile subscriptions (**Table 6**). The boost in mobile and fixed broadband along with a rise in both postpaid and prepaid mobile subscriptions, contributed to this trend. Improved performance of fixed broadband, including enhanced speed and increase reliability was among the key drivers of rising demand for these services, which contributed to the growth of this subsector.

**Table 6 : Internet and Mobile Subscriptions
(Q2 2023 & Q2 2024)**

	Q2 2023	Q2 2024
Internet (Subscriptions)	630,546	647,079
Mobile (Subscriptions)	533,071	547,628

Source: Authority for Info-Communication Technology Industry of Brunei Darussalam

The growth of the Wholesale and Retail Trade subsector was attributed to a rise in wholesale activities, particularly sale of motor vehicles. This increase also corresponded to a rise in personal loans for vehicles (**Table 7**).

**Table 7 : Number of Personal Loans for Vehicles
(Q2 2023 & Q2 2024)**

	Q2 2023	Q2 2024
Personal Loans for Vehicles (BND Million)	6.6	9.6

Source: Brunei Darussalam Central Bank (BDCB)

The Hotel subsector benefited from a surge in international tourist arrivals by air. This growth was also reflected in the increase in average occupancy rate (**Table 8**).

**Table 8 : International Tourist Arrivals by Air and
Average Occupancy Rate (Q2 2023 & Q2 2024)**

	Q2 2023	Q2 2024
International Tourist Arrivals by Air	26,408	67,222
Average Occupancy Rate (%)	29.4	31.5

Source: Tourism Department, Ministry of Primary Resources and Tourism

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

- The Finance subsector showed declining growth with one of the contributing factors to the decline was the reduction in insurance activities.
- The Construction subsector experienced negative growth, in line with a decline in imports of machinery and transport equipment.
- The Agriculture, Forestry and Fishery subsector recorded subdued growth, mainly due to a decline in the Fishery subsector. This decline was caused by a decrease in aquaculture production due to the spread of shrimp disease infection, which could not compensate the gain in the capture industry. (**Table 9**).

Table 9 : Production of Capture and Aquaculture Industries (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024
Capture (MT)	5,607.4	5,670.5
Aquaculture (MT)	429.7	406.9
Total (MT)	6,037.1	6,077.4

Source: Ministry of Primary Resources and Tourism

GDP by Expenditure

By expenditure approach, the significant GDP growth in Q2 2024 was propelled by a rise in the Net Exports of Goods and Services. This growth was also supported by a rise in Household Final Consumption Expenditure, Government Final Consumption Expenditure, whereas Gross Capital Formation recorded a decline due to a fall in both private or government investments (Table 10).

Table 10 : GDP by Expenditure (Q2 2023 & Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth (Q2 2023/ Q2 2024)
Government Final Consumption Expenditure	962.7	1,010.4	4.9
Household Final Consumption Expenditure	1,355.8	1,437.5	6.0
Gross Capital Formation (Investment)	1,935.7	1,703.9	-12.0
Exports of Goods and Services	2,843.5	3,914.9	37.7
Imports of Goods and Services	2,678.4	2,907.3	8.5
GDP	4,403.1	4,665.5	6.0

Source: Department of Economic Planning and Statistics

Regional GDP Developments

In Q2 2024, most economies in the ASEAN region posted positive growth (Table 11).

Table 11 : GDP Growth of Selected ASEAN Countries (Q2 2024)

Countries	Q2 2024 (% y-o-y)
Indonesia	5.1
Malaysia	5.9
Singapore	2.9

¹ Quarterly Gross Domestic Product : Second Quarter 2024 (August 31, 2024).
 Department of Statistics Malaysia.

Philippines	6.3
Vietnam	6.9
Thailand	2.3

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

In Q2 2024, Indonesia's economy grew by 5.1 per cent with several industries showing encouraging growth. Among others, Accommodation and Food Service Activities experienced the highest growth, driven by national and international events such as meeting (MICE), music and sports. Additionally, the boost in Transportation and Storage was supported by increased public mobility during school holidays, as well as a rise in the volume of export and import goods shipments. Meanwhile, the Manufacture of Basic Metals was driven by increased external demand.

Malaysia's economy rose by 5.9 per cent in Q2 2024 largely driven by the Services, Manufacturing and Construction sectors. The expansion of the Services sector was supported, among others, by subsectors such as Wholesale & Retail Trade, Finance & Insurance, and Transportation & storage. On the other hand, the growth of the Manufacturing sector was driven by an improved performance in Petroleum, chemical, rubber & plastic products; Non-metallic mineral products, basic metal and fabricated metal products; and Electrical, electronic and optical products. Furthermore, the Construction sector was bolstered by robust growth in specialised construction activities, civil engineering and residential buildings¹.

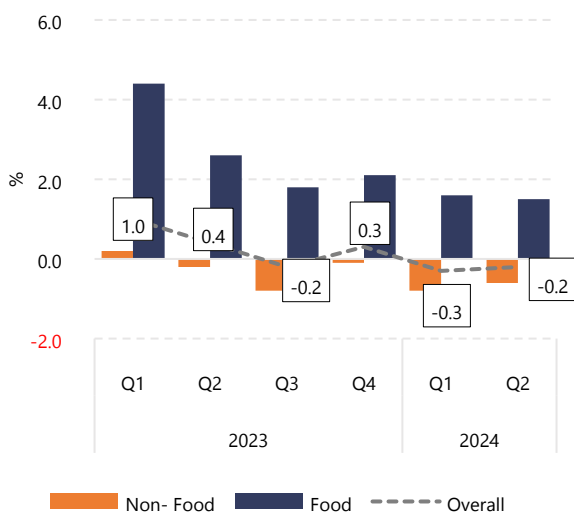
Singapore's economy grew by 2.9 per cent y-o-y in Q2 2024. Among the contributors to the growth were the wholesale trade, finance & insurance, and information & communications sectors. However, the manufacturing sector declined, mainly due to a contraction in the biomedical manufacturing cluster caused by a sharp fall in pharmaceuticals output. In contrast, the electronics sector grew, supported by strong demand for smartphones, PC and AI-related chips. Furthermore, consumer-facing sectors such as retail trade and food & beverage services also contracted, in line with the increase in outbound travel by locals².

² Singapore's GDP Grew by 2.9 Per Cent in the Second Quarter of 2024 (August 13, 2024). Ministry of Trade and Industry Singapore.

Consumer Price Index

The Consumer Price Index (CPI) continued to record a y-o-y decrease of 0.2 per cent in Q2 2024 compared to the same period last year. The decrease was mainly due to a 0.6 per cent decrease in the Non-Food Index. Meanwhile, the Food and Non-Alcoholic Beverages Index experienced an increase of 1.5 per cent (Exhibit 2 and Table 12).

Exhibit 2 : Consumer Price Index
 (% Growth y-o-y), Q1 2023 – Q2 2024



Source: Department of Economic Planning and Statistics

Table 12 : Consumer Price Index (% Growth y-o-y), Q2 2023 & Q2 2024

	Q2 2023	Q2 2024
Overall CPI	0.4	-0.2
Food	2.6	1.5
Non-Food	-0.2	-0.6

Source: Department of Economic Planning and Statistics

Non-Food Index

In Q2 2024, the decrease in the Non-Food Index was primarily driven by a fall in the following commodities:

- Transport prices declined by 1.6 per cent, particularly air fares due to promotional activities initiated by selected travel agents³ and motor car prices of selected car models and brands.
- Communication prices decreased by 2.8 per cent, driven by a decline in telephone and telefax

service prices, following the cheapest internet service charges offered since September 2023.

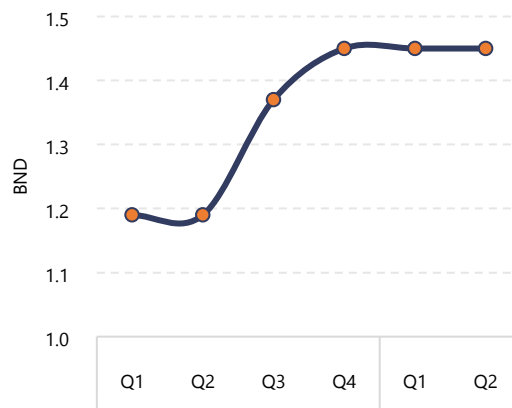
- Housing, Water, Electricity, Gas, and Other Fuels prices decreased by 1.1 per cent in line with a decline in air conditioning services and repair prices.

Food and Non-Alcoholic Beverages Index

The Food and Non-Alcoholic Beverages Index registered an increase in Q2 2024, mainly associated with a rise in the following commodities:

- The prices of Non-Alcoholic Beverages recorded a double-digit increase of 10.4 per cent, mainly due to high price of ready-to-consume drinks. This was following amendments to the customs import and excise duties on sugary products, aimed at reducing consumption and enhancing public health. As of 17th May 2023, sweetened or flavored beverages (ready to drink) have been subject to a \$4/dal excise duty, regardless of sugar content. This is a change from the previous structure, where only high-sugar beverages were taxed at \$4/dal, while low-sugar beverages were exempted⁴ (Exhibit 3).

Exhibit 3 : Average Prices of Soft Drinks
 (BND/ML), Q1 2023 – Q2 2024



Source: Department of Economic Planning and Statistics

- Milk, Dairy Products and Eggs prices rose by 3.2 per cent, mainly contributed by an increase in eggs prices.

³ Department of Consumer Affairs, Department of Economic Planning and Statistics.

⁴ Amendments to the customs import and excise duties effective 17 May 2023, Royal Customs and Excise Department, Ministry of Finance and Economy.

- Rice and Cereals prices rose by 1.1 per cent, mainly contributed by an increase in imported raw material prices for biscuits and cookies products.

Selected World Developments

Table 13 : Selected Countries' Consumer Price Index, Q2 (April - June) 2024

	Q2 2023 / Q2 2024	
	Overall	Food and Non-Alcoholic Beverages
	% Changes	
Australia	3.8	3.3
Singapore	2.8	2.8
Malaysia	1.9	1.9

Sources: Countries CPI Data Statistics

In Q2 2024, Australia's inflation rate was high at 3.8 per cent compared to the same quarter in 2023, mainly due to an increase in both the Food and Non-Food indices. The rise in the Food Index was mainly driven by higher fruit prices. Meanwhile, the Non-Food Index also increased, reflecting higher cost of garments, housing rentals and private health insurance premiums⁵.

In Q2 2024, Singapore's inflation rate increased by 2.8 per cent y-o-y, mainly due to a rise in Food prices such as bread and cereals; vegetables; and oils and fats. Meanwhile, Non-Food prices also increased, largely driven by higher cost of healthcare, particularly outpatient and hospital services. Additionally, transportation costs rose, primarily due to higher petrol prices as well as increased bus and train fares⁶.

Meanwhile, the inflation rate for Malaysia increased by 1.9 per cent in Q2 2024 compared to the same period in the previous year. The increase was mainly attributed to a surge in the Food and Beverages Index, driven by a rise in cereals and vegetables prices. Meanwhile, the increase in the Non-Food Index was in line with a rise in utility expenses; dining expenses in restaurants and cafés; and the maintenance and repair of personal transport⁷.

⁵ Consumer price index (June 2024). *Australia Bureau of Statistics.*

⁶ Economic Survey of Singapore Second Quarter 2024, *Ministry of Trade and Industry.*

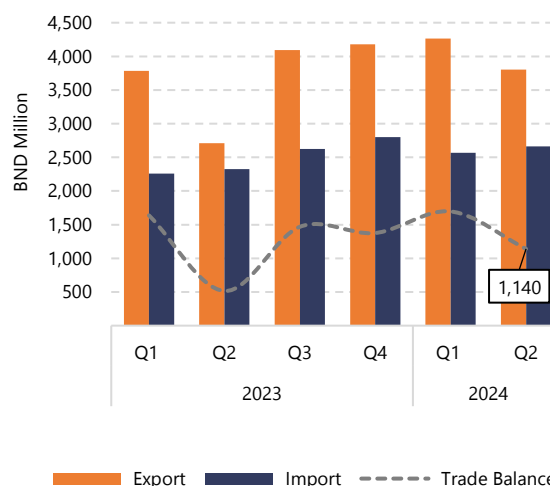
⁷ Consumer Price Index (June 2024). *Department of Statistics Malaysia.*

International Merchandise Trade

Overview

Brunei Darussalam's total merchandise trade in Q2 2024 rose by 28.4 per cent to BND6,465.7 million, from BND5,034.8 million in Q2 2023. This increase was attributed to a rise in both exports and imports by 40.2 per cent and 14.6 per cent, respectively, driven mainly by a recovery in upstream and downstream petrochemical exports and increased imports of crude oil. Overall, the country's trade balance remained in surplus, growing to BND1,140.0 million this quarter (**Exhibit 4**).

Exhibit 4 : Trade Statistics (Q1 2023 – Q2 2024)

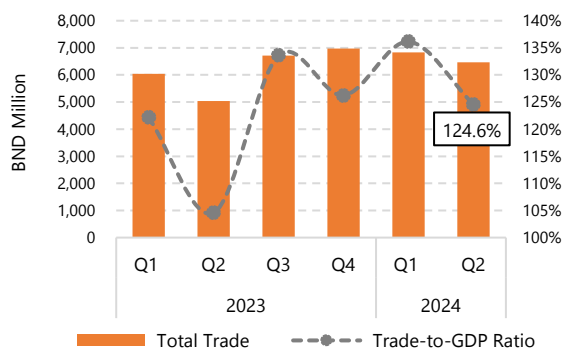


Source: Department of Economic Planning and Statistics

Meanwhile, total trade as a percentage of GDP rose to 124.6 per cent from 104.6 per cent in the same quarter of 2023⁸ (**Exhibit 5**). This improvement aligns with recovered trade performance, which contributed to the economic growth in this quarter.

⁸ The trade-to-GDP ratio indicates a country's openness or integration into the global economy. The ratio measures domestic producers' reliance on foreign markets (export) as well as domestic demand's reliance on foreign supplies of goods and services (import).

Exhibit 5 : Trade-to-GDP Ratio (Q1 2023 – Q2 2024)



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

Exports Development

Brunei Darussalam's total exports in Q2 2024 amounted to BND3,802.9 million, rising from BND2,711.8 million in Q2 2023 (Table 14). This increase was mainly driven by higher export values of both oil and gas; and downstream petrochemical (Table 15).

Table 14 : Exports (Q2 2023 & Q2 2024)

BND Million	Q2 2023	Q2 2024	Change
Domestic Exports	2,644.2	3,677.0	1,032.8
Re-Exports	67.6	125.9	58.2
Total Exports	2,711.8	3,802.9	1,091.1

Source: Department of Economic Planning and Statistics

Oil and gas commodities accounted for 38.1 per cent of the total exports, while non-oil and gas exports accounted for 61.9 per cent.

In Q2 2024, oil and gas export values rose by 37.1 per cent, driven by higher volumes of crude oil and LNG, along with rising crude oil prices (Tables 15, 16 & 17).

Table 15 : Oil and Gas Exports (Q2 2023 & Q2 2024)

BND Million	Q2 2023	Q2 2024	Change
Crude Oil	429.2	706.3	277.1
LNG	626.5	741.2	114.7
Total	1055.7	1,447.4	391.7

Source: Energy Department, Prime Minister's Office

Table 16 : Export Volumes of Crude Oil and LNG (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024
Crude Oil (Thousand Barrels per Day)	42.1	64.5
LNG (MMBtu per Day)	525,133	624,933

Source: Energy Department, Prime Minister's Office

Table 17 : Prices of Crude Oil and LNG (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024
Crude Oil (USD/Barrel)	83.9	88.9
LNG (USD/MMBtu)	9.8	9.6

Source: Energy Department, Prime Minister's Office

Non-oil and gas exports rose by 42.2 per cent, mainly driven by an increase in downstream industry export values, which reached BND2,218.7 million in Q2 2024, up from BND1,552.1 million in Q2 2023 (Table 18). This growth was mainly attributed to the higher export values of petrochemical products (particularly automotive diesel, benzene and Vacuum Gas Oil), methanol and urea. These products were mainly exported to Australia, China, Indonesia, Chile and Malaysia.

Table 18 : Downstream Exports (Q2 2023 & Q2 2024)

BND Million	Q2 2023	Q2 2024	Change
Petrochemical Products	1,454.2	2,055.4	601.2
Methanol	25.6	59.6	34.1
Urea	70.4	102.6	32.2
Polygel	1.9	1.0	-0.9
Total	1,552.1	2,218.7	666.6

Meanwhile, other non-oil and gas export values increased to BND136.8 million in Q2 2024, compared to BND104.1 million in Q2 2023 (Table 19) mainly due to the rise in re-exports of machinery and transport equipment.

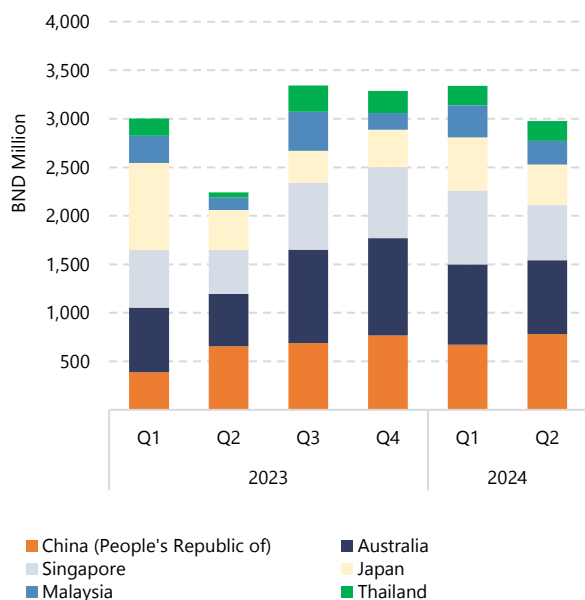
**Table 19 : Non-Oil and Gas Exports
(Q2 2023 & Q2 2024)**

BND Million	Q2 2023	Q2 2024	Change
Downstream	1,552.1	2,218.7	666.6
Others	104.1	136.8	32.7
Total	1,656.1	2,355.5	699.4

Source: Department of Economic Planning and Statistics

In this quarter, China was the top destination for exports, primarily consisting of various downstream petrochemicals and LNG (**Exhibit 6**). This was followed by Australia, which had been the top destination in the previous quarter, with exports mainly consisting of automotive diesel fuels and crude oil. Exports to Singapore ranked third, mainly consisting of various mineral fuels such as automotive fuels, liquified butanes as well as crude and light oils, along with regular export of eggs.

**Exhibit 6 : Exports (Top 6 Destinations),
Q1 2023 – Q2 2024**



Source: Department of Economic Planning and Statistics

Imports Development

Brunei Darussalam's total imports in Q2 2024 rose to BND2,662.8 million from BND2,323.0 million in Q2 2023. The increase was primarily driven by the import of feedstock for the downstream petrochemical industry, particularly crude oil. This contrasts with other category, which saw a decrease in imports (**Table 20**).

**Table 20 : Imports by Commodity
(Q2 2023 & Q2 2024)**

BND Million	Q2 2023	Q2 2024	Change
Mineral Fuels	1,444.2	1,920.3	476.1
Machinery and Transport Equipment	296.7	225.5	-71.1
Food	188.7	180.8	-7.9
Manufactured Goods	157.2	137.2	-20.0
Chemicals	116.3	98.2	-18.1
Miscellaneous Manufactured Articles	83.9	75.8	-8.1
Beverages and Tobacco	15.6	10.9	-4.7
Animal and Vegetable Oils and Fats	6.8	6.0	-0.8
Crude Materials, Inedible	9.6	5.3	-4.3
Miscellaneous Transactions	4.0	2.7	-1.3
Total	2,323.0	2,662.8	339.8

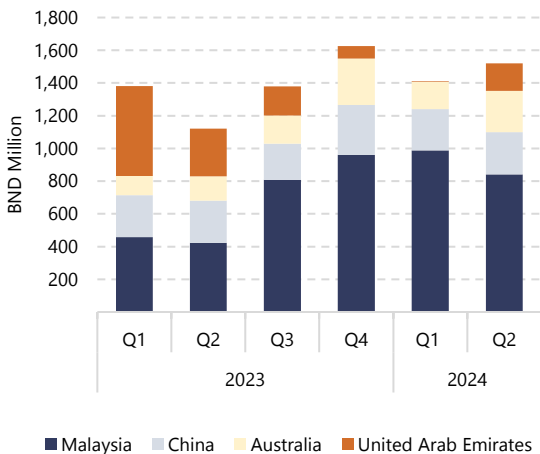
Source: Department of Economic Planning and Statistics

Imports from Malaysia remained the largest, amounting to BND841.1 million this quarter. The majority of these imports were mineral fuels (76.1 per cent), consisting mainly of crude oil for the petrochemical industry, along with food items (10.2 per cent), including feedstocks, fruits, aquaculture, and other various food products.

Most of Brunei Darussalam's food imports continued to be sourced from Malaysia, accounting for 47.3 per cent of the total food imports in Q2 2024. Due to the perishable nature of food products, importing from a nearby bordering country such as Malaysia offers advantages. Food imports from Malaysia in this quarter were transported by sea (49.9 per cent) and by land (49.5 per cent), with 0.6 per cent transported by air.

China was the second largest source of imports, recorded at BND258.6 million, mostly comprising motor spirit. This was followed by imports from Australia, consisting mainly of crude oil as feedstock, along with various food imports accounting for 9.0 per cent of total food imports, including meats, live animals, dairy products and other various products (**Exhibit 7**).

Exhibit 7 : Import Origins (Q1 2023 – Q2 2024)



Source Department of Economic Planning and Statistics

Global Trade Developments

In line with the World Trade Organisation’s forecast for global trade performance to pick up in 2024, the second quarter showed continued growth in several neighbouring countries, including Malaysia and Singapore (**Table 21**).

In Q2 2024, Malaysia continued to record growth in total trade due to an increase in both export and import values. The rise in exports was mainly driven by Machinery, Equipment and Parts, and Palm Oil-Based Manufactured Products. The increase in imports was primarily due to higher imports of Electrical and Electronic Products, Petroleum Products, and Machinery, Equipment, and Parts.

Singapore’s total trade continued to rise in this quarter, driven by increase in both exports and imports. The growth in both exports and imports was attributed to a rise in oil commodities, particularly petroleum and non-oil commodities, mainly machinery and transport equipment.

Table 21 : Total Trade Growth y-o-y in ASEAN Countries (Q2 2024)

Countries	Total Trade Growth (%)
Malaysia	10.0
Singapore	10.0

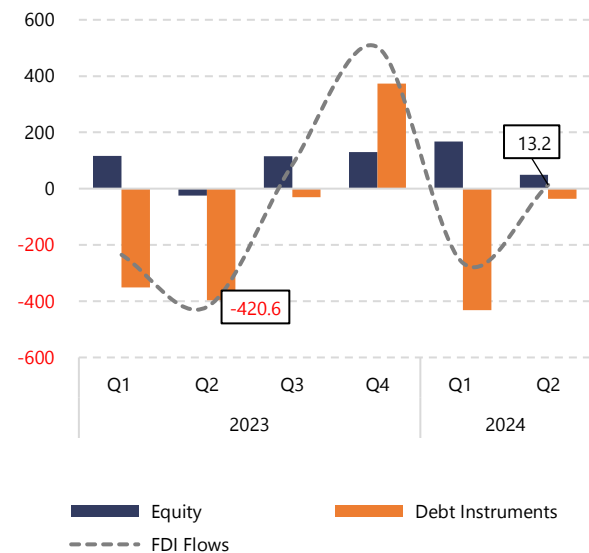
Source: Department of Statistic Malaysia and Department of Statistics Singapore.

Foreign Direct Investment

Overview

In the second quarter of 2024, Brunei Darussalam recorded a Foreign Direct Investment (FDI) flow of BND13.2 million, a notable turnaround compared to last year’s quarter with negative flow of BND420.6 million (**Exhibit 8**). The positive flows were due to higher equity component, largely attributed to increased reinvested earnings, which indicated an ongoing investment in a company’s growth, with profits being used to further enhance business. In addition, the decrease in debt repayments from negative BND396.1 million to negative BND36.3 million reflected that stronger cash flows were generated, reducing reliance on loans from parent or sister companies abroad. This improved profitability enabled faster debt repayment, showcasing better overall financial performance.

Exhibit 8 : FDI Flows (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

By economic activity, the positive FDI flow was primarily contributed by Wholesale and Retail Trade (**Table 22**).

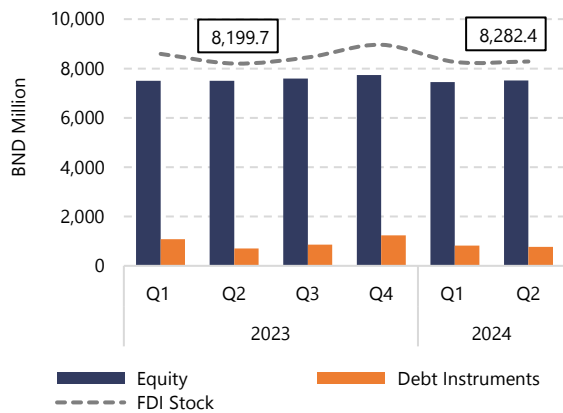
Table 22 : FDI Flows by Economic Activity (Q2 2023 & Q2 2024)

BND Million	Q2 2023	Q2 2024
Mining and Quarrying	97.4	20.9
Manufacturing	-516.5	-34.5
Construction	-26.7	-10.2
Wholesale and Retail Trade	1.0	7.0
Financial and Insurance Activities	19.5	16.0
Professional, Scientific and Technical Activities	0.9	4.8
Other Activities	3.8	9.2
FDI Flows	-420.6	13.2

Source: Department of Economic Planning and Statistics

FDI stock saw a rise of 1.0 per cent to BND8,282.4 million in Q2 2024 compared to BND8,199.7 million in Q2 2023 (**Exhibit 9 & Table 23**). This increase was attributed to a 0.2 per cent rise in equity to BND7,512.7 million from BND7,500.9 million in Q2 2023, boosted by companies' active reinvestment of profits. Additionally, there was a 10.1 per cent rise in debt due to an increase in loans from parent and sister companies abroad.

Exhibit 9 : FDI Stock (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

The rise in FDI stock by economic activity was mainly driven by increases in Manufacturing; Financial & Insurance Activities, and Wholesale and Retail Trade. However, this increase was moderated by a decrease in the Mining & Quarrying activity.

Table 23 : FDI Stock by Economic Activity (Q2 2023 & Q2 2024)

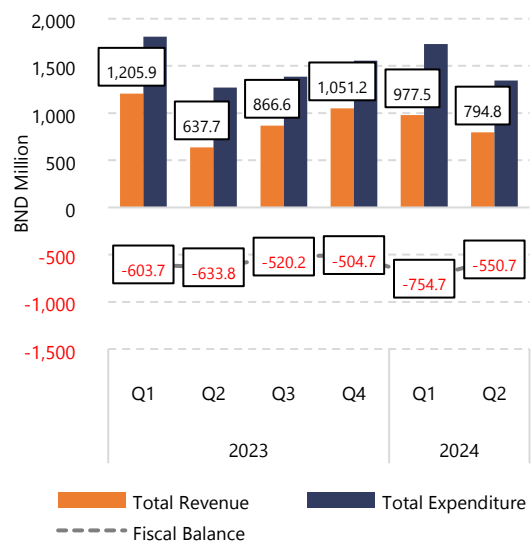
BND Million	Q2 2023	Q2 2024
Mining and Quarrying	3,476.3	3,035.2
Manufacturing	2,823.6	3,038.4
Construction	64.0	40.6
Wholesale and Retail Trade	186.8	225.1
Financial and Insurance Activities	1,077.6	1,225.6
Professional, Scientific and Technical Activities	274.0	233.7
Other Activities	297.4	483.8
FDI Stock	8,199.7	8,282.4

Source: Department of Economic Planning and Statistics

Fiscal

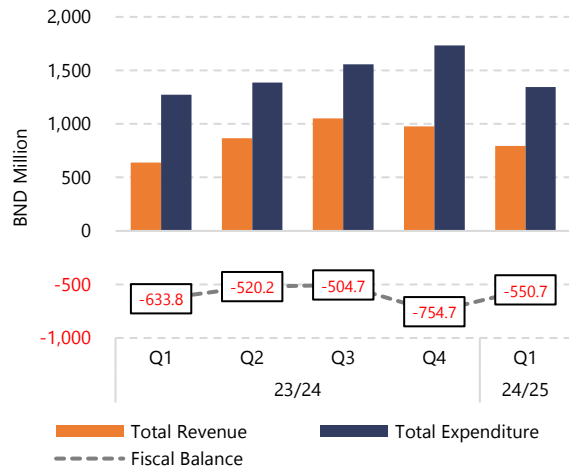
In Q2 2024, Brunei Darussalam's fiscal deficit narrowed to BND550.7 million compared to BND633.8 million in the same period last year (**Exhibit 10**). This was mainly due to an increase in government revenue from BND637.7 million in Q2 2023 to BND794.8 million in Q2 2024 despite a modest increase in expenditure from BND1,271.6 million in Q2 2023 to BND1,345.5 million in Q2 2024.

Exhibit 10 : Fiscal Balance (Q1 2023 – Q2 2024)



Source: Treasury Department, Ministry of Finance and Economy

Exhibit 11 : Fiscal Balance
(FY2023/2024 - FY2024/2025)



Source: Treasury Department, Ministry of Finance and Economy

The increase in government revenue in Q2 2024 was mainly due to an increase in oil and gas revenue from BND440.7 million in Q2 2023 to BND589.8 million, driven by higher production and crude oil prices. As such, crude oil production increased from 78.0 thousand barrels per day in Q2 2023 to 81.0 thousand barrels per day in Q2 2024 while crude oil price increased from USD83.9 per barrel in Q2 2023 to USD88.9 per barrel in Q2 2024. The increase in oil and gas revenue significantly impacted the overall government revenue, as it constitutes a substantial portion, representing 74.2 per cent of the total revenue in Q2 2024. Other than that, the increase in returns from government operations (mainly taxes) and excess revenue of statutory bodies also contributed to the increase in government revenue.

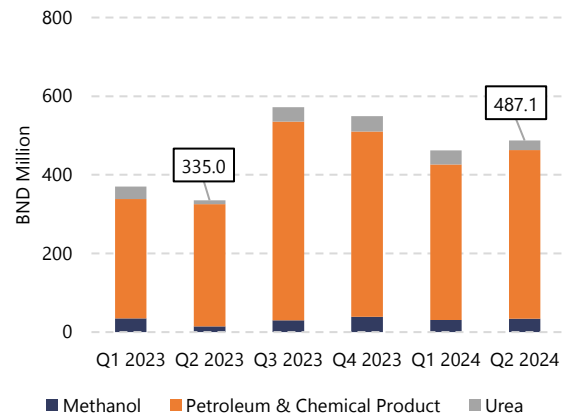
As for government expenditure, the modest increase was primarily due to an increase in ordinary expenditure by 11.3 per cent, from BND892.4 million in Q2 2023 to BND993.5 million in Q2 2024, mainly driven by an increase in Personnel Emoluments (PE) and Other Charges Annual Recurrent (OCAR) expenditure by 0.9 per cent and 24.0 per cent respectively. Furthermore, charged expenditure also increased by 18.7 per cent. However, the increase was offset by a fall in development expenditure by 92.2 per cent. The fall in development expenditure was in line with a significant drop in project expenditure under the Security; Social Services; and Industries and Commerce sectors. This was mainly caused by a slow pace of development activity, as reflected in the decrease in the Construction subsector's GDP.

Priority Sectors Development

Downstream Oil and Gas

In Q2 2024, the GDP value at current prices of the Downstream Oil and Gas Sector increased from BND335.0 million in the same period of the previous year to BND487.1 million (**Exhibit 12**). The increase was attributed to a rise in the value of Petroleum and Chemical Products; Methanol; and Urea.

Exhibit 12 : Downstream Oil and Gas Sector GDP at Current Prices (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

PETROLEUM AND CHEMICAL PRODUCTS

In this quarter, Petroleum and Chemical Products increased to BND428.9 million from BND310.6 million during the same period last year. This increase was primarily attributed to a rise in the production and prices of Diesel, Benzene and a new product known as Vacuum Gas Oil (VGO) (**Table 24 and Table 25**).

Table 24 : Selected Petroleum and Chemical Products by Volume, (Q2 2023 & Q2 2024)

		Q2	Q2	%
		2023	2024	Growth
		Tonnes		
Production	Diesel	510,130	782,377	53.4
	Benzene	103,586	136,427	31.7
	VGO	-	98,735	-

Source: Hengyi Industries Sdn Bhd

Table 25 : Selected Petroleum and Chemical Products by Price, (Q2 2023 & Q2 2024)

		Q2 2023	Q2 2024	% Growth
		(USD/MT)		
Price	Diesel	690	758	9.9
	Benzene	850	1,053	23.9
	VGO	-	537	-

Source: Hengyi Industries Sdn Bhd

METHANOL

The value of methanol increased from BND14.5 million in Q2 2023 to BND33.7 million in Q2 2024, driven by a rise in both production and price (Table 26). The increase in methanol production was in line with higher gas supply while the rise in methanol price was in response to limited global supply due to disruptions and logistical challenges during June 2024⁹.

Table 26 : Production and Price of Methanol, (Q2 2023 & Q2 2024)

		Q2 2023	Q2 2024	% Growth
		Metric Tonnes		
Production		61,909	154,784	150.0
		(USD/MT)		
Price		247	274	11.2

Source: Energy Department, Prime Minister's Office

UREA

The value of Urea also increased in this quarter from BND10.0 million in Q2 2023 to BND24.5 million in Q2 2024. This increase was mainly attributed to higher production (Table 27) in response to increased external demand, particularly from Peru (new trading partner), Chile, Vietnam, Cambodia, and the Philippines.

Table 27 : Production of Urea, (Q2 2023 & Q2 2024)

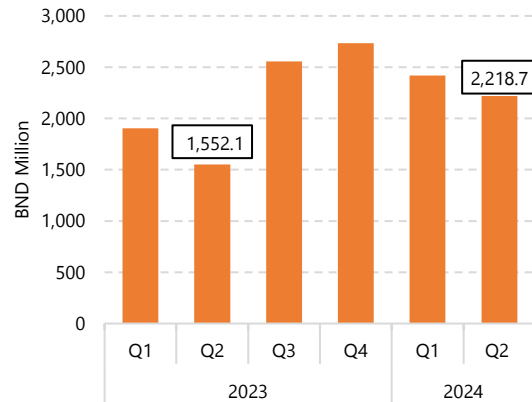
		Q2 2023	Q2 2024	% Growth
		Metric Tonnes		
Production		91,184	230,534	152.8
		(USD/MT)		
Price		310	314	1.2

Source: Brunei Fertilizer Sdn Bhd & World Commodity Price, World Bank

EXPORTS FROM DOWNSTREAM OIL AND GAS

In Q2 2024, export values of the Downstream Oil and Gas Sector increased from BND1,552.1 million in Q2 2023 to BND2,218.7 million (Exhibit 13). The rise was attributed to higher export volumes of petroleum and chemical products (Table 28) to countries such as Australia and Vietnam (Diesel), China, Taiwan and Korea (Benzene & VGO), Chile and Korea (Urea).

Exhibit 13 : Downstream Oil & Gas Exports, (Q2 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

Table 28 : Downstream Oil & Gas Export Volume, (Q2 2023 & Q2 2024)

		Q2 2023	Q2 2024	% Growth
		Tonnes		
Export Volume	Diesel	448,755	717,076	59.8
	Benzene	103,586	136,427	31.7
	VGO		98,735	
	Urea	137,128	251,767	83.6

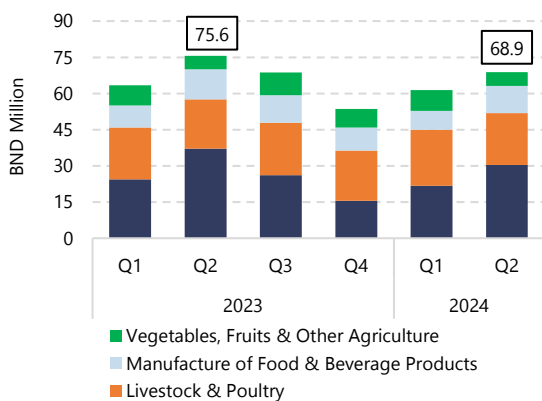
Source: Hengyi Industries Sdn Bhd and Department of Energy.

⁹ Methanol Price Trend and Forecast, (June, 2024), Chemanalyst.

Food

In Q2 2024, the Food Sector¹⁰, contributed BND68.9 million in Q2 2024, decreasing from BND75.6 million in the same quarter of 2023. The decline was mainly due to a fall in production in the Fishery and Manufacture of Food & Beverages subsectors (**Exhibit 14**).

Exhibit 14 : Food Sector GVA at Current Prices (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

VEGETABLES, FRUITS, AND OTHER AGRICULTURE

The Vegetables, Fruits, and Other Agriculture subsector was valued at BND5.8 million in Q2 2024, increasing from BND5.6 million in Q2 2023.

The increase was in line with a rise in vegetables and fruits production (**Table 29**), attributed to increased production in pilot project areas as well as an increase in non-seasonal fruits production¹¹.

On the other hand, paddy and miscellaneous crops recorded a decrease in production mainly due to unfavourable weather conditions¹².

Table 29 : Agriculture Production (Q2 2023 & Q2 2024)

Tonnes	Q2 2023	Q2 2024	% Growth
Paddy	777.7	510.3	-34.4
Vegetables	2,123.6	2,254.1	6.1
Fruits	1,302.1	1,415.6	8.7
Miscellaneous Crops	451.5	441.3	-2.3

Source: Ministry of Primary Resources and Tourism

¹⁰ Food Sector consists of four subsectors, namely Vegetables, Fruits, and Other Agriculture; Livestock and Poultry; Fishery; and Manufacture of Food and Beverage Products.

¹¹ Ministry of Primary Resources and Tourism.

LIVESTOCK AND POULTRY

As for the Livestock and Poultry subsector, it was valued slightly higher at BND21.5 million in Q2 2024 compared to BND20.4 million in Q2 2023. The increase was in line with a rise in production of buffaloes & cattle; goat & sheep; broilers; and chicken eggs (**Table 30**).

The Production of buffaloes & cattle and goat & sheep recorded an increase of 0.8 per cent and 14.2 per cent respectively, due to increased demand during the Eid al-Adha festive season in June 2024¹³.

Table 30 : Livestock and Poultry Production (Q2 2023 & Q2 2024)

	Q2 2023	Q2 2024	% Growth
(Metric Tonnes)			
Buffaloes & Cattle	505.7	509.5	0.8
Goat & Sheep	16.9	19.3	14.5
Broilers	7,147.3	7,228.8	1.1
(Million)			
Chicken Eggs	41.8	45.9	9.9

Source: Ministry of Primary Resources and Tourism

FISHERY

Meanwhile, the Fishery subsector was valued at BND30.3 million in Q2 2024, declining from BND37.1 million in Q2 2023. The decline was mainly due to decreased production in aquaculture and small capture activities (**Table 31 and Table 32**).

The decrease in the production of aquaculture activity was impacted by the fall in shrimp/prawn production by 5.2 per cent, primarily due to the spread of shrimp disease infection known as Enterocytozoon Hepatopenaei (EHP) and Acute Hepatopancreas Necrosis Disease (AHPND)¹⁴.

¹² Ministry of Primary Resources and Tourism.

¹³ Ministry of Primary Resources and Tourism.

¹⁴ Ministry of Primary Resources and Tourism.

Table 31 : Aquaculture Industry Production (Q2 2023 & Q2 2024)

Tonnes	Q2 2023	Q2 2024	% Growth
Fish in Cages	47.6	42.9	-9.9
Shrimp/Prawn	377.9	358.3	-5.2
Fresh Water Fish	4.3	5.7	32.6

Source: Ministry of Primary Resources and Tourism

As for the small scale capture activity, its decline was mainly due to a shortage of vessel crew and unfavourable weather conditions¹⁵.

Table 32 : Capture Industry Production (Q2 2023 & Q2 2024)

Tonnes	Q2 2023	Q2 2024	% Growth
Commercial Scale	1,334.4	2,097.7 ¹⁶	57.2
Small Scale	4,273.0	3,572.8	-16.4

Source: Ministry of Primary Resources and Tourism

MANUFACTURE OF FOOD & BEVERAGE PRODUCTS

The Manufacture of Food & Beverage Products subsector amounted to BND11.2 million in Q2 2024, a decrease from the BND12.5 million recorded in Q2 2023.

The decline was in line with the decrease in production of agrifood by 14.5 per cent due to lower demand for local products compared to imported products. Furthermore, the production of processed food-fisheries also decreased by 30.2 per cent (Table 33) in line with the decrease in aquaculture production¹⁷.

Table 33 : Manufacture of Food and Beverage Production (Q2 2023 & Q2 2024)

Tonnes	Q2 2023	Q2 2024	% Growth
Agrifood	19,385.5	16,569.6	-14.5
Processed Food-Fisheries	964.0	673.1	-30.2

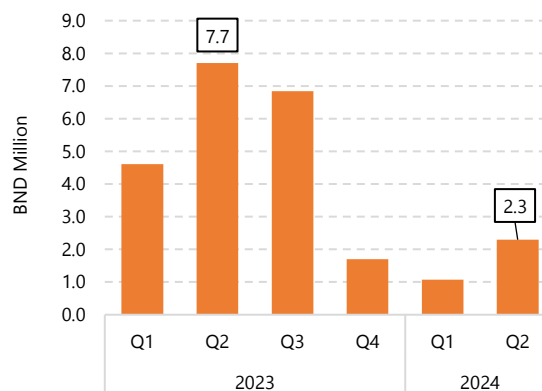
Source: Ministry of Primary Resources and Tourism

EXPORTS FROM FOOD SECTORS

Domestic food exports dropped drastically from BND7.7 million in Q2 2023 to BND2.3 million in Q2 2024 (Exhibit 15). This was due to low shrimp exports, mainly to Taiwan and Japan, which was in line with the

decrease in production due to the spread of shrimp disease infection diseases known as EHP and AHPND.

Exhibit 15 : Food Exports, Q1 2023 – Q2 2024

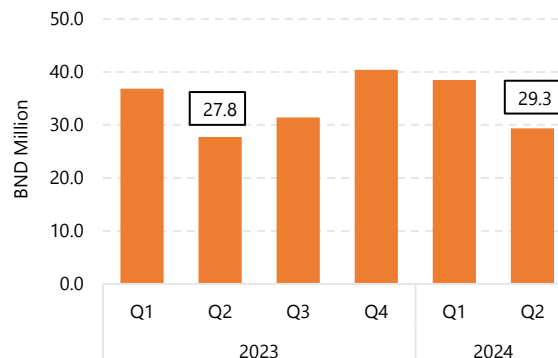


Source: Department of Economic Planning & Statistics

Tourism

The Tourism Sector¹⁸ contributed BND29.3 million in Q2 2024 higher than Q2 from previous years (BND27.8 million) which was driven by air transport and accommodation activities (Exhibit 16).

Exhibit 16 : Tourism GVA at Current Prices (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

TRANSPORTATION

The tourism-related Transportation activity recorded a slight increase from BND14.6 million in Q2 2023 to BND16.2 million in Q2 2024.

The increase was mainly due to air transport as seen in total air arrivals and departures increasing by 27.1 per

¹⁵Ministry of Primary Resources and Tourism.

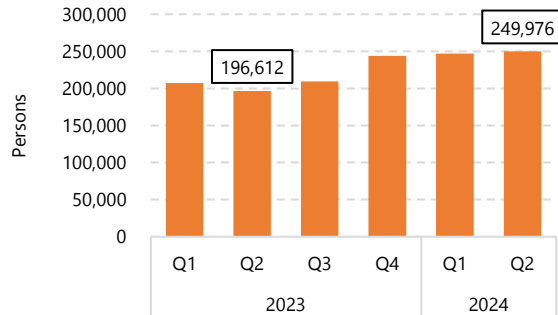
¹⁶Based on Estimated Value for May & June 2024.

¹⁷Ministry of Primary Resources and Tourism.

¹⁸The sector consists of activities of Transportation, Hotels, Restaurants and Other Business Services in Brunei Darussalam.

cent—from 196,612 persons in Q2 2023 to 249,976 persons in Q2 2024 (**Exhibit 17**).

Exhibit 17 : Total Air Arrivals and Departures (Q1 2023 – Q2 2024)



Source: Department of Immigration, Ministry of Home Affairs

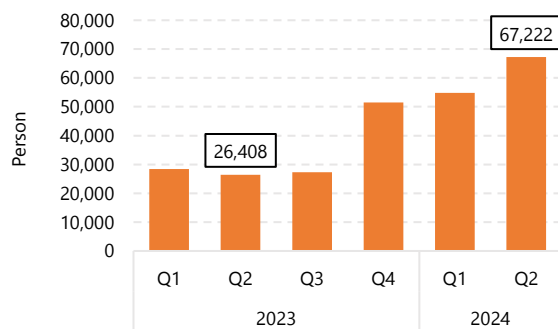
This is congruent with flight frequency, which grew by 19.1 per cent in Q2 2024 y-o-y (**Table 34**) and the rise in international air arrivals to 67,222 tourists in Q2 2024 from 26,408 tourists in Q2 2023 (**Exhibit 18**).

Table 34 : Scheduled Aircraft Movements (Flight Frequency), Q2 2023 & Q2 2024

	Q2 2023	Q2 2024	% Growth
Scheduled Aircraft Movements (Unit)	2,325	2,769	19.1

Source: Department of Civil Aviation, Ministry of Transport and Info-Communications

Exhibit 18 : International Tourist Arrivals by Air (Q1 2023 – Q2 2024)



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

Elsewhere, arrivals by land increased by 21.9 per cent y-o-y in Q2 2024 while arrivals by sea dropped by 4.2 per cent y-o-y in the same quarter (**Table 35**).

Table 35 : Arrivals by Land and Sea (Q2 2023 & Q2 2024)

	Q2 2023 (Persons)	Q2 2024 (Persons)	% Growth
Arrivals By Land	933,135	1,137,092	21.9
Arrivals By Sea	9,609	9,204	-4.2
Total	942,744	1,146,296	21.6

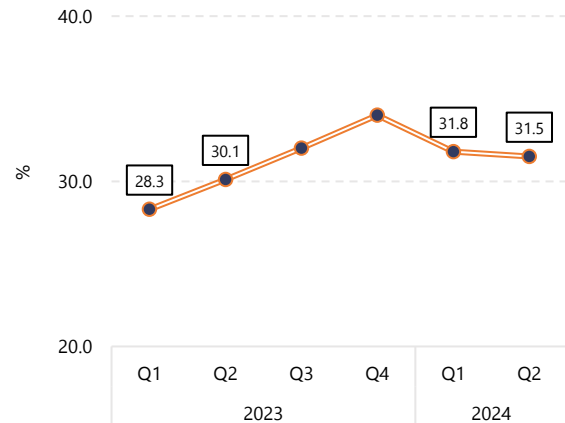
Source: Department of Immigration, Ministry of Home Affairs

HOTELS

The Hotels activity increased from BND3.3 million in Q2 2023 to BND3.5 million in Q2 2024, which was in line with the increase in international tourist arrivals.

The occupancy rate increased from 30.1 per cent in Q2 2023 to 31.5 per cent in Q2 2024 (**Exhibit 19**).

Exhibit 19 : Occupancy Rate of Hotels, Resorts, Apartments and Guest Houses (Q1 2023 – Q2 2024)



Source: Ministry of Primary Resources and Tourism

RESTAURANTS

The Restaurants subsector recorded a contribution of BND7.25 million in Q2 2024 – slight decrease compared to BND7.32 million in Q2 2023.

The decline is evident in the Food and Beverages Service activities performance, where value of sales recorded a decrease of 1.0 per cent. This was mainly driven by Restaurants (1.5 per cent) and Fast-Food Outlets (3.2 per cent) (**Table 36**).

Table 36 : Quarterly Food & Beverages Estimated Value of Sales by Activity (Q2 2023 & Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth
Restaurants	70.5	69.4	-1.5
Fast-Food Outlets	20.8	20.1	-3.2
Catering Service Activities	5.9	6.8	14.1
Other Food Service Activities	11.4	11.1	-3.1
Beverage Serving Activities	2.9	3.0	4.1
Total	111.5	110.6	-1.0

Source: Department of Economic Planning and Statistics

Among the recent developments in the Tourism Sector in line with the Tourism Development Department (TDD) initiatives include:

- Launching of the **online tourism product directory** www.explorebrunei.gov.bn with around 300 activities by TDD in April for improved visibility and customer connectivity. About 48 travel agents are registered and licensed under TDD, but only 10 are actively promoting inbound tourism. The platform is expected to benefit tourism businesses through directed marketing efforts and improved design of travel packages and offerings¹⁹.
- One-on-one networking session with the **National Association of Travel Agents Singapore (NATAS)** delegation hosted by TDD at Radisson Hotel in May. This familiarisation trip was to build on the previous networking and business matching session at Royal Plaza on Scotts, Singapore. The event was attended by 10 representatives from NATAS and 8 Royal Brunei Airlines General Sales Agents (RB-GSA) to discuss on market promotion, latest packages and potential collaborations. The delegation was then taken to different cultural (visits to village consultative councils (MPK) and longhouses, city tours, farm to table dining experiences) and

natural treasures (Mangrove river tours) as well as, adventure activities spanning the four districts²⁰.

- The **Brunei Mid-Year Conference and Exhibition** (Brunei MYCE) end of May held exhibitions centred around the sharing of knowledge and new findings across different sectors in the country and abroad. Those joining the conference were policy makers, entrepreneurs, scientists, lecturers, students as well members of the public. The event sought to boost economic growth via international engagements, business travellers and tourists, aviation, hospitality, accommodation, restaurants and transportation²¹. However, the real effects are yet to be studied.
- **Brunei 29th Consumer Fair** held at the International Convention Centre (ICC) in late June 2024 involved 250 exhibitors and 580 booths to promote local businesses including international participants such as Indonesia Halal Expo, Mega India Expo and Thailand Grand Fair²².
- Brunei's participation in the **39th Seoul International Travel Fair (SITF)** in Seoul from 9 to 12 May was facilitated by TDD. SITF 2024 being South Korea's premier international travel fair with SITF 2023 boasting participation from over 70 countries, Brunei was able to leverage and promote its tourism packages/travel services. On the side-line, 11 Korean travel agencies took part in a networking session with RB General Sales Agents (GSA) representatives to collaborate on Korean tailored tourism packages. In addition, Brunei Darussalam was honoured with the 'Best Marketing Award' during the exhibition. 4,020 Korean tourists were welcomed in 2023. Moving forward, a series of campaigns and activities by TDD have been lined up for this year including the NATAS travel fair in August²³.
- A **tourism package development workshop** was organised and led by TDD officials for local agents at MPRT to impart knowledge/skills and mainly to create compelling travel packages that cater to diverse customer preferences such as a unique Ramadhan experience²⁴. The workshop was also in preparation for the upcoming international expos throughout this year into 2025, including the

¹⁹ Tourism directory launched with over 300 listing (April 10, 2024) *Borneo Bulletin*.

²⁰ Tourism networking session promotes Sultanate (May 2, 2024). *Borneo Bulletin*.

²¹ Brunei MYCE returns tomorrow (May 29, 2024). *Borneo Bulletin*.

²² Partnerships inked for upcoming Consumer Fair (June 6, 2024). *Borneo Bulletin*.

²³ Brunei receives Best Tourism Marketing award (May 15, 2024). *Borneo Bulletin*.

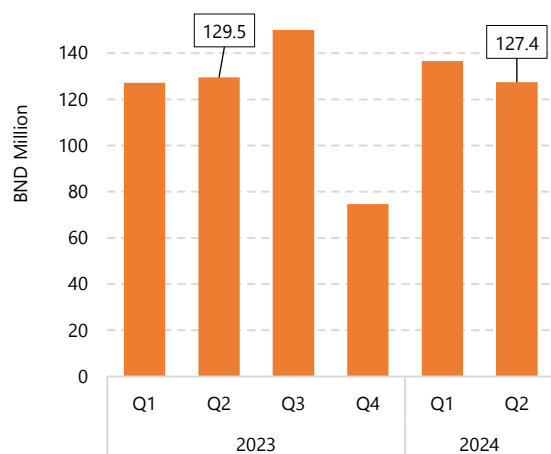
²⁴ Developing Brunei's tourism through upskilling workshop (June 22, 2024). *Borneo Bulletin*.

Singapore NATAS Holiday and Tourism Expo Japan 2024.

Info-Communication & Technology (ICT)

The ICT Sector²⁵ in Q2 2024 was valued at BND127.4 million, a slight decrease from BND129.5 million in the same quarter of 2023. This was mainly due to a decline in the performance of the Computer Programming, Consultancy and Information Services activity (**Exhibit 20**).

Exhibit 20 : ICT Sector GVA at Current Prices (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

TELECOMMUNICATION

The Telecommunication activity increased from BND92.4 million in Q2 2023 to BND93.1 million in Q2 2024, which was consistent with a rise in the number of mobile and internet subscriptions by 2.7 per cent and 2.6 per cent respectively (**Table 37**).

The increase in mobile subscriptions was in line with an increase in both prepaid and postpaid subscriptions by 2.5 per cent and 3.4 per cent respectively (**Table 37**). The growth was due to the introduction of 5G services and promotions offered by telecommunication companies.

Table 37 : Mobile Subscriptions (Q2 2023 & Q2 2024)

Subscriptions	Q2 2023	Q2 2024	% Growth
Prepaid	405,359	415,539	2.5
Postpaid	127,712	132,089	3.4
Total	533,071	547,628	2.7

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

Furthermore, internet subscriptions increased by 2.6 per cent, driven by a 2.8 per cent and 1.8 per cent rise in mobile broadband and fixed broadband users respectively (**Table 38**).

Table 38 : Internet Subscriptions (Q2 2023 & Q2 2024)

Subscriptions	Q2 2023	Q2 2024	% Growth
Mobile Broadband	537,193	552,090	2.8
Fixed Broadband	93,353	94,989	1.8
Total	630,546	647,079	2.6

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

The increase in fixed broadband subscriptions was mainly driven by the Residential segment. However, the Business/Government segments recorded a decrease of 0.5 per cent (**Table 39**).

Table 39 : Fixed Broadband Subscriptions (Q2 2023 & Q2 2024)

Subscriptions	Q2 2023	Q2 2024	% Growth
Residential	85,781	87,455	2.0
Business/ Government	7,008	6,970	-0.5
Leased Lines	564	564	0

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

In terms of mobile and fixed broadband traffic, its overall performance improved by 14.2 per cent, backed by an increase from 141.1 petabyte (PB) in Q2 2023 to 161.2 petabyte (PB) of broadband traffic in Q2 2024 (**Table 40**). This gain could be associated with the recent introduction of 1 Gigabits Per Second (Gbps) fixed broadband as the higher speed and better

²⁵ ICT sector consist of Publishing, Motion Picture, Video, TV, and Radio; Telecommunication; and Computer Programming Consultancy, and Information Service activities.

reliability allow more people to use the internet for a wider range of activities²⁶.

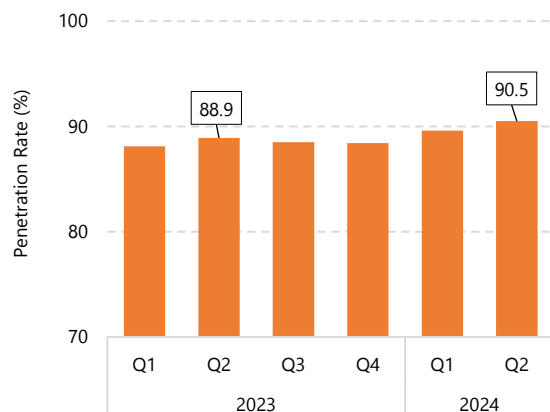
Table 40 : Mobile and Fixed Broadband Traffic (Q2 2023 & Q2 2024)

Petabyte (PB)	Q2 2023	Q2 2024	% Growth
Mobile Broadband Traffic	14.0	13.9	-0.7
Fixed Broadband Traffic	127.1	147.3	15.9
Total	141.1	161.2	14.2

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

Looking at penetration rate, fixed broadband penetration rate climbed from 88.9 per cent in Q2 2023 to 90.5 per cent in Q2 2024 (**Exhibit 21**). This was in view of an expansion in broadband coverage to remote areas which has led to improved access to online services²⁷.

Exhibit 21 : Fixed Broadband Penetration Rate (Q1 2023 - Q2 2024)



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

COMPUTER PROGRAMMING, CONSULTANCY, AND INFORMATION SERVICES

The value of the Computer Programming, Consultancy, and Information Services activity in Q2 2024 decreased to BND26.2 million from BND29.0 million in the same period of 2023. The decline was primarily due to a decrease in revenue in the computer programming activity.

PUBLISHING, MOTION PICTURE, VIDEO, TV AND RADIO

The Publishing, Motion Picture, Video, TV, and Radio activity fell slightly from BND8.2 million in Q2 2023 to BND8.1 million in Q2 2024. The decline was mainly attributed to a decrease in revenue in the cinema and publishing activity.

Brunei Darussalam remains consistent in its efforts towards digital transformation in line with the vision of becoming a smart nation. Among the recent developments to bolster the ICT Sector include:

- DST launched its new brand story, "Digitalising. Everyone." and the MyDST Super app, which offers seamless financial transactions, e-government services, and economic inclusion. Key features include an e-wallet for QR code transfers, cashback rewards, insurance management through Insurans Islam TAIB, personalised telecom services, and a marketplace for exclusive retail and food items. It also simplifies school fee payments with Biller services²⁸.
- In the 2024 ICT Development Index by the UN's International Telecommunication Union, Brunei Darussalam scored 95.1, up from 94.8 last year, remaining one of the highest in ASEAN. This is due to over 90 per cent of the population having internet access and 4G/5G services²⁹.
- Mobile network coverage in Brunei Darussalam has extended to remote areas, including Kampong Melilas and Kampong Sukang in Ulu Belait³⁰. This expansion improves access to essential services and strengthens the country's ICT infrastructure, contributing to its broader digital transformation efforts.
- Progresif launched Ding!, a cashless payment feature within the Progresif Care+ app to enhance financial inclusion and empower MSMEs and individuals. Ding! provides seamless digital transactions without a traditional bank account, allowing users to top up wallets, scan and pay via global QR, and make secure payments. For merchants, it offers a dashboard to track sales and manage transactions efficiently. Progresif aims to drive an inclusive digital economy in Brunei

²⁶Imagine Sdn Bhd, Datastream Digital Sdn Bhd and Progresif Sdn Bhd.

²⁷Aidiffitri Celebration and Goodwill Visiti to Ulu Belait (May 6, 2024). *Unified National Networks (UNN)*.

²⁸Digitalising. Everyone.' Moves Towards A Cashless Brunei (July 3, 2024). *Borneo Bulletin*.

²⁹ICT Sector Contributed BND484.8m io GDP, Says Permanent Secretary (July 11, 2024). *Borneo Bulletin*.

³⁰Sector Contributed BND484.8m io GDP, Says Permanent Secretary (July 11, 2024). *Borneo Bulletin*.

Darussalam through innovative connectivity and services³¹.

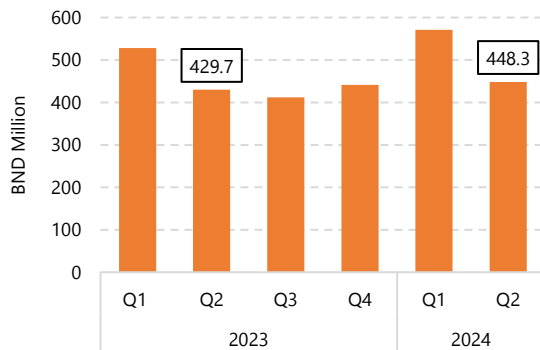
- AITI introduced the IoT Network Service Provider Licence on 1st September 2024. The licence is required for anyone looking to own, deploy, operate or provide Internet of Things (IoT) networks and services. Its goal is to encourage responsible and sustainable IoT development in Brunei Darussalam³².

Services

The Services Sector is comprised of selected economic subsectors including Wholesale and Retail Trade; Business Services; and Transport and Logistics.

In Q2 2024, the sector registered a y-o-y increase of BND448.3 million compared to BND429.7 million in Q2 2023 (**Exhibit 22**).

Exhibit 22 : Services Sector GVA at Current Prices (Q1 2023 – Q2 2024)



Source: Department of Economic Planning and Statistics

WHOLESALE AND RETAIL TRADE

The Wholesale and Retail Trade subsector was valued at BND295.0 million in Q2 2024, an increase from BND289.7 million in Q2 2023, mainly driven by an increase in the sale of motor vehicles.

However, overall retail sales (**Table 41**) recorded a decline of 6.1 per cent, decreasing from BND446.1 million in Q2 2023 to BND418.9 million in Q2 2024, indicating a fall in domestic demand.

The decrease in the overall retail sales was mainly seen in Furniture and Household Equipment (by 19.0 per cent); Electrical Household Appliances and Lighting

Equipment in Specialized Stores (by 9.3 per cent); Supermarket (by 6.9 per cent); and Department Store (by 6.0 per cent).

Table 41 : Quarterly Retail Estimated Value of Sales and Growth Rate by Activity (Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth
Department Store	122.4	115.0	-6.0
Supermarket	78.1	72.7	-6.9
Mini Mart	14.9	13.1	-11.8
Food and Beverages in Specialised Stores	8.1	8.1	0.2
Petrol Station	45.4	45.0	-0.9
Computer & Telecommunications Equipment	17.7	18.3	3.6
Textiles, Wearing Apparel & Footwear	16.9	15.1	-10.5
Hardware, Paints and Glass in Specialised Stores	27.1	25.4	-6.2
Furniture & Household Equipment	12.8	10.4	-19.0
Electrical Household Appliances and Lighting Equipment in Specialised Stores	28.6	26.0	-9.3
Books, Newspapers and Stationery in Specialised Stores	5.3	5.2	-2.0
Recreational Goods	9.1	8.1	-10.8
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	11.2	10.0	-10.3
Watches & Jewellery	17.0	16.9	-0.7
Others	31.5	29.5	-6.4
Total	446.1	418.9	-6.1

Source: Department of Economic Planning and Statistics

TRANSPORT AND LOGISTICS

The Transport and Logistics subsector was valued at BND53.1 million in Q2 2024, increasing from BND49.6 million in Q2 2023. The improvement was attributed to increase in trading activity across all means of transport.

³¹Ding! All Set to Support Brunei Digital Economy (July 26, 2024). *Borneo Bulletin*.

³²IoT Licence Introduced To Boost Tech Growth (August 31, 2024). *Borneo Bulletin*.

Total trade via sea (**Table 42**) recorded an increase of 29.0 per cent with both exports and imports increasing by 38.8 per cent and 16.5 per cent respectively.

Table 42 : Trade via Sea (Q2 2023 & Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth
Exports	2,670.8	3,707.2	38.8
Imports	2,085.3	2,428.9	16.5
Total	4,756.1	6,136.1	29.0

Source: Department of Economic Planning and Statistics

The country's port volume throughput (**Table 43**) recorded an increase of 13.4 per cent, primarily driven by cargo throughput to and from Malaysia, Vietnam, and South Korea.

Table 43 : Seaborne Volume Cargo Throughput (Q2 2023 & Q2 2024)

	Q2 2023 (Tonnes)	Q2 2024 (Tonnes)	% Growth
Discharged	240,199	266,407	10.9
Loaded	137,778	162,111	17.7
Total	377,977	428,518	13.4

Source: Muara Port Company (MPC)

As for trading activity by air (**Table 44**), total trade increased from BND194.6 million in Q2 2023 to BND238.8 million in Q2 2024. This was mainly due to an increase in exports from BND35.9 million in Q2 2023 to BND84.5 million in Q2 2024, mainly contributed by re-exports of aircraft equipment. However, imports decreased by 2.7 per cent.

Table 44 : Trade via Air (Q2 2023 & Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth
Exports	35.9	84.5	134.9
Imports	158.6	154.3	-2.7
Total	194.6	238.8	22.7

Source: Department of Economic Planning and Statistics

Air freight cargo throughput (**Table 45**) also recorded positive growth of 28.2 per cent, mainly due to an increase in the number and frequency of flights. The increase in transit cargo throughput originated from

Hong Kong bound to Melbourne, London, Dubai and Jakarta³³.

Table 45 : Air Freight Cargo Throughput (Q2 2023 & Q2 2024)

	Q2 2023 (Tonnes)	Q2 2024 (Tonnes)	% Growth
Exports	1,508.5	1540.0	2.1
Imports	161.1	165.2	2.5
Transit	1,002.4	1,720.5	71.6
Total	2,672.0	3,425.7	28.2

Source: Brunei International Airport Cargo Centre (BIACC)

As for trade via land (**Table 46**), it showed an increase of 7.8 per cent, which was mainly due to an increase in exports by 118.9 per cent.

Table 46 : Trade via Land (Q2 2023 & Q2 2024)

	Q2 2023 (BND Million)	Q2 2024 (BND Million)	% Growth
Exports	5.1	11.2	118.9
Imports	79.1	79.5	0.6
Total	84.2	90.8	7.8

Source: Department of Economic Planning and Statistics

In terms of trading commodity by mode of transport (**Table 47**), exports by air in Q2 2024 were mainly aircraft equipment and imports were mainly electrical equipment and medicaments.

By sea, exports mainly comprised of mineral fuels and chemicals, while imports were mostly mineral fuels and assorted manufactured goods such as coals and cements.

By land, exports mainly consisted of animal feed and diverse manufactured goods such as steel pipes, while imports included largely diverse manufactured goods such as bricks, animal feed and various fruits.

³³Brunei International Airport Cargo Centre (BIACC).

Table 47 : Main Exports and Imports in Weight/Volume by Transport Medium (Q2 2024)

	<i>Main Exports</i>	<i>Main Imports</i>
Air	Aircraft Equipment	Electrical Equipment and Medicaments
Sea	Mineral Fuels and Chemicals	Mineral Fuels and Various Manufactured Goods
Land	Animal Feed and Various Manufactured Goods	Various Manufactured Goods; and Animal Feed & Fruits

Source: Department of Economic Planning and Statistics

Among the recent developments in the Services Sector include:

- With effect from October 27, 2024, Royal Brunei Airlines (RB) has announced the temporary suspension of its flights to and from Beijing. October 26, 2024, is when the last flight to Beijing will depart. "RB intends to resume its services to Beijing in the future, once the current market conditions have improved. We will keep an eye on the situation." Captain Sabirin Haji Abdul Hamid, the chief executive officer of RB, said³⁴.
- After a groundbreaking ceremony on August 24, 2027, the new Muara Container Terminal is scheduled to be finished by the second quarter of 2027, doubling the port's capacity to 500,000 TEUs (twenty-foot equivalent units) yearly. As a result of the increased capacity and amenities, Muara Port will be well-positioned to take advantage of chances for regional growth and establish Brunei as a hub for transshipment and shipping. In line with Brunei's goal for economic diversification, Muara Port Company's approach is to push beyond cargo handling and into port-related services that assist downstream sectors³⁵.

³⁴RB suspends Beijing flights from Oct 27 (July 11, 2024), *Borneo Bulletin*.

³⁵Muara Container Terminal expansion targeted for completion by Q2 2027 (September 15, 2024) *Biz Brunei*.