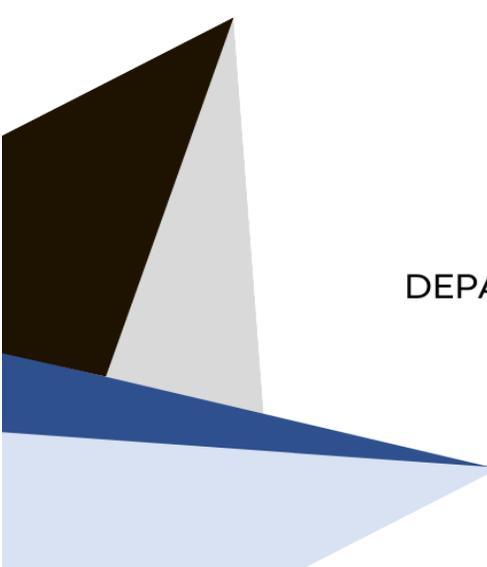




# **BRUNEI DARUSSALAM KEY ECONOMIC DEVELOPMENTS**

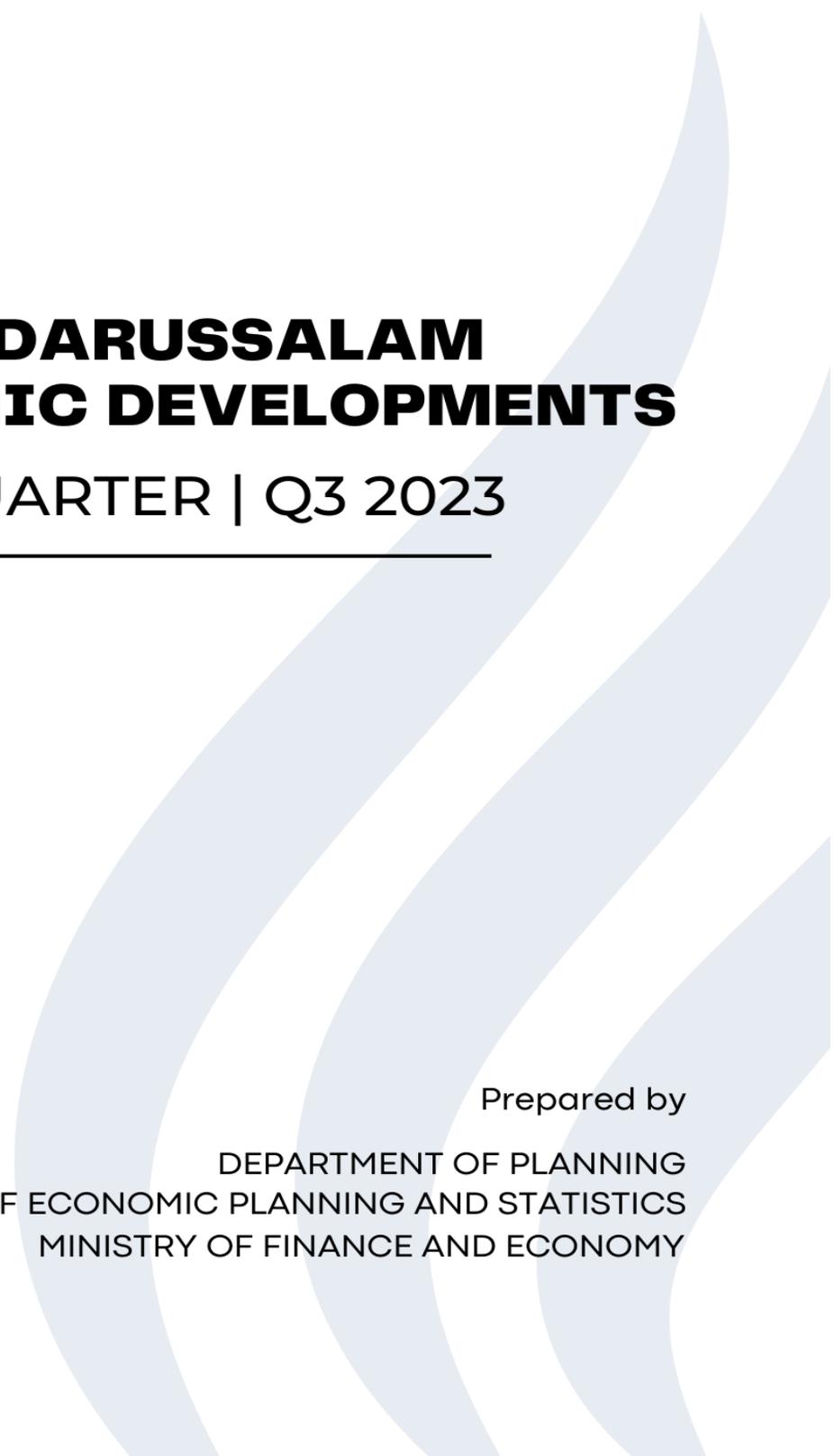
THIRD QUARTER | Q3 2023

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Prepared by

DEPARTMENT OF PLANNING  
DEPARTMENT OF ECONOMIC PLANNING AND STATISTICS  
MINISTRY OF FINANCE AND ECONOMY





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## MAIN INDICATORS OF

# THE BRUNEI DARUSSALAM ECONOMY

### GDP



Overall Economy  
(y-o-y growth)

**0.7%**



Oil & Gas  
(y-o-y growth)

**-3.7%**



Non-Oil & Gas  
(y-o-y growth)

**4.7%**

### PRICES



Overall Prices  
(y-o-y growth)

**-0.2%**



Food  
(y-o-y growth)

**+1.8%**



Non-Food  
(y-o-y growth)

**-0.8%**

### MERCHANDISE TRADE



Total Trade  
BND Million

**6,614.3**



Exports  
BND Million

**4,010.4**



Imports  
BND Million

**2,603.8**

### FISCAL



Fiscal Balance  
BND Million

**-483.4**



Revenue  
BND Million

**864.2**



Expenditure  
BND Million

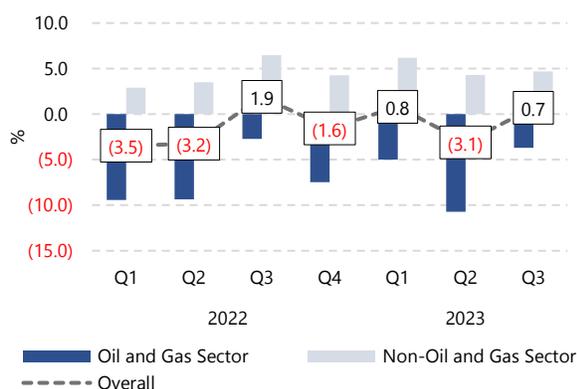
**1,347.6**

## Gross Domestic Product (GDP)

### Overview

In the third quarter (Q3) of 2023, Brunei Darussalam's economy recorded a positive growth of 0.7 per cent year-on-year (y-o-y) (**Exhibit 1**). The modest upturn was due to a sustained growth in the Non-Oil and Gas Sector by 4.7 per cent, offsetting the decline in the Oil and Gas Sector by 3.7 per cent.

**Exhibit 1 : GDP Growth (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

### Oil and Gas Performance

The decline in the Oil and Gas Sector was mainly due to lower production of natural gas and liquefied natural gas (LNG), offsetting the slight increase in crude oil production. The fall in LNG production in particular, was caused by turnaround activities.

**Table 1 : Production of Crude Oil, Natural Gas and LNG (Q3 2022 & Q3 2023)**

	Q3 2022	Q3 2023
<b>Crude Oil</b> (Thousand barrels /day)	86.2	87.2
<b>Natural Gas</b> (Million m <sup>3</sup> /day)	28.0	27.7
<b>LNG</b> (MMBtu/day)	731,975	622,998

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 (Q3 2023 & Jan-Sep 2023)**

	Q3 2023	Jan-Sep 2023
<b>Manufacture of Petroleum and Chemical Products</b>	22.3	(9.5)
<b>Vegetables, Fruits &amp; Other Agriculture</b>	16.0	0.9
<b>Communication</b>	11.5	5.7
<b>Finance</b>	10.1	47.1
<b>Business Services</b>	6.9	3.8
<b>Construction</b>	6.5	9.5
<b>Restaurants</b>	4.8	10.4
<b>Wholesale &amp; Retail Trade</b>	4.3	0.3
<b>Transport &amp; Logistics</b>	3.8	16.4
<b>Electricity &amp; Water</b>	2.1	(0.03)
<b>Livestock &amp; Poultry</b>	(16.3)	(7.4)
<b>Fishery</b>	(8.4)	(5.3)

Source: Department of Economic Planning and Statistics

The Manufacture of Petroleum and Chemical Products Subsector expanded on the back of higher production of petrochemical products particularly paraxylene and diesel, methanol and urea fertilizer (**Table 3**).

**Table 3 : Production of Petrochemical Products, Methanol and Urea (Q3 2022 & Q3 2023)**

	Q3 2022	Q3 2023
<b>Petrochemical Products*</b> (Tonnes)	2,124,377	2,217,980
<b>Methanol</b> (Metric Tonnes)	150,674	175,215
<b>Urea**</b> (Metric Tonnes)	85,891	277,985

Source: Department of Energy, Prime Minister's Office, \*Figures obtained from sales volume of Hengyi Industries, \*\*Figures obtained from Brunei Fertilizer Industries.

The positive growth of the Vegetables, Fruits and Other Agriculture Subsector mainly stemmed from higher production of vegetables, fruits and paddy.

As for the Communication Subsector, its improvement was in parallel with an increase in the number of mobile postpaid and internet fixed broadband subscribers.

The positive growth of the Finance Subsector was mainly attributed to an increase in income from banking and insurance activities. As such, the improvement in banking was primarily driven by higher interest income from placement and investments

abroad amid a high global interest rate environment. Meanwhile, the increase in insurance was mainly contributed by life insurance.

The Construction Subsector observed an upturn in growth in line with an increase in development expenditure. Correspondingly, the Business Services Subsector also gained in this quarter in view of increased engineering and technical activities.

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), Q3 2023**

	<b>Weights</b>	<b>% Growth</b> (Q3 2022/Q3 2023)
<b>Restaurants</b>	6,243	4.4
<b>Fast-Food Outlets</b>	1,668	3.5
<b>Catering Service Activities</b>	923	13.2
<b>Other Food Service Activities</b>	895	12.7
<b>Beverage Serving Activities</b>	271	1.6
<b>Total</b>	<b>10,000</b>	<b>5.4</b>

Source: Department of Economic Planning and Statistics

This is followed by an improved performance in Wholesale and Retail Trade, spurred by an increase in wholesale activity, particularly sale of motor vehicles. As such, this development was reflected by an increase in the number of newly registered vehicles (Table 5).

**Table 5 : Number of Newly Registered Vehicles (Q3 2022 & Q3 2023)**

	<b>Q3 2022</b>	<b>Q3 2023</b>
<b>Newly Registered Vehicles (Unit)</b>	3,551	4,298

Source: Land Transport Department, Ministry of Transport and Information Communication

Elsewhere, the progress of the Transportation Subsector was fueled by the air transport activity. The improvement was due to an increase in the number of air passenger arrivals and departures (Table 6), facilitated by the full lifting of pandemic and travel-related restrictions, allowing for a gradual return to normal operations. In addition, the total number of scheduled aircraft movements also increased y-o-y (Table 7).

**Table 6 : Air Arrivals and Departures (Q3 2022 & Q3 2023)**

	<b>Q3 2022</b>	<b>Q3 2023</b>
<b>Arrivals (Persons)</b>	79,370	105,724
<b>Departures (Persons)</b>	71,595	103,807

Source: Department of Immigration, Ministry of Home Affairs

**Table 7 : Scheduled Aircraft Movements (Q3 2022 & Q3 2023)**

	<b>Q3 2022</b>	<b>Q3 2023</b>
<b>Scheduled Aircraft Movements (Unit)</b>	1,626	2,497

Source: Department of Immigration, Ministry of Home Affairs

Meanwhile, growth in the Electricity and Water Subsector was underpinned by increased production of electricity and water. As such, the increase in electricity production was in line with higher consumption from commercial activities.

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

- The Livestock & Poultry Subsector, undermined by a fall in production across all major activities including buffaloes, cattle, broiler and chicken eggs.
- The Fishery Subsector, weighed down by lower production in aquaculture, offsetting the increased production in the capture activity.

## GDP by Expenditure

By expenditure approach, the positive GDP growth in Q3 2023 was due to an increase in the Net Exports of Goods and Services by 19.9 per cent following a decrease in the Imports of Goods and Services. This was followed by an increase in the Household Final Consumption Expenditure by 5.8 per cent. However, the Gross Capital Formation and Government Final Consumption Expenditure recorded a decrease by 5.3 per cent and 3.0 per cent respectively (Table 8).

**Table 8 : GDP by Expenditure  
(Q3 2022, Q3 2023 & Jan-Sep 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	% Growth (Q3 2022/Q3 2023)	% Growth (Jan-Sep 2022/Jan- Sep 2023)
<b>Government Final Consumption Expenditure</b>	1,090.1	1,057.4	(3.0)	(4.2)
<b>Household Final Consumption Expenditure</b>	1,411.9	1,494.3	5.8	15.1
<b>Gross Capital Formation (Investment)</b>	1,646.9	1,560.2	(5.3)	3.6
<b>Net Exports of Goods and Services</b>	634.3	760.8	19.9	29.2
<b>Exports of Goods and Services</b>	3,873.1	3,831.8	(1.1)	(2.4)
<b>Imports of Goods and Services</b>	3,238.8	3,071.0	(5.2)	(7.6)
<b>GDP</b>	<b>4,632.0</b>	<b>4,664.4</b>	<b>0.7</b>	<b>(0.5)</b>

Source: Department of Economic Planning and Statistics

## Regional GDP Developments

In Q3 2023, despite the cumulative effects of monetary tightening and slower global demand, most countries in Southeast Asia showed resilience in growth (Table 9).

**Table 9 : GDP Growth of Selected ASEAN Countries  
(Q3 2023)**

Countries	Q2 2023 (% y-o-y)	Q3 2023 (% y-o-y)
<b>Indonesia</b>	5.2	4.9
<b>Malaysia</b>	2.9	3.3
<b>Singapore</b>	0.5	1.1
<b>Philippines</b>	4.3	5.9
<b>Thailand</b>	1.8	1.5
<b>Vietnam</b>	4.1	5.3

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

Indonesia's economy grew by 4.9 per cent in Q3 2023, with several subsectors reporting encouraging growth. Among others include Transportation and Storage by 14.7 per cent, reflected in the increase in motorcycle and passenger sales via rail, sea and air; and Accommodation and Food & Beverages by 10.9 per cent, reflected in the increase in hotel occupancy rate. On the expenditure side, growth was mainly contributed by the Nonprofit Institutions Serving Households Final Consumption Expenditure component by 6.2 per cent<sup>1</sup>.

The Malaysian economy posted a 3.3 per cent y-o-y in Q3 2023, anchored by growth in the services, construction and agriculture sectors. Household spending remained supported by continued growth in employment and wages, while investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Other than that, continued recovery in inbound tourism also provided a boost to growth. However, exports remained low due to weak external demand<sup>2</sup>.

The Singapore economy grew by 1.1 per cent y-o-y growth in Q3 2023. Among the contributors to growth include the construction sector, supported by expansions in both public and private sector construction output; wholesale and retail trade sector, mainly driven by the fuels & chemicals segment; information & communications sector, primarily supported by the IT & information & services segment; and accommodation sector on the back of the continued recovery in international visitor arrivals<sup>3</sup>.

## Consumer Price Index

### Overview

The Consumer Price Index (CPI) for Q3 2023 registered a minimal decrease of 0.2 per cent y-o-y, marking the first quarterly decline of the inflation rate since the price hike during the pandemic period.

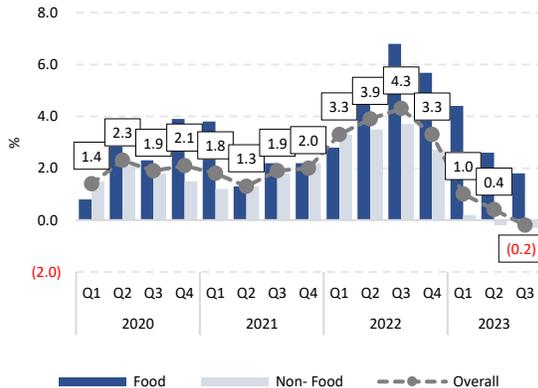
The fall in overall prices was attributed to a 0.8 per cent decrease in Non-Food prices. Meanwhile, Food and Non-Alcoholic Beverages prices registered an increase of 1.8 per cent (Exhibit 2 and Table 10).

<sup>1</sup> Indonesia's economic growth in Q3 2023 4.94 percent (y-on-y) (November 6, 2023). Badan Pusat Statistik Indonesia.

<sup>2</sup> Malaysia posts 3.3% GDP growth in 3Q (November 17, 2023). *The Star*.

<sup>3</sup> Economic Survey of Singapore – Third Quarter 2023 (November, 2023). *Ministry of Trade and Industry Singapore*.

**Exhibit 2 : Consumer Price Index**  
 (% Growth y-o-y), Q1 2020 – Q3 2023



Source: Department of Economic Planning and Statistics

**Table 10 : Consumer Price Index (% Growth y-o-y), Q3 2023 and Jan-Sept, 2023**

	Q3 2023	Jan-Sept 2023
<b>Overall CPI</b>	<b>(0.2)</b>	<b>0.4</b>
<b>Food</b>	1.8	2.9
<b>Non-Food</b>	<b>(0.8)</b>	<b>(0.3)</b>

Source: Department of Economic Planning and Statistics

## Non-Food Prices

The Non-Food prices showed a decrease of 0.8 per cent mainly attributed to several commodities, notably:

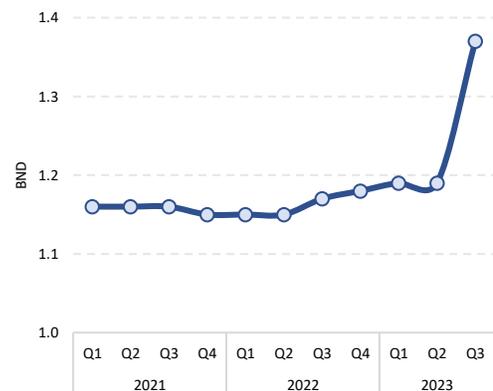
- Transport prices declined by 3.9 per cent, in line with a double-digit fall in airfare prices by 20.4 per cent, due to an increase in travel activities as operations returned to normal and borders fully opened.
- Communication prices decreased by 3.4 per cent, primarily driven by a continuous fall in telephone and telefax services prices by 3.5 per cent, in line with the new upgraded internet plan.
- Clothing and Footwear prices decreased by 1.1 per cent, mainly in line with the fall in clothing material prices by 9.6 per cent.

## Food & Non-Alcoholic Beverages Prices

In Q3 2023, the increase in prices was mainly driven by the rise in prices of the following commodities:

- Non-Alcoholic Beverages prices increased by 8.9 per cent, primarily contributed by a continuous rise in soft drinks price (16.8 per cent), following the amendments of excise duties for low-sugar drinks (ready-to-drink) items<sup>4</sup>.

**Exhibit 3 : Average Prices of Soft Drinks (BND/ML), Q1 2021 – Q3 2023**



Source: Department of Economic Planning and Statistics

- Rice and Cereals prices increased by 3.5 per cent, primarily contributed by the rise in raw material prices for biscuits and cookies products (12.7 per cent).
- Milk, Dairy Products, and Eggs rose by 3.7 per cent, primarily attributed by an increase in the price of eggs (by 6.1 per cent), caused by the limited number of laying hens, which led to a shortage of supply<sup>5</sup> (Table 11).

**Table 11 : Average Pieces of Eggs (in Million) Q3 2022 Q3 2023**

Eggs (Pcs)	Q3 2022	Q3 2023
	43.4	43.1

Source: Ministry of Primary Resources & Tourism

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

<sup>5</sup> Ministry of Primary Resources and Tourism (MPRT).

## Selected World Developments

**Table 12 : Selected Countries Consumer Price Index, Q3 2023**

% Changes	Q3 2022 / Q3 2023		
	Overall	Food and Non-Alcoholic Beverages	Non-Food
<b>Australia</b>	5.4	4.8	5.6
<b>Singapore</b>	4.1	4.8	3.9
<b>Indonesia</b>	2.9	2.3	2.5
<b>Malaysia</b>	2.0	4.1	1.1
<b>Philippines</b>	5.4	8.0	3.4

Sources: Countries CPI Data Statistics

In Q3 2023, Australia's inflation rate continued to increase by 5.4 per cent y-o-y attributed to the rise in food and non-alcoholic beverages prices such as milk; fruit and vegetables; and meat. The non-food prices also increased, mainly contributed by the rise in rentals for electricity and water; automotive fuels; and telecommunication equipment and services<sup>6</sup>.

As for Singapore, its inflation rate registered at 4.1 per cent in Q3 2023 due to an increase in food and alcoholic beverages prices, notably bread and cereals; milk; cheese and eggs; and meat prices. Non-Food prices also increased, primarily contributed by the rise in prices of accommodation, car transport, and hospital services<sup>7</sup>.

In Indonesia, the inflation rate increased by 2.9 per cent, primarily driven by the surge in prices of food and non-alcoholic beverages, particularly for commodities such as rice, garlic, and broiler chicken meat. Additionally, non-food prices also increased due to an uptick in costs for freight forwarding services; personal care & other services; and food and beverage serving services at restaurants<sup>8</sup>.

In Q3 2023, Malaysia recorded an inflation rate increase of 2.0 per cent, due to the rise in prices of food and non-alcoholic beverages, particularly rice, bread and bakery products, fresh meat, and fish. Meanwhile, non-food prices also increased, in line with the surge in

costs for actual rental housing, expenditure in restaurants and cafes, and personal care<sup>9</sup>.

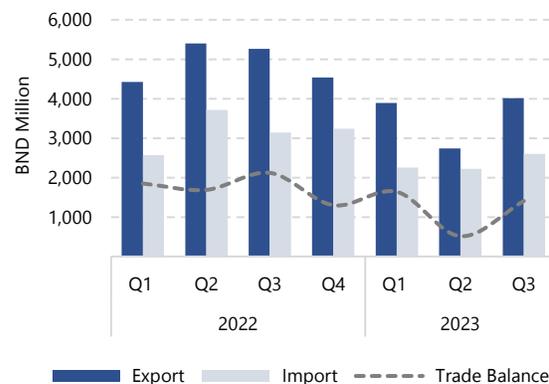
In the same quarter, the Philippines' inflation rate registered at 5.4 per cent y-o-y. This was mainly due to a significant increase in food prices, particularly cereals, fish and fruits as well as non-food prices, mainly food and beverage serving services in restaurants and cafés, actual rental for tenants; and personal care<sup>10</sup>.

## International Merchandise Trade

### Overview

Brunei Darussalam's total merchandise trade in Q3 2023 decreased by 21.3 per cent, to BND6,614.3 million from BND8,406.4 million in the Q3 previous year. The decline was attributed to a decrease in exports and imports by 23.8 per cent and 17.2 per cent, respectively, contributed by lower performance in the oil and gas industry and reduced demand for crude oil imports. Overall, the country's trade balance remained in surplus, amounting to BND1,406.6 million in Q3 2023 (**Exhibit 4**).

**Exhibit 4 : Trade Statistics (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

Meanwhile, total trade as a percentage of GDP fell to 131.6 per cent from 144.9 per cent in the same quarter of 2022<sup>11</sup> (**Exhibit 5**). This was in line with lower 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

<sup>6</sup> Consumer price index (September, 2023). Australia Bureau of Statistics.

<sup>7</sup> Singapore Consumer Price Index (September 2023). Ministry of Trade and Industry.

<sup>8</sup> Consumer Price Index (September 2023). Badan Pusat Statistik (BPS), Indonesia.

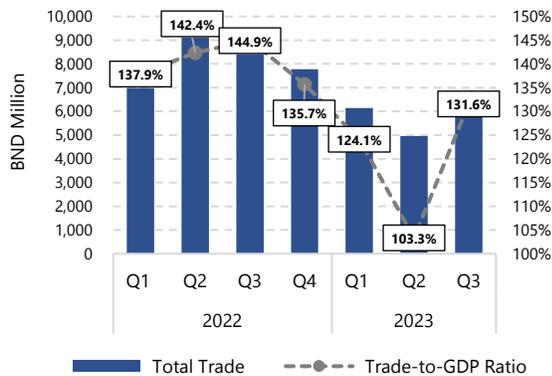
<sup>9</sup> Consumer Price Index (September 2023). Department of Statistics Malaysia.

<sup>10</sup> Consumer Price Index (September 2023). Philippine Statistics Authority.

<sup>11</sup> 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).

some ASEAN countries such as Indonesia<sup>12</sup> and Thailand<sup>13</sup>.

**Exhibit 5 : Trade-to-GDP Ratio (Q1 2022 – Q3 2023)**



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

## Exports Development

Brunei Darussalam's total exports in Q3 2023 amounted to BND4,010.4 million, decreasing from BND5,263.2 million in Q3 2022 (**Table 13**). This was largely caused by the fall in exports of oil and gas (**Table 14**).

**Table 13 : Exports (Q3 2022, Q3 2023 & Jan-Sep 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	Change Q3 2022 vs Q3 2023 (BND Million)	Jan-Sep 2023 (BND Million)
<b>Domestic Exports</b>	5,199.9	3,945.4	(1,254.5)	10,419.5
<b>Re-Exports</b>	63.3	65.0	1.6	220.1
<b>Total Exports</b>	<b>5,263.2</b>	<b>4,010.4</b>	<b>(1,252.8)</b>	<b>10,639.6</b>

Source: Department of Economic Planning and Statistics

Oil and gas commodities accounted for 34.1 per cent of the total exports, while non-oil and gas exports accounted for 65.9 per cent.

In Q3 2023, oil and gas exports decreased by 43.3 per cent, mainly due to the decline in price for both crude oil and LNG (**Table 14, 15 & 16**).

**Table 14 : Exports Value of Crude Oil and LNG (Q3 2022 & Q3 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	Change (BND Million)
<b>Crude Oil</b>	917.3	669.5	(247.8)
<b>LNG</b>	1,496.4	699.2	(797.2)
<b>Total</b>	<b>2,413.7</b>	<b>1,368.7</b>	<b>(1,045.0)</b>

Source: Energy Department, Prime Minister's Office

**Table 15 : Exports Volume of Crude Oil and LNG (Q3 2022 & Q3 2023)**

	Q3 2022	Q3 2023
<b>Crude Oil (Thousand barrels per day)</b>	64.4	60.0
<b>LNG (MMBtu per day)</b>	734,647	589,927

Source: Energy Department, Prime Minister's Office

**Table 16 : Prices of Crude Oil and LNG (Q3 2022 & Q3 2023)**

	Q3 2022	Q3 2023
<b>Crude Oil (USD/barrel)</b>	111.0	90.34
<b>LNG (USD/MMBtu)</b>	15.9	9.6

Source: Energy Department, Prime Minister's Office

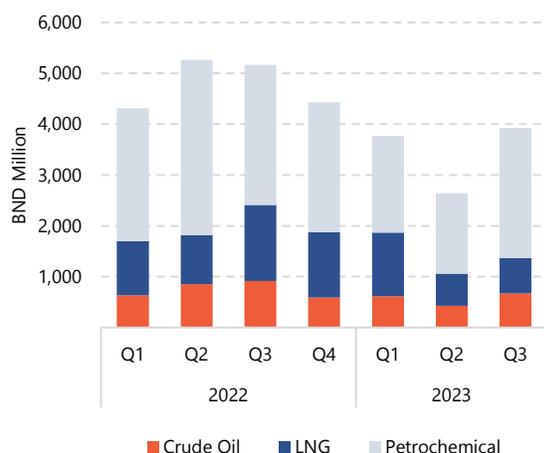
Export value from the downstream industry fell to BND2,554.6 million in Q3 2023 from BND2,752.4 million in Q3 2022 (**Table 17**), mainly attributed to the decline in export prices.

Meanwhile, other domestic exports value decreased to BND22.1 million in Q3 2023 compared to BND33.9 million in Q3 2022. This is mainly due to the fall in domestic exports of foods from BND13.1 million to BND6.8 million, mainly driven by lowered production of farm prawn by 81.2 per cent. Furthermore, domestic exports of manufactured goods also fell slightly y-o-y, contributed mainly by steel products to the USA.

<sup>12</sup> Badan Pusat Statistik Indonesia.

<sup>13</sup> National Statistic Office Thailand and Office of the National Economic and Social Development Council.

**Exhibit 6 : Domestic Exports (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

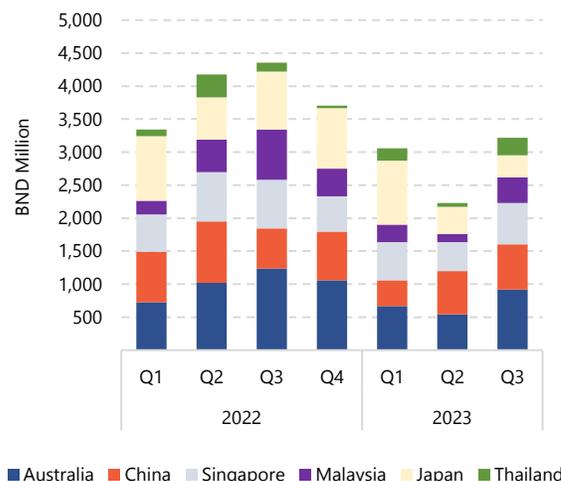
**Table 17 : Domestic Exports (Q3 2022, Q3 2023 & Jan-Sep 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	Change Q3 2022 vs Q3 2023 (BND Million)	Jan-Sep 2023 (BND Million)
<b>Oil and Gas (Crude Oil &amp; LNG)</b>	2,413.7	1,368.7	(1,045.0)	4,298.7
<b>Downstream (Petrochemical Products, Methanol, Urea &amp; Polygel)</b>	2,752.3	2,554.6	(197.7)	6,034.9
<b>Others</b>	33.9	22.1	(11.8)	86.6
<b>Total</b>	<b>5,199.9</b>	<b>3,945.4</b>	<b>(1,254.5)</b>	<b>10,419.5</b>

Source: Department of Economic Planning and Statistics

Australia regains the top spot as the biggest domestic export partner this quarter, consisting mainly of automotive diesel fuels as well as crude oil (**Exhibit 7**). This was followed by China consisting mainly of downstream petrochemical as the main export products as well as LNG. Exports to Singapore came third, with exports of various mineral fuels including automotive fuels, light oils and crude oil. Notably, export volume of eggs to Singapore were stable and consistent month to month in the third quarter.

**Exhibit 7 : Domestic Exports (Top 6 Destinations) Q1 2022 – Q3 2023**



Source: Department of Economic Planning and Statistics

## Imports Development

Brunei Darussalam's total imports in Q3 2023 decreased to BND2,603.8 million from BND3,143.1 million in Q3 2022. The decline was primarily due to mineral fuels, mainly used as feedstock for the petrochemical industry. For this quarter, most import commodities showed a decline except for manufactured goods and chemicals which recorded a growth (**Table 18**).

**Table 18 : Imports by Commodity (Q3 2022, Q3 2023 & Jan-Sep 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	Change Q3 2022 vs Q3 2023 (BND Million)	Jan-Sep 2023 (BND Million)
<b>Mineral Fuels</b>	2,139.6	1,693.3	(446.3)	4,265.4
<b>Machinery &amp; Transport Equipment</b>	376.4	292.2	(84.1)	885.4
<b>Food</b>	195.8	175.2	(20.6)	562.9
<b>Manufactured Goods</b>	145.7	164.3	18.7	435.1
<b>Chemicals</b>	143.7	160.9	17.2	559.1
<b>Miscellaneous Manufactured Articles</b>	104.8	86.1	(18.7)	266.7
<b>Beverages and Tobacco</b>	14.0	13.2	(0.8)	48.6

<b>Crude Materials, Inedible</b>	9.6	8.7	(0.9)	24.0
<b>Animal Vegetable Oils and Fats</b>	9.1	6.6	(2.5)	21.1
<b>Miscellaneous Transactions</b>	4.5	3.3	(1.2)	11.2
<b>Total</b>	<b>3,143.1</b>	<b>2,603.8</b>	<b>(539.3)</b>	<b>7,079.5</b>

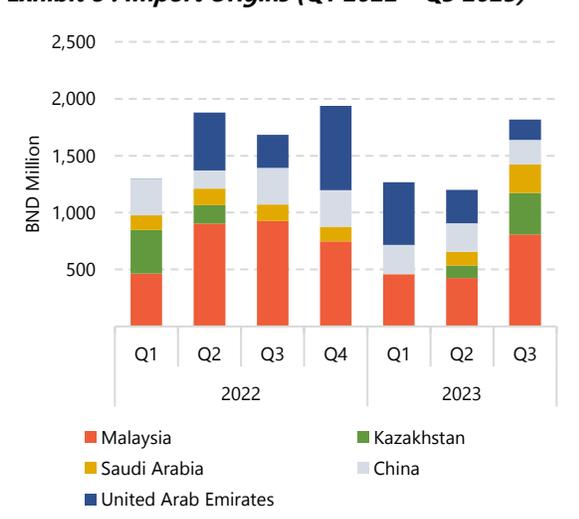
Source: Department of Economic Planning and Statistics

Imports from Malaysia remains the largest by import origin, amounting to BND807.9 million this quarter. This consisted of not just imports of mineral fuels (69.6 per cent), consisting of mainly crude oil and fuel oil used by the petrochemical industry; but also, food items (11.6 per cent), including feedstocks, fruits, aquaculture, and other various food products.

Most of Brunei Darussalam's food imports continues to be sourced from Malaysia, accounting for 53.5 per cent of the total food imports in Q3 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 54.5 per cent, while 44.5 per cent are transported by sea, and 1.0 per cent was transport by air.

Imports from the Kazakhstan were the second largest recorded at BND362.4 million, entirely crude oil imports. This was followed by imports from Saudi Arabia, also consisting mainly of crude oil. Imports of crude oil from Kazakhstan and Saudi Arabia serve as feedstock for the petrochemical industry (**Exhibit 8**).

**Exhibit 8 : Import Origins (Q1 2022 – Q3 2023)**



Source Department of Economic Planning and Statistics

## Global Trade Developments

In the third quarter of 2023, most of our neighbouring countries such as Malaysia, Singapore and Indonesia, experienced declining total trade (**Table 19**).

Malaysia experienced a decline in total trade in the third quarter of 2023 as exports and imports decreased amid slower global demand, uncertainties in commodity prices, and a high base effect last year.

Similarly, Singapore recorded a decrease in total merchandise trade year-on-year by 16.4 per cent, which was attributed to a reduction in exports and imports. The decline in export and import activities resulted from decreased oil and non-oil commodities.

Indonesia also experienced a decrease in its total trade, mainly due to a decline in oil and gas exports, including crude oil and natural gas, followed by exports of non-oil and gas products such as agriculture, forestry, fisheries, manufacturing, and mining.

**Table 19 : Total Trade Growth y-o-y and Trade to GDP Ratio in ASEAN Countries (Q3 2023)**

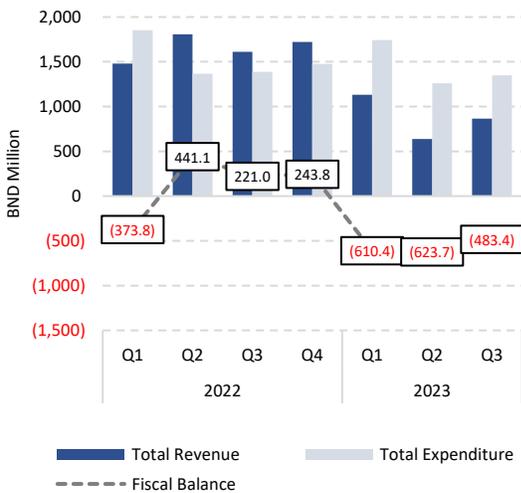
Countries	Total Trade growth (%)	Q3 2023 Trade to GDP Ratio
<b>Malaysia</b>	(15.7)	142.8
<b>Singapore</b>	(16.4)	185.2
<b>Indonesia</b>	(15.6)	34.9

Source: Malaysia External Trade Development Corporation, Bank Negara Malaysia, Ministry of Trade and Industry Singapore, Department of Statistics Singapore Badan Pusat Statistik Indonesia

## Fiscal

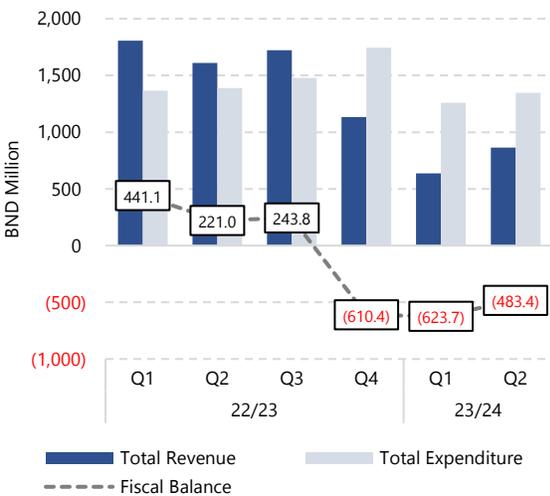
In Q3 2023, Brunei Darussalam recorded a fiscal deficit of BND483.4 million compared to a surplus of BND221.0 million in the same period last year (**Exhibit 9**). This was mainly due to a fall in the government revenue from BND1,610.1 million in Q3 2022 to BND864.2 million in Q3 2023 despite a decrease in expenditure from BND1,389.1 million in Q3 2022 to BND1,347.6 million in Q3 2023.

**Exhibit 9 : Fiscal Balance (Q1 2022 – Q3 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 government revenue in Q3 2023 was mainly due to a decrease in oil and gas revenue in line with lower price of crude oil. As such, crude oil price fell from USD111.0 per barrel in Q3 2022 to USD90.3 per barrel in Q3 2023. The decrease in oil and gas revenue significantly impacted the overall government revenue, as it constitutes a substantial portion, representing 77.2 per cent of the total revenue in Q3 2023.

The fall in total government expenditure in Q3 2023 was primarily due to the drop in charged expenditure by 21.5 per cent, from BND387.6 million in Q3 2022 to BND304.4 million in Q3 2023. However, both ordinary

and development expenditure recorded an increase in Q3 2023. Ordinary expenditure increased by 1.4 per cent, from BND965.6 million in Q3 2022 to BND979.0 million in Q3 2023, driven by 5.8 per cent increased in other charges annual recurrent (OCAR) expenditure. Meanwhile, development expenditure increased by BND28.4 million in Q3 2023.

The increase in development expenditure was in line with a significant rise in project expenditure under the Security Sector by BND22.9 million; and Social Services Sector by BND6.4 million. Among these are Air Transport Project under the Security Sector and Kampong Lugu National Housing under the Social Services Sector.

The ongoing project of one thousand units of terrace houses built on a 165-hectare site under the Kampong Lugu National Housing Phase 2 is expected to be completed by March 2024. To date, a total of 30,296 housing units (including land lots) has been provided.

However, there was a significant drop in project expenditure under the Human Resource Development (HRD) Sector by BND4.6 million; and Transport and Communications Sector by BND1.5 million. This was in view of projects having neared or seen completion (**Exhibit 11**).

**Exhibit 11 : Main National Development Plan Sectors Expenditure, Q3 2022 & Q3 2023**



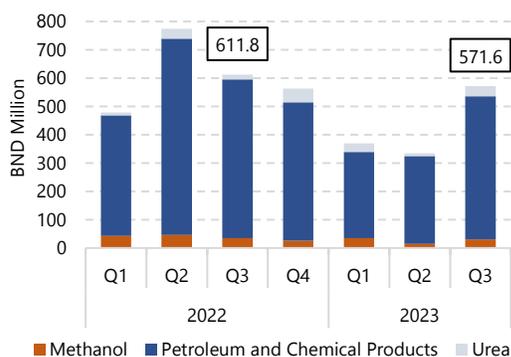
Source: Treasury Department, Ministry of Finance and Economy

## Priority Sectors Development

### Downstream Oil and Gas

In the third quarter (Q3) of 2023, there was a decline in the value of GDP at current prices of the Downstream Oil and Gas Sector, from BND611.8 million during the same period in the previous year to BND571.6 million (**Exhibit 12**).

**Exhibit 12: Downstream Oil and Gas Sector GVA at Current Prices (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

### PETROLEUM AND CHEMICAL PRODUCTS

The Downstream Oil and Gas Sector, particularly the manufacture of petroleum and chemical products, experienced a decrease in value this quarter, dropping to BND505.6 million from BND560.5 million during the same period last year. The notable decrease in this subsector was primarily attributed to the fall in prices of commodities such as LPG, Isobutane and Chemical Light Oil (Naphtha) (**Table 20**).

On the other hand, the production of petroleum and chemical products recorded an increase of 4.4 per cent, from 2,124.4 million tonnes in Q3 2022 to 2,218.0 million tonnes in Q3 2023, mainly due to a rise in the production of Diesel, Paraxylene, and Gasoline RON 90.

**Table 20 : Selected Petroleum and Chemical Products**

		Q3 2022	Q3 2023	% Growth
		<i>(USD Per Tonnes)</i>		
<b>Price</b>	<b>LPG</b>	675.8	477.8	(29.3)
	<b>Isobutane</b>	671.6	442.1	(34.2)
	<b>Naphtha</b>	751.3	654.3	(12.9)

Source: Energy Department, Prime Minister's Office

### METHANOL

The decline in this sector was further influenced by a decrease in methanol, primarily due to a 25.8 per cent drop in methanol prices. However, despite this price decrease, methanol production saw an increase of 16.3 per cent (**Table 21**).

**Table 21 : Production of Methanol (Q3 2022 & Q3 2023)**

	Q3 2022	Q3 2023	% Growth
<b>Methanol (Metric Tonnes)</b>			
<b>Production</b>	150,674	175,215	16.3
<b>Methanol (USD/MT)</b>			
<b>Weighted Average Price</b>	304.32	225.90	(25.8)

Source: Energy Department, Prime Minister's Office

### UREA

On a positive note, the urea subsector experienced a surge in the current quarter, witnessing a value increase from BND16.4 million in Q3 of the previous year to BND 35.9 million. The growth was mainly attributed to a notable uptick in production (**Table 22**), aligning with the rise in demand reflected in the increased urea export, mainly to Cambodia and New Zealand.

**Table 22 : Production of Urea (Q3 2022 & Q3 2023)**

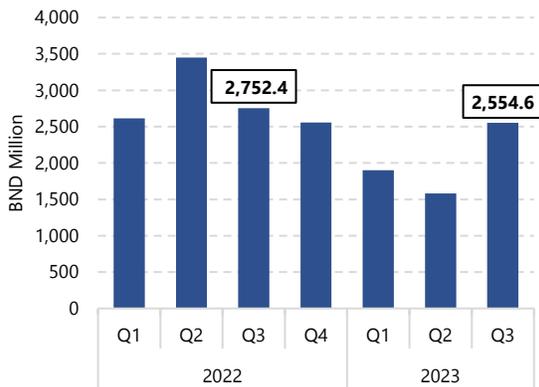
	Q3 2022	Q3 2023	% Growth
<b>Urea (Metric Tonnes)</b>			
<b>Production</b>	80,035	277,995	247.3

Source: Energy Department, Prime Minister's Office

### EXPORTS FROM DOWNSTREAM OIL AND GAS

In Q3 of 2023, there was a decrease in the export value of the Downstream Oil and Gas Sector from BND2,752.4 million of Q3 2022 to BND2,554.6 million (**Exhibit 13**). This decline was highly impacted from the reduction of price, despite export volume increase by 4.7 per cent. In addition, the decline was also supported by a decrease in the export value of methanol and polygel.

**Exhibit 13 : Downstream Oil & Gas Exports, (Q1 2022 – Q3 2023)**



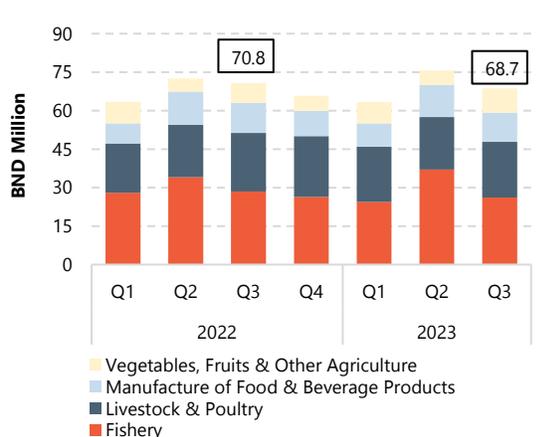
Source: Department of Economic Planning and Statistics

In other developments, it is anticipated that there will be a slight reduction in urea and methanol production during the scheduled maintenance and restoration work on a gas pipeline during the two-day period in late December 2023<sup>14</sup>.

## Food

In the third quarter of 2023, the Food Sector comprising Vegetables, Fruits, and Other Agriculture; Livestock and Poultry; Fishery; and Manufacture of Food and Beverage Products contributed about BND68.7 million to GVA at current prices. This was a decline from BND70.8 million recorded in the same quarter last year (Exhibit 14).

**Exhibit 14 : Food Sector GVA at Current Prices (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

## VEGETABLES, FRUITS, AND OTHER AGRICULTURE

In this quarter, Vegetables, Fruits, and Other Agriculture was valued at BND9.5 million at GVA current prices, an increase from BND7.8 million recorded in the same quarter of the previous year. The significant increase was in line with the rise in paddy, vegetables, and fruits production (Table 23).

**Table 23 : Agriculture Production**

	Q3 2022 (Metric Tonnes)	Q3 2023 (Metric Tonnes)	% Growth
<b>Paddy</b>	1,094.3	1,264.4	15.5
<b>Vegetables</b>	1,881.9	2,290.4	21.7
<b>Fruits</b>	1,441.7	1,986.6	37.8
<b>Miscellaneous Crops</b>	499.4	479.8	(3.9)

Source: Ministry of Primary Resources and Tourism

The rise in agricultural output was attributed to the availability of labour, efficient farm management, effective pests' control as well as an increase in seasonal and non-seasonal fruits<sup>15</sup>.

## LIVESTOCK AND POULTRY

Meanwhile, Livestock and Poultry was valued at BND21.7 million at GVA current prices, slightly lower compared to the same period last year at BND22.8 million. This was in line with the decrease in production of livestock and poultry (Table 24).

The production of buffaloes and cattle decreased by 61.6 per cent due to low importation of live buffaloes and cattle. Furthermore, the production of goats and sheep also declined due to low demand for fresh meat compared to frozen meat<sup>16</sup>.

On the other hand, broilers and eggs also recorded a decrease of 8.2 per cent and 0.7 per cent respectively due to a slight delay in importation of day-old chicks and fewer laying hens as a result of their slaughter.

**Table 24 : Livestock and Poultry**

	Q3 2022 (Metric Tonnes)	Q3 2023 (Metric Tonnes)	% Growth
<b>Buffaloes &amp; Cattles</b>	834.9	320.4	(61.6)
<b>Goats &amp; Sheep</b>	17.0	8.9	(47.6)

<sup>14</sup> Potential Power Disruption during scheduled maintenance. (December 19, 2023). *Borneo Bulletin*.

<sup>15</sup> Ministry of Primary Resources and Tourism.

<sup>16</sup> Ministry of Primary Resources and Tourism.

<b>Broilers</b>	8,082.1	7,420.7	(8.2)
<i>(In millions)</i>			
<b>Eggs</b>	43.4	43.1	(0.7)

Source: Ministry of Primary Resources and Tourism

## FISHERY

This subsector experienced a decline in its contribution to GVA at current prices, with the amount decreasing from BND28.5 million in Q3 2022 to BND26.1 million this quarter and this was mainly due to lower production in the aquaculture industry.

The lower production in the aquaculture industry was mainly impacted by reduction in shrimp/prawn and fish in cages production by 81.2 per cent and 49.9 per cent respectively (**Table 25**). As such, shrimp disease infection and insufficient electricity and sea water supply in industrial sites affected the production of both shrimp and fish in cages<sup>17</sup>.

**Table 25 : Aquaculture Industry Production**

	Q3 2022 (Metric Tonnes)	Q3 2023 (Metric Tonnes)	% Growth
<b>Fish in Cages</b>	74.4	37.3	(49.9)
<b>Shrimp/Prawn</b>	1,380.6	259.8	(81.2)
<b>Fresh Water Fish</b>	3.5	3.9	11.4

Source: Ministry of Primary Resources and Tourism

On the other hand, the capture industry showed a positive performance with higher production in both commercial scale and small scale activities (by 14.9 per cent and 19.2 per cent respectively) (**Table 26**). This was mainly due to the availability of an operational vessel and an increase in the quantity of fish caught by full-time fishermen.

**Table 26 : Capture Industry Production**

	Q3 2022 (Metric Tonnes)	Q3 2023 (Metric Tonnes)	% Growth
<b>Commercial Scale</b>	668.0	767.4	14.9
<b>Small Scale</b>	3,195.8	3,809.0	19.2

Source: Ministry of Primary Resources and Tourism

## MANUFACTURE OF FOOD & BEVERAGE PRODUCTS

Manufacture of Food & Beverage Products experienced a marginal decline in its contribution to GVA at current prices this quarter amounting to BND11.4 million in Q3 2023 compared to BND11.6 million in Q3 2022.

The decline was in line with the decrease in production of agrifood by 40.3 per cent mainly due to low demand in the market. On the other hand, the production of processed food-fisheries dropped by 44.0 per cent due to shrimp disease.

**Table 27 : Manufacture of Food and Beverage Production**

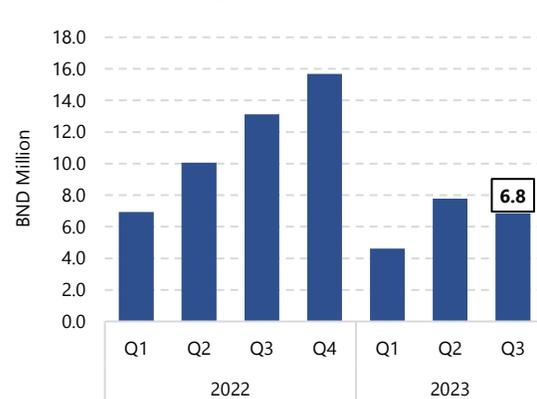
	Q3 2022 (Metric Tonnes)	Q3 2023 (Metric Tonnes)	% Growth
<b>Agrifood</b>	19,409.5	11,592.4	(40.3)
<b>Processed Food-Fisheries</b>	1,409.2	789.4	(44.0)

Source: Ministry of Primary Resources and Tourism

## EXPORTS FROM FOOD SECTORS

Due to low production of shrimp and prawns, exports of shrimp and prawns recorded a fall to China, Taiwan, Japan and Singapore. In term of value, domestic exports of food decreased from BND13.1 million to BND6.8 million (**Exhibit 15**).

**Exhibit 15 : Food Exports, Q1 2022 – Q3 2023**



Source: Department of Economic Planning & Statistics

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

- A decorative fish breeding company from Japan showed interest in setting up operations in the country. Director and Chairman of CYCLO Inc, known for producing nishikigoi (ornamental fish) as well as fish feed, paid a courtesy call to the Minister of Primary Resources and Tourism recently and discussed establishment of nishikigoi breeding and fish feed production facilities<sup>18</sup>.

<sup>17</sup> Ministry of Primary Resources and Tourism.

<sup>18</sup> Koi fish breeding company explores Brunei investment. (November 10, 2023). *Borneo Bulletin*.

- The Centre for Research on AgriFood Science and Technology (CrAFT) of Universiti Teknologi Brunei (UTB) and HARQ Enterprise officially marked a collaboration, which aims to propel advancement in smart farming and artificial intelligence (AI) technologies targeting the optimisation of chili production. The project on Smart Greenhouse for Chili Plant will make use of AI technology to mitigate the problems faced by stakeholders<sup>19</sup>.
- The Singaporean Deputy Prime Minister and Minister of Finance highlighted that they import seafood products from Brunei and recently Singapore also accredited the Sultanate as a new source for egg supply. Beside that, more can be done in areas such as processed beef, poultry and agritech research and development that benefits the Sultanate in diversifying its economy and to provide Singapore with an additional source of food import<sup>20</sup>.

## Tourism

The Tourism Sector in Brunei Darussalam marked an optimistic growth as it continued to build on the momentum of recovery in the third quarter of 2023. In Q3 2023, the Tourism Sector comprising activities of Transportation, Hotels, Restaurants and Other Services contributed about BND29.2 million to GVA at current prices compared to BND27.0 million recorded in the same period last year (Exhibit 16).

**Exhibit 16 : Tourism GVA at Current Prices (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

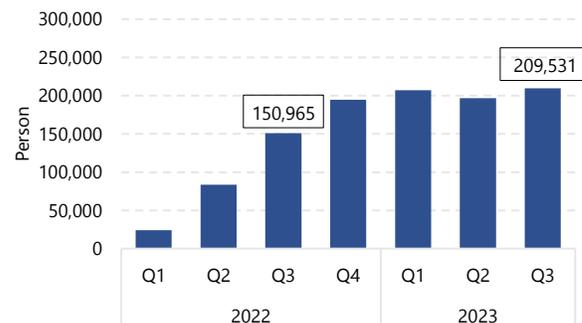
The Transportation Subsector recorded an increase in its contribution from BND13.7 million in Q3 2022 to BND15.0 million in Q3 2023. This was mainly attributed

<sup>19</sup> MoU inked on farming, AI technologies. (November 23, 2023). *Borneo Bulletin*.  
<sup>20</sup> Four areas identified to further strengthen ties. (December 14 2023). *Borneo Bulletin*.

to the number of arrivals and departures by air, which witnessed a substantial surge with the highest post-covid record figure of 209,531 persons, marking a significant 38.8 per cent increase compared to the same period in the previous year (Exhibit 17). Similarly, the number of international arrivals by air increased to 27,258 visitors compared to 11,579 visitors in Q3 2022 (Exhibit 18). As such, this improvement was partly attributed to an increase in flight frequency, among others including Royal Brunei Airlines' resumption of direct flights to Beijing<sup>21</sup>.

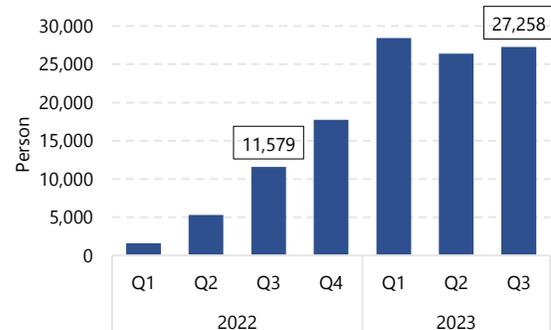
Likewise, for the third quarter of 2023, arrivals by land and sea also witnessed a significant growth, recording arrivals of 1,048,144 persons and 8,288 persons respectively.

**Exhibit 17 : Total Air Arrivals and Departures (Q1 2022 – Q3 2023)**



Source: Department of Immigration, Ministry of Foreign Affairs

**Exhibit 18 : International Air Arrivals (Q1 2022 – Q3 2023)**



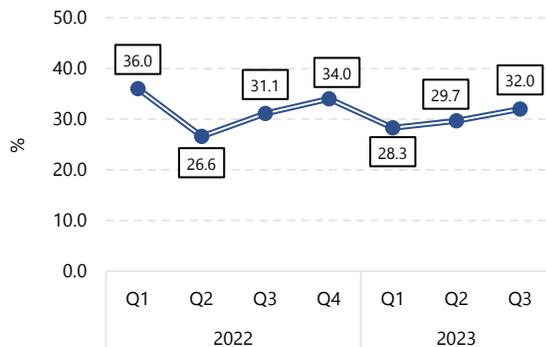
Source: Tourism Development Department, Ministry of Primary Resources and Tourism

Consequently, the Hotels Subsector recorded an increase in its contribution from BND3.8 million in Q3 2022 to BND4.3 million in Q3 2023. The optimistic

<sup>21</sup> Direct flights to Beijing resume (July 03, 2023). *Borneo Bulletin*.

growth of accommodation and hospitality activity was reflected in the higher occupancy rate y-o-y with the average occupancy rate in Q3 2023 stood at 32.0 per cent, higher than the 31.1 per cent registered in Q3 2022. The improvement was mainly supported by the increased demand of stays for both existing and newly established hotels and accommodations<sup>22</sup> (**Exhibit 19**).

**Exhibit 19 : Occupancy Rate of Hotels, Resorts, Apartments and Guest Houses (Q1 2022 – Q3 2023)**



Source: Ministry of Primary Resources and Tourism

Similarly, the Restaurants Subsector under the Tourism Sector recorded an increase in its contribution to the GVA from BND6.9 million in Q3 2022 million to BND7.3 million in Q3 2023. This was in line with the growth in the food and beverages services sales by 2.9 per cent in Q3 2023 compared to same period last year (**Table 28**). In particular, the increase was in line with the rising sales activities for Fast-Food Outlets, Restaurants, and Catering services.

**Table 28 : Quarterly Food & Beverages Estimated Value of Sales by Activity (Q3 2023)**

	Q3 2022 (BND Million)	Q3 2023 (BND Million)	% Growth
<b>Restaurants</b>	68.2	72.3	2.7
<b>Fast-Food Outlets</b>	21.1	22.2	6.6
<b>Catering Service Activities</b>	5.5	6.3	3.8
<b>Other Food Service Activities</b>	10.0	11.5	0.2
<b>Beverage Serving Activities</b>	2.5	2.6	(8.6)

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

<sup>22</sup> Ministry of Primary Resources and Tourism.

<sup>23</sup> The Norwegian Jewel arrives in Brunei (November 07, 2023) *Borneo Bulletin*.

<b>Total</b>	107.4	114.9	<b>2.9</b>
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Source: Department of Economic Planning and Statistics

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

- The local authorities actively promoting agenda of fostering the local tourism industry through various initiatives. Among others, Brunei Darussalam's growing significance in the cruise tourism, which the Sultanate is consistently welcoming more cruise ships since the lifting of COVID-19 restrictions. As such, in November 2023, two international cruise ships arrived in Brunei Darussalam, namely the Norwegian Jewel, departed from The Bahamas Islands in the Caribbean<sup>23</sup> and Thailand<sup>24</sup>.
- Ministry of Transport and Info Communications (MTIC), Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and Land Transport Department (JPD) through Smart City programme supported by ASEAN Mutual Partnership (Smart JAMP) under ASEAN Smart Cities Network (ASCN) launched Smart Mobility Operation Cloud (SMOC), a passenger bus information system pilot project. SMOC would be able to provide information including the whereabouts and movement of a bus instantly, the estimated time of bus arrival at bus stop and statistics of bus passengers as well as its route<sup>25</sup>.
- Consequently, MTIC and JPD launched Public Bus Transportation Survey at the Brunei Smart Mobility Expo 2023. The survey serves as an initiative to obtain views and input from stakeholders toward establishing long-term strategy in creating an efficient connectivity system, and easily accessible to facilitate the mobility of every level of the people and population<sup>26</sup>.
- On top of that, the Tourism Development Department participated in Tourism Expo Japan 2023, aimed at encouraging Japanese tourists to explore Brunei's rich cultural heritage, thrilling adventures and breath-taking natural landscapes. Joining the Tourism Development Department at the expo were agencies such as Royal Brunei

<sup>24</sup> Brunei welcomes cruise ship (November 07, 2023) *Borneo Bulletin*.

<sup>25</sup> En route to improved bus services (December 03, 2023) *Borneo Bulletin*.

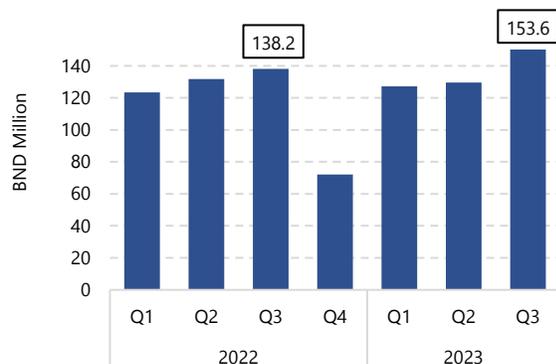
<sup>26</sup> Drive smart, ride smart (December 09, 2023) *Borneo Bulletin*.

Airlines, The Empire Brunei and the Centre of Islamic Calligraphy and Arts Studies of Yayasan Sultan Haji Hassanal Bolkiah as well as local travel agencies<sup>27</sup>.

## Info-Communication & Technology (ICT)

In Q3 2023, the ICT Sector, which consists of Publishing, Motion Picture, Video, TV, and Radio; Telecommunication; and Computer Programming, Consultancy and Information Service activities contributed BND153.6 million to GVA at current prices, increasing slightly from BND138.2 million recorded in the same quarter of 2022 (**Exhibit 20**).

**Exhibit 20 : ICT Sector GVA at Current Prices (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

The overall ICT Sector's performance was influenced by:

- Telecommunication activity, which increased from BND100.9 million to BND112.6 million.
- Computer Programming, Consultancy and Information Services, which rose from BND29.7 million to BND33.5 million and mainly contributed by computer programming activities; and computer consultancy and computer facilities management activities.
- Publishing, Motion Picture, Video, TV, and Radio, which fell slightly from BND7.5 million to BND7.4 million.

## MOBILE AND INTERNET PERFORMANCE

In Q3 2023, the number of mobile and internet subscribers decreased by 1.4 per cent and 0.7 per cent

respectively, indicating a decline in the performance of both subscribers (**Table 29**).

**Table 29 : Mobile and Internet Subscribers**

Telecommunication	Q3 2022	Q3 2023	% Growth
<b>Mobile Subscribers</b>	542,984	535,331	(1.4)
<b>Internet Subscribers</b>	637,100	632,401	(0.7)

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

The number of mobile subscribers decreased because of the fall in prepaid customers. Despite this, telecommunication companies have been offering postpaid plans with many appealing promotions including 5G packages<sup>28</sup>. This has led to a shift in consumer preference for the plan, which may explain the drop in the number of prepaid mobile subscribers. (**Table 30**).

**Table 30 : Mobile Subscribers**

Mobile subscribers	Q3 2022	Q3 2023	% Growth
<b>Prepaid</b>	420,293	406,504	(3.3)
<b>Postpaid</b>	122,691	128,827	5.0

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

Meanwhile, the number of internet subscribers decreased slightly, mainly due to the decrease in the number of mobile broadband subscribers. Nevertheless, fixed broadband internet subscribers showed an increase of 4.6 per cent, which was also due to the attractive promotions offered by telecommunication companies as well as the increase in the fixed broadband internet speed at no-extra-cost (**Table 31**).

**Table 31 : Internet Subscribers**

Internet subscribers	Q3 2022	Q3 2023	% Growth
<b>Mobile Broadband</b>	548,234	539,439	(1.6)
<b>Fixed Broadband</b>	88,866	92,962	4.6

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

Looking closely at fixed broadband subscribers, a low-price-per-Mbps has attracted 4.1 per cent and 12.9 per cent additional residential and business/government customers respectively (**Table 32**).

<sup>27</sup> Showcasing local culture, travel products in Japan (October 23, 2023). *Borneo Bulletin*.

<sup>28</sup> Brunei launches 5G network, hopes to spur digital transformation (June 23, 2023). *The Scoop*.

**Table 32 : Fixed Broadband Subscribers**

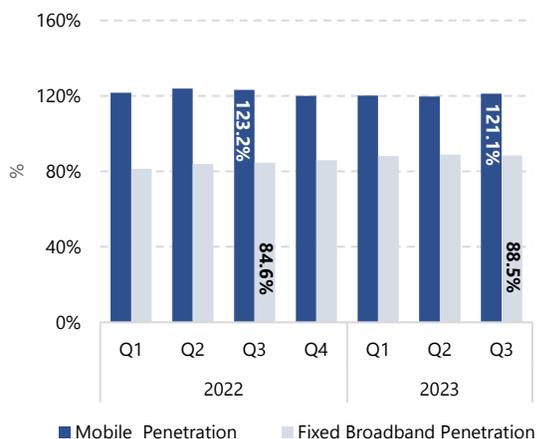
Fixed Broadband	Q3 2022	Q3 2023	% Growth
<b>Residential</b>	81,765	85,127	4.1
<b>Business/ Government</b>	6,467	7,301	12.9
<b>Leased Lines</b>	634	534	(15.8)

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

The penetration rate of fixed broadband rose from 84.6 per cent in Q3 2022 to 88.5 per cent in Q3 2023, indicating the growth of internet subscribers, particularly for fixed broadband.

On the contrary, mobile penetration rate dropped slightly from 123.2 per cent in the third quarter of 2022 to 121.1 per cent in the same quarter of 2023, which was reflected by the decline in the number of prepaid mobile subscribers (**Exhibit 21**).

**Exhibit 21 : Mobile and Fixed Broadband Penetration (Q1 2022 – Q3 2023)**



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

Brunei Darussalam aims to be a country that uses digital technology effectively and efficiently. To reach this aim, it has a plan to change and improve its digital systems and processes. The country has undertaken various actions that seek to boost its digital capabilities; these actions are consistent with the plan to transform its digital landscape.

- Brunei Innovation Lab (BIL) and Unified National Networks Sdn Bhd (UNN) signed a partnership to collaborate on education, technical ICT expertise

and innovation growth in Brunei. The partnership aims to support Brunei’s vision for digitisation and Wawasan 2035 initiatives to transform Brunei into a smart nation. UNN will showcase the technical aspect of the ICT infrastructure and solutions within BIL, providing access and understanding to consumers and industry players. BIL will spread awareness and education on emerging ICT technologies and enable access to local startups and technopreneurs through their network of partners<sup>29</sup>.

- ULAP Networks, a Brunei-based intelligent cloud solutions provider, was awarded a service provider for the Telecommunications Industry (SeTi) licence in the Sultanate. The licence will allow ULAP Networks to introduce its portfolio of global services to businesses through innovative business solutions and local partnerships, for digital transformations. ULAP Networks’ CEO Dominic McDonald said the licence will enable them to bring more cutting-edge developments in the business sector and increase the telecommunications market through their portfolio of international customers<sup>30</sup>.
- Perbadanan TAIB and DST signed an MoU to collaborate on digital innovation and explore various initiatives for mutual benefit. The collaboration aims to support Brunei’s vision for digitisation and Wawasan 2035 initiatives to transform Brunei into a smart nation. Perbadanan TAIB also launched its TAIBVX EPI, an online payment gateway and integrated it into MyDST app<sup>31</sup>.

<sup>29</sup> BIL and UNN team up to catalyse innovation growth in Brunei (November 09, 2023). *UNN News*.

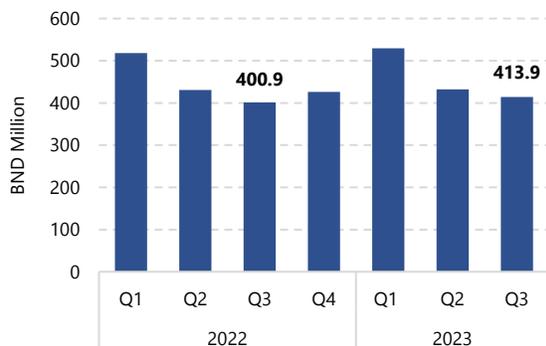
<sup>30</sup> Cloud solution provider awarded license to operate (November 04, 2023). *Borneo Bulletin*.

<sup>31</sup> Perbadanan TAIB, DST collaborate on digital innovation (November 13, 2023). *Borneo Bulletin*.

## Services

In Q3 2023, the Services Sector, comprising selected subsectors, namely Wholesale & Retail Trade, Business Services, and Transport & Logistics contributed about BND413.9 million in GVA, an increase from BND400.9 million in Q3 2022 (**Exhibit 22**).

**Exhibit 22 : Services Sector GVA at Current Prices (Q1 2022 – Q3 2023)**



Source: Department of Economic Planning and Statistics

By subsector, the increase was mainly driven by an increase in Wholesale and Retail Trade to BND257.1 million in Q3 2023 from BND247.3 million in Q3 2022.

However, overall retail sales performance recorded a 3.2 per cent decrease (**Table 33**) and this was reflected in the declining sales across most retail activities, among the significant ones including Department Store (5.8 per cent); Watches and Jewellery (17.5 per cent); and Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores (20.9 per cent).

**Table 33 : Quarterly Retail Estimated Value of Sales and Growth Rate by Activity (Q3 2023)**

	Q3 2022 (BND million)	Q3 2023 (BND million)	% Growth
Department Store	151.1	108.4	(5.8)
Supermarket	74.4	75.1	1.0
Mini Mart	14.7	14.3	(2.4)
Food and Beverages in Specialised Stores	6.6	7.4	11.4
Petrol Station	43.4	46.3	6.7
Computer & Telecommunications Equipment	20.2	21.4	6.0
Textiles, Wearing Apparel & Footwear	13.3	11.7	(11.9)

Hardware, Paints and Glass in Specialised Stores	29.3	27.0	(7.7)
Furniture & Household Equipment	10.6	10.5	(0.6)
Electrical Household Appliances and Lighting Equipment in Specialised Stores	23.1	25.5	10.7
Books, Newspapers and Stationery in Specialised Stores	5.8	5.6	(2.2)
Recreational Goods	9.1	8.7	(4.6)
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	13.2	10.4	(20.9)
Watches & Jewellery	17.5	14.5	(17.5)
Others	33.5	29.0	(13.4)
<b>Total</b>	<b>429.8</b>	<b>416.1</b>	<b>(3.2)</b>

Source: Department of Economic Planning and Statistics

Meanwhile, Transport and Logistics recorded a decrease in its contribution to BND74.5 million in Q3 2023 from BND76.0 million in Q3 2022. This was in correspondence with the negative trade performance via all modes of transport. The decline in trade via sea (**Table 34**) was mainly contributed by commodities including Crude Materials Inedible, Mineral Fuels and Chemicals.

**Table 34 : Trade Via Sea**

	Q3 2022 (BND million)	Q3 2023 (BND million)	% Growth
Export	5,230.0	3,977.1	(24.0)
Import	2,797.3	2,321.9	(17.0)
<b>Total</b>	<b>8,027.3</b>	<b>6,299.0</b>	<b>(21.5)</b>

Source: Department of Economic Planning and Statistics

As for trade via air, the main commodities contributing to the decline were Miscellaneous Transactions, Machinery and Transportation; and Miscellaneous Manufactured Articles (**Table 35**).

**Table 35 : Trade Via Air**

	Q3 2022 (BND million)	Q3 2023 (BND million)	% Growth
Export	26.6	29.2	9.7
Import	257.5	197.6	(23.3)
<b>Total</b>	<b>284.2</b>	<b>226.8</b>	<b>(20.2)</b>

Source: Department of Economic Planning and Statistics

As for trade via land, the main commodities contributing to the decrease were Miscellaneous Transactions; Animal and Vegetable Oils & Fats; and Chemicals (**Table 36**).

**Table 36 : Trade Via Land**

	Q3 2022 (BND million)	Q3 2023 (BND million)	% Growth
<b>Export</b>	6.6	4.1	(38.0)
<b>Import</b>	88.3	84.4	(4.4)
<b>Total</b>	<b>94.9</b>	<b>88.5</b>	<b>(6.7)</b>

Source: Department of Economic Planning and Statistics

In terms of seaborne cargo throughput, the country's national port observed a significant rise of 21.7 per cent (**Table 37**), primarily due to an increase in total cargo throughput to and from Australia, Thailand and South Korea.

**Table 37 : Seaborne Volume Cargo Throughput**

	Q3 2022 (Tonnes)	Q3 2023 (Tonnes)	% Growth
<b>Discharged</b>	256,896	280,490	9.2
<b>Loaded</b>	96,126	149,029	55.0
<b>Total</b>	<b>350,022</b>	<b>429,519</b>	<b>21.7</b>

Source: Ministry of Transport and Info-Communications

Air freight cargo throughput also recorded a positive growth of 4.5 per cent (**Table 38**), which was mainly due to an increase in transit cargo throughput to and from Dubai, Melbourne and Beijing<sup>32</sup>.

**Table 38 : Air Freight Cargo Throughput**

	Q3 2022 (Tonnes)	Q3 2023 (Tonnes)	% Growth
<b>Import</b>	1,610.3	1,583.5	(1.7)
<b>Export</b>	145.2	155.5	7.1
<b>Transit</b>	929.6	1,067.3	14.8
<b>Total</b>	<b>2,685.1</b>	<b>2,806.3</b>	<b>4.5</b>

Source: Brunei International Airport Cargo Centre (BIACC)

In terms of main trading commodities by mode of transport (**Table 39**), exports by air in Q3 2023 were mainly facial products such as makeup preparations

and the main import items by air were laboratory equipment and medicaments.

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

For land freight, exports mainly consisted of diverse manufactured goods such as cement and metallic goods, while imports mainly comprised crude materials inedible such as gravel and stones; various manufactured goods; animal feed and various fruits such as durian, mangoes, watermelons, etc.

**Table 39 : Main Exports and Imports in weight/volume by Transport Medium (Q3 2023)**

	Main Exports	Main Imports
<b>Air</b>	Facial products	Laboratory equipment Medicaments
<b>Sea</b>	Mineral Fuels and Chemicals	Mineral Fuels; Various Manufactured Goods
<b>Land</b>	Various Manufactured Goods	Gravel and stones Various Manufactured Goods; Animal Feed Fruits

Source: Department of Economic Planning and Statistics

Brunei Darussalam and its trading partners have signed various bilateral meeting and memorandums to enhance the collaboration between them, which will boost trade among the countries.

- The National Chamber of Commerce and Industry Brunei Darussalam (NCCIBD) held a signing ceremony for the formation of the Brunei Darussalam-Sabah Joint Business Council with the Malaysian International Chamber of Commerce and Industry (MICCI) for a stronger Borneo Economic Community (BEC). The BEC aims to function as an inclusive and sustainability-driven business association for enterprises in the island and professionals in emerging fields, such as those involved in the gig economy, content creation and remote work<sup>33</sup>.
- Memorandum of Cooperation was signed between Brunei Darussalam and Japan, during the ASEAN-Japan Commemorative Summit, which aims to bolster energy cooperation. The

<sup>32</sup> Brunei International Airport Cargo Centre (BIACC).

<sup>33</sup> Agreement inked to enhance Borneo economic community (October 25, 2023), *Borneo Bulletin*.

discussions also encompassed bilateral cooperation in defence, maritime sectors, regional and international matters, including the development of ASEAN-Japan Dialogue Relations and the situation in Palestine<sup>34</sup>.

- The Government of His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam signed an agreement with China on aquatic products protocols agreement. The main objectives are to facilitate the export of more aquatic products from Brunei to China and to further strengthen cooperation between the two countries in biosecurity, quarantine, hygiene and health inspections of aquatic products to be exported to China<sup>35</sup>.

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<sup>34</sup> Brunei and Japan Strengthen Ties During His Majesty's Visit to Tokyo (December 16, 2023), *Borneo Bulletin*.

<sup>35</sup> Brunei signs aquatic products protocols agreement with China (December 17, 2023), *Borneo Bulletin*.