

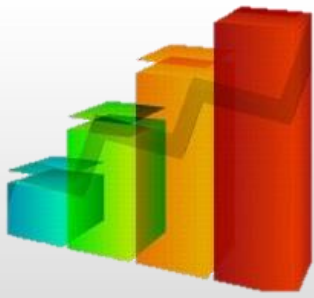


BRUNEI DARUSSALAM RECENT ECONOMIC PERFORMANCE

27th August 2015

Prepared by:

Department of Economic Planning and Development



BRUNEI VISION 2035

GOAL I

Well-educated, highly skilled and accomplished people

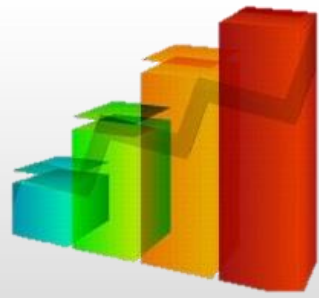
GOAL II

High quality of life

GOAL III

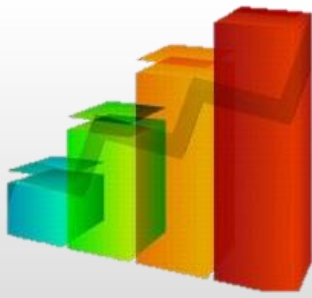
Dynamic and sustainable economy

(with a per capita income among the top 10 countries in the world)



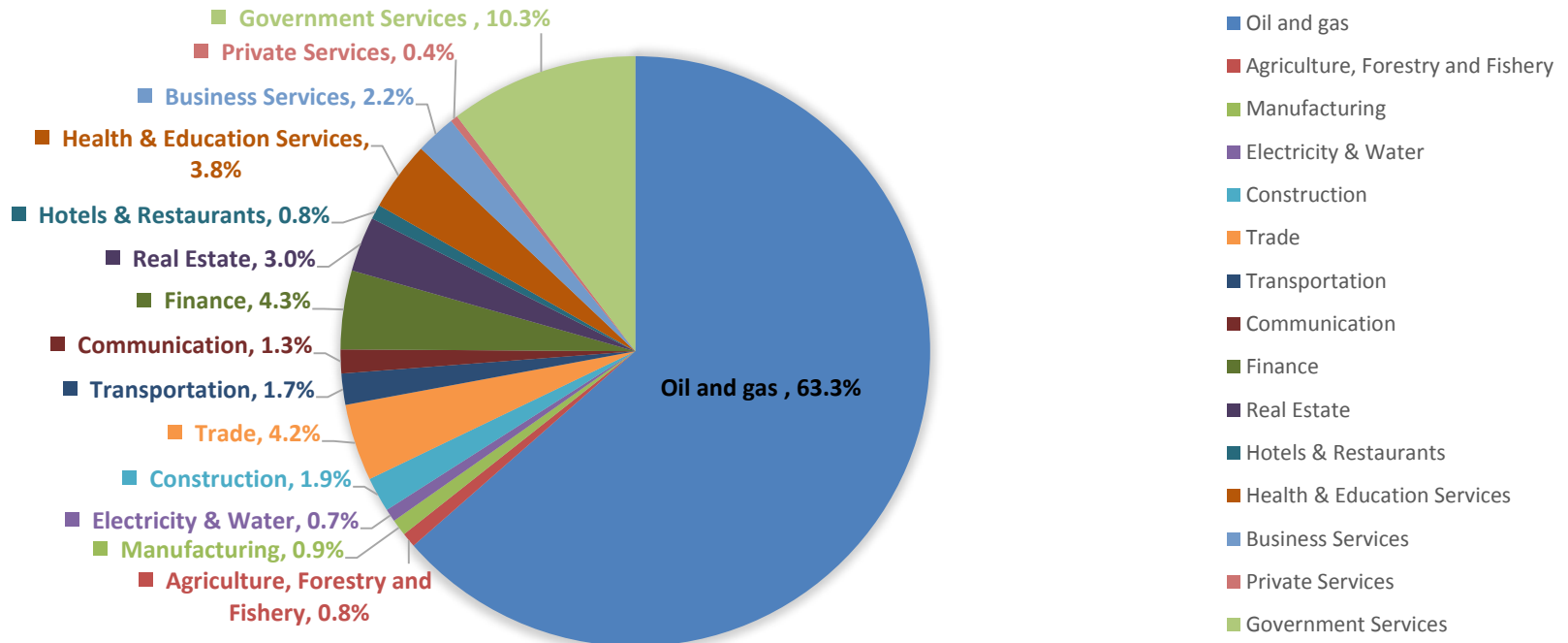
PRIMARY OBJECTIVES FOR ECONOMIC POLICY MAKERS

- ❑ Sustainable Economic Growth Rate,
Growth Target ~ 5% to 6% per annum
- ❑ Low Inflation Rate, Inflation Target ~ 2%
- ❑ Full Employment, Unemployment Target ~ 4%
- ❑ Trade Balance ~ Surplus

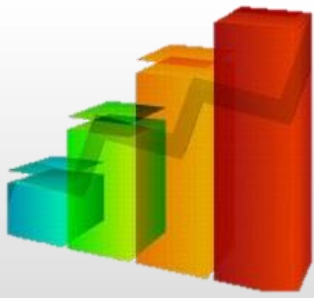


GDP AT CURRENT PRICES IN 2014

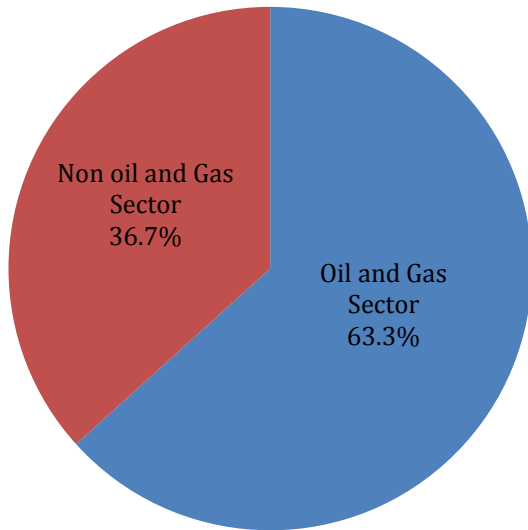
- Brunei Darussalam economy was about BND21.7 billion (USD16.7 bil) in current prices in 2014.
- With population of 411,900, Brunei Darussalam's per capita GDP in 2014 was BND52,614. (USD40,472).
- In current prices, oil and gas sector contributed 63.3% of GDP in 2014.



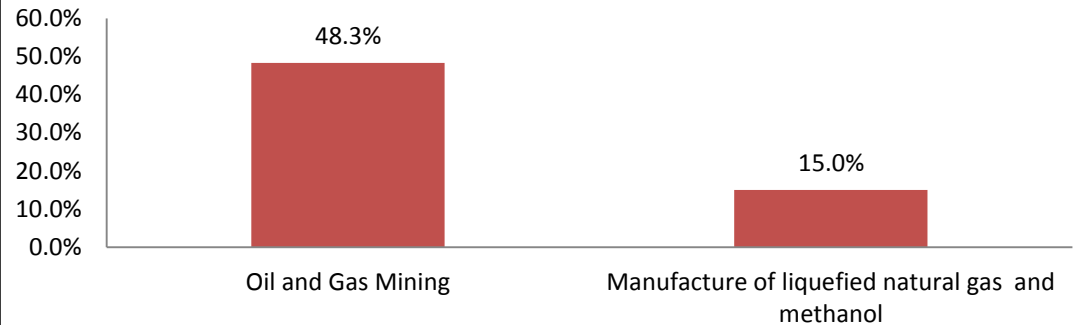
GDP DISTRIBUTION IN 2014



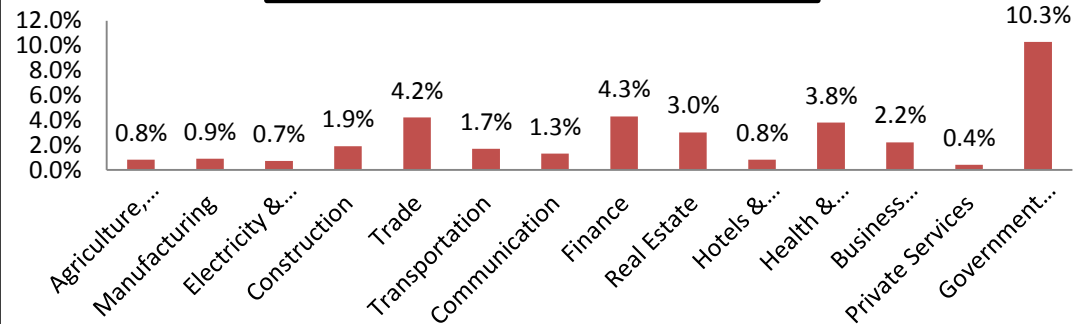
BY SECTOR

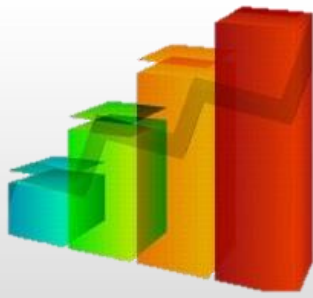


OIL AND GAS SECTOR (63.3% OF GDP)



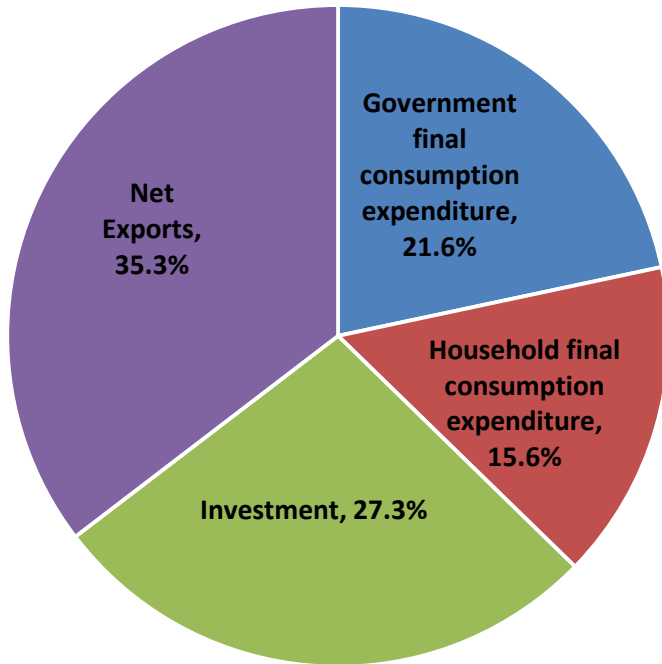
NON-OIL AND GAS SECTOR (36.7% OF GDP)





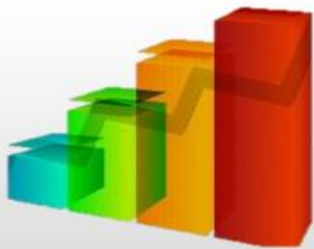
GDP BY EXPENDITURE

In 2014:



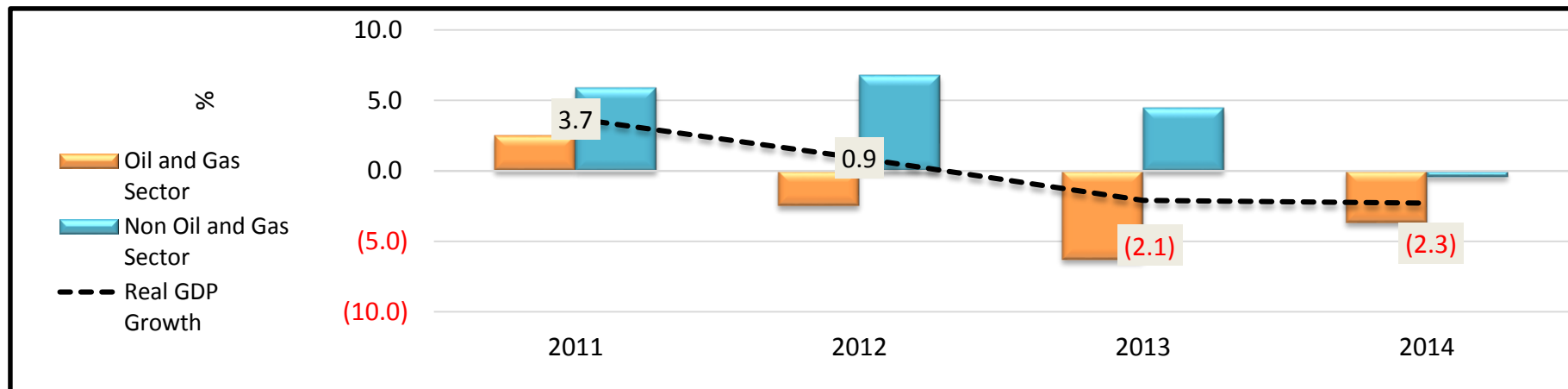
	2010	2011	2012	2013	2014
Government final consumption expenditure	22.2%	18.7%	18.4%	20.2%	21.6%
Household final consumption expenditure	14.7%	12.8%	13.8%	15.3%	15.6%
Investment	23.5%	25.9%	32.8%	39.5%	27.3%
Construction	10.5%	10.4%	12.6%	13.4%	11.1%
Machinery	13.0%	15.5%	20.2%	26.0%	16.2%
Exports of goods and services	67.4%	69.5%	70.2%	68.0%	71.0%
Goods	64.0%	66.8%	67.6%	65.3%	68.2%
Services	3.4%	2.7%	2.5%	2.7%	2.8%
Imports of goods and services	28.0%	30.0%	35.5%	42.9%	35.7%
Goods	18.7%	20.2%	21.6%	27.1%	21.7%
Services	9.2%	9.8%	13.9%	15.8%	13.9%

GDP Growth Performance

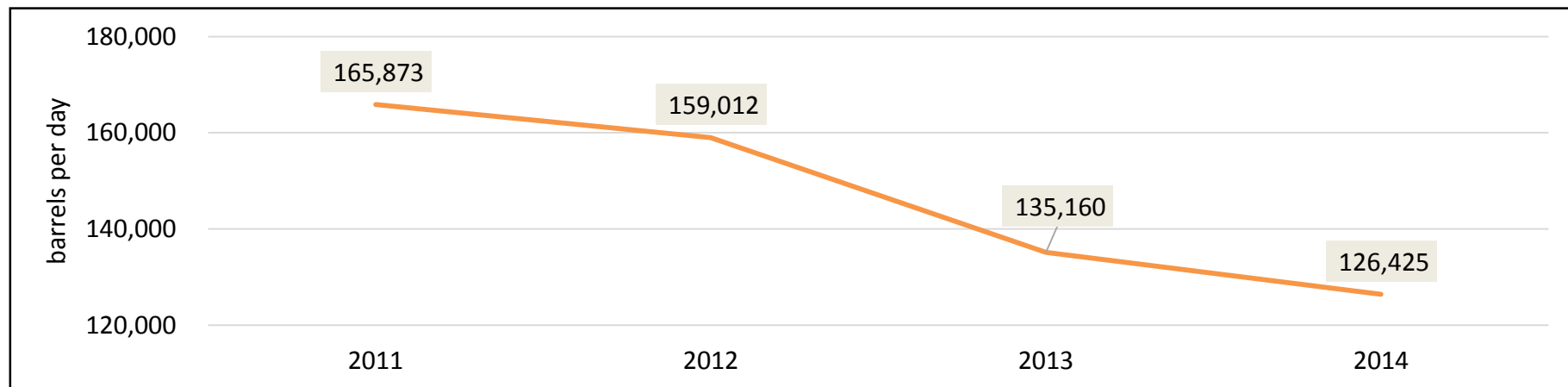


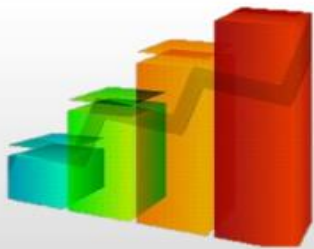
REAL GDP GROWTH AND OIL PRODUCTION (ANNUALLY)

NEGATIVE ECONOMIC GROWTH

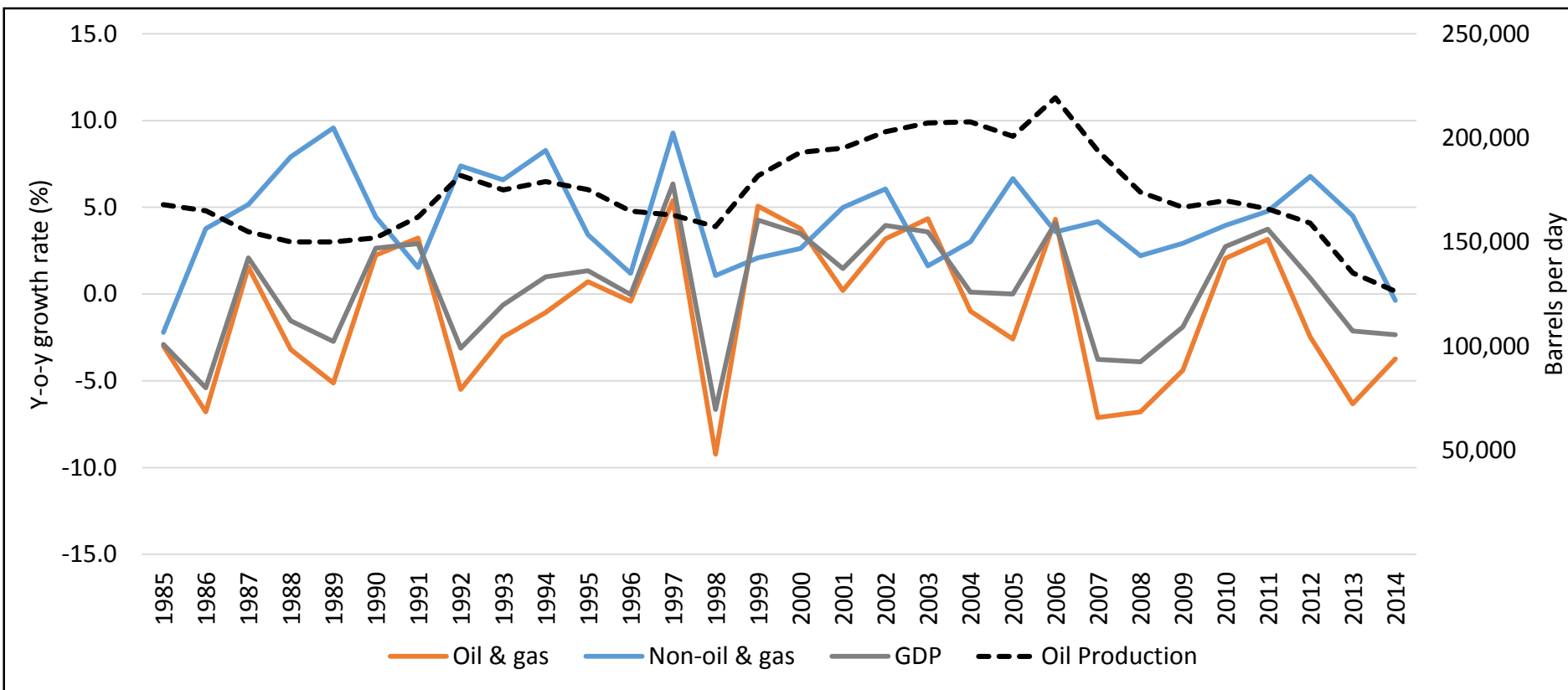


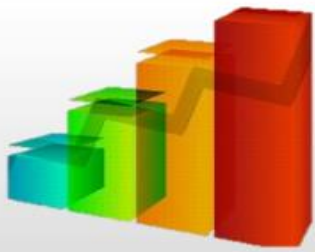
OIL PRODUCTION DECLINING



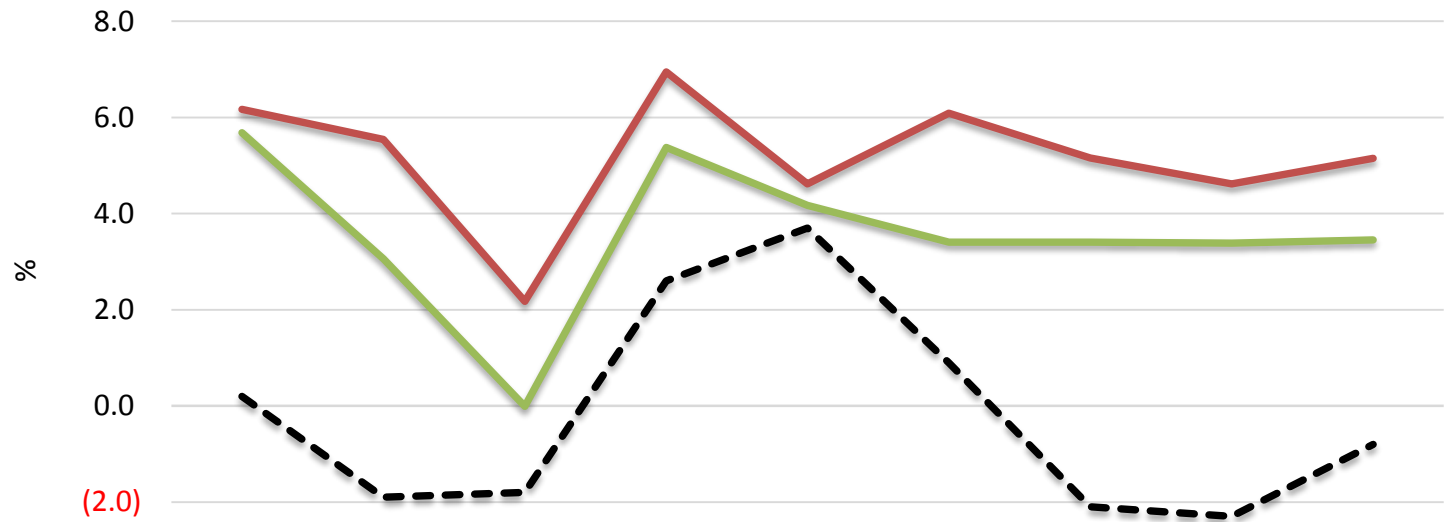


REAL GDP GROWTH AND OIL PRODUCTION (1985-2014)





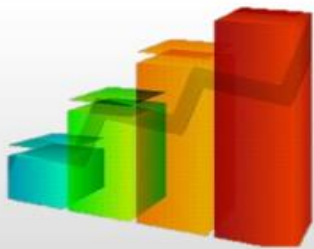
LOW GDP GROWTH RATE COMPARED TO 'ASEAN-5' AND 'WORLD'



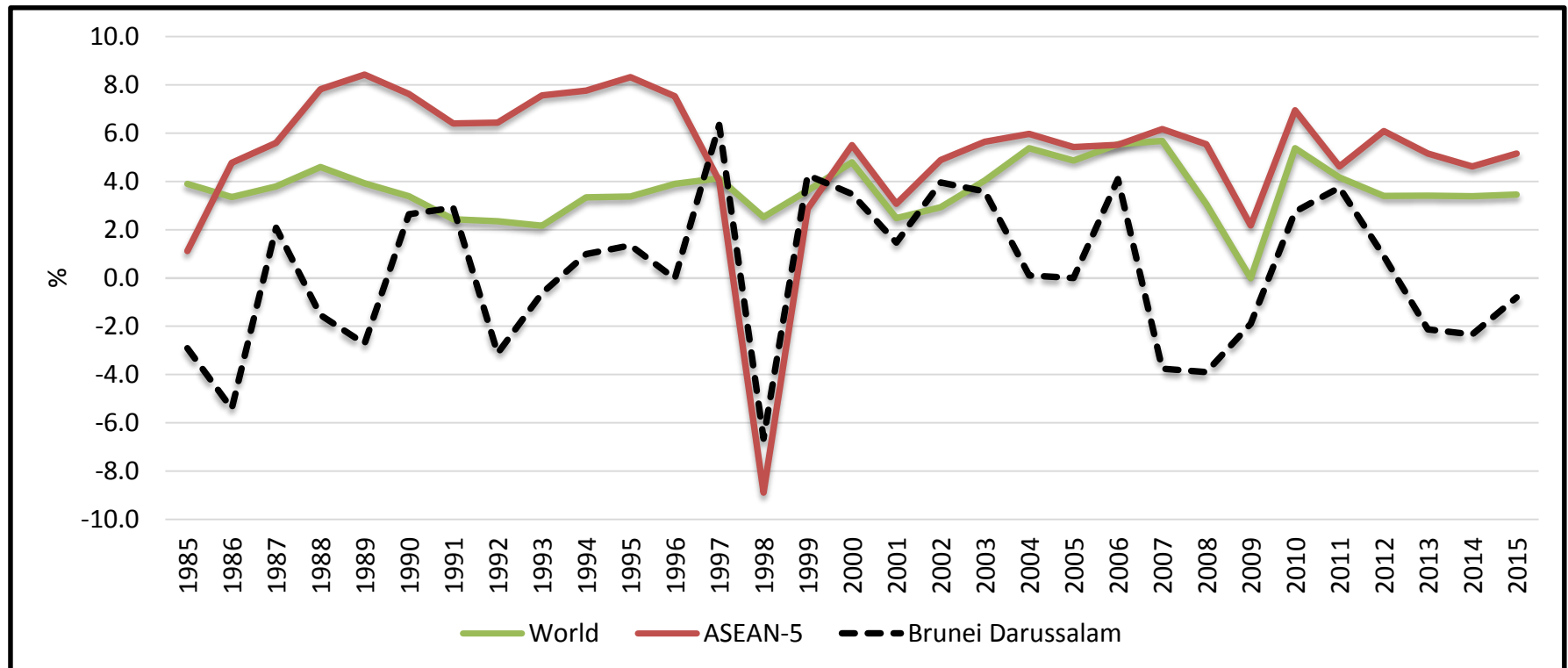
(2.0)
(4.0)

	2007	2008	2009	2010	2011	2012	2013	2014	*2015
--- Negara Brunei Darussalam	0.2	(1.9)	(1.8)	2.6	3.7	0.9	(2.1)	(2.3)	(0.8)
— ASEAN-5	6.2	5.5	2.2	6.9	4.6	6.1	5.2	4.6	5.2
— World	5.7	3.1	(0.0)	5.4	4.2	3.4	3.4	3.4	3.5

Note: * estimated in February 2015 based on base year 2000
 Source: IMF, World Economic Outlook Database, April 2015 dan JPKE
 ASEAN-5 (Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam)

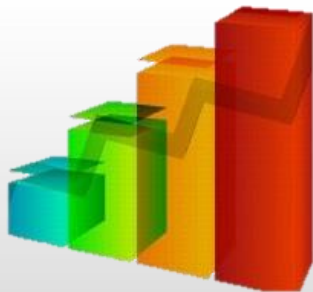


GDP GROWTH RATE COMPARED TO 'ASEAN-5' AND 'WORLD'



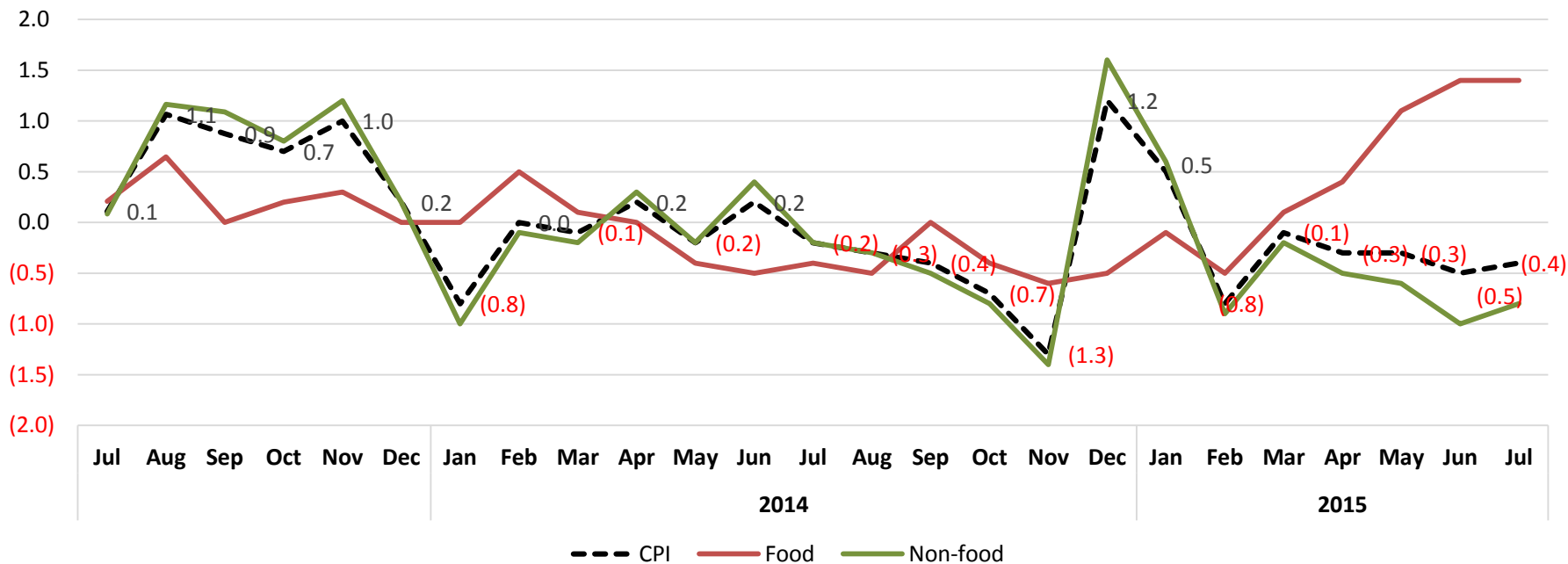
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ASEAN-5 (Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam)

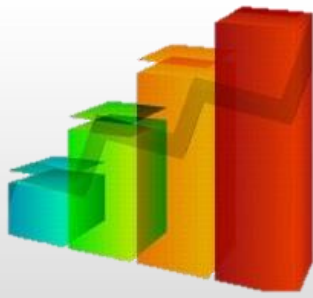
Inflation



INFLATION RATES UNTIL JULY 2015

INFLATION RATE IS LOW AND DECLINING

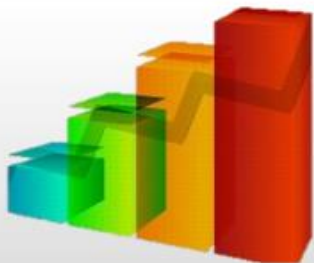




INFLATION RATES (BASE YEAR=2010)

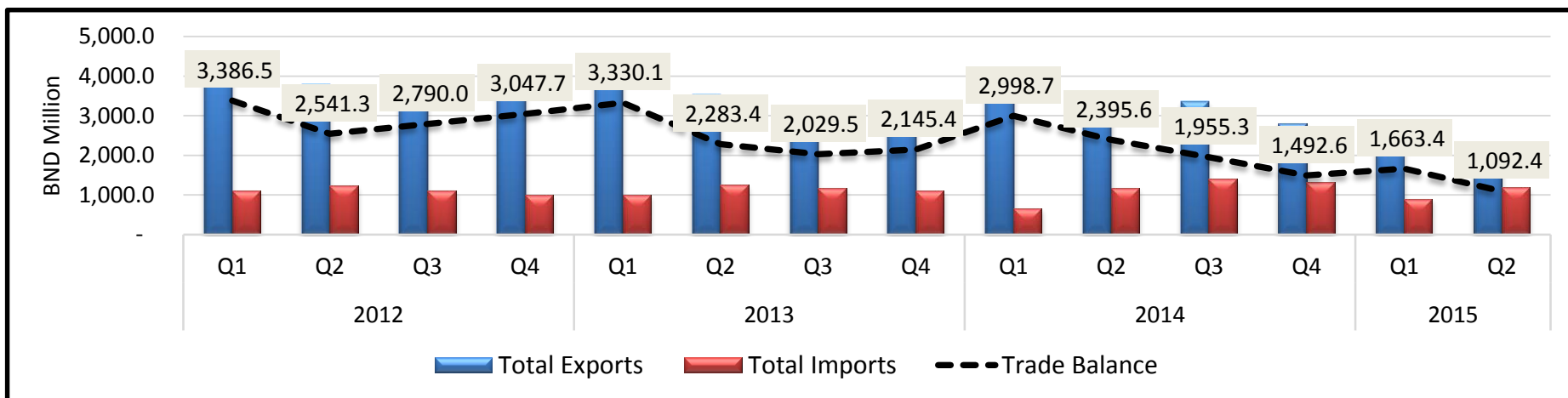
	Weights	2011	2012	2013	2014	2015 Jan-July
OVERALL INDEX	10,000	0.1	0.2	0.4	-0.2	-0.3
Food And Non-alcoholic Beverages	1,911	0.0	0.0	0.1	-0.2	0.5
Clothing And Footwear	424	0.6	0.0	0.6	-2.4	-4.2
Housing, Water, Electricity, Gas And Other Fuels	1,114	0.0	0.0	-0.1	-0.7	2.1
Furnishings, Household Equipment And Routine Household Maintenance	1,101	0.0	0.0	-0.7	-2.2	-1.3
Health	132	0.0	0.0	-0.3	0.4	2.1
Transport	1,883	0.0	0.1	2.2	0.4	-2.3
Communication	601	0.0	0.0	-0.2	0.1	1.4
Recreation And Culture	913	0.2	0.4	0.4	-2.0	-0.6
Education	390	0.1	1.3	0.8	2.7	-2.5
Restaurants And Hotels	885	0.1	0.1	0.2	2.0	1.5
Miscellaneous Goods And Services	646	1.2	0.1	-0.9	0.9	0.6

Merchandise Trade

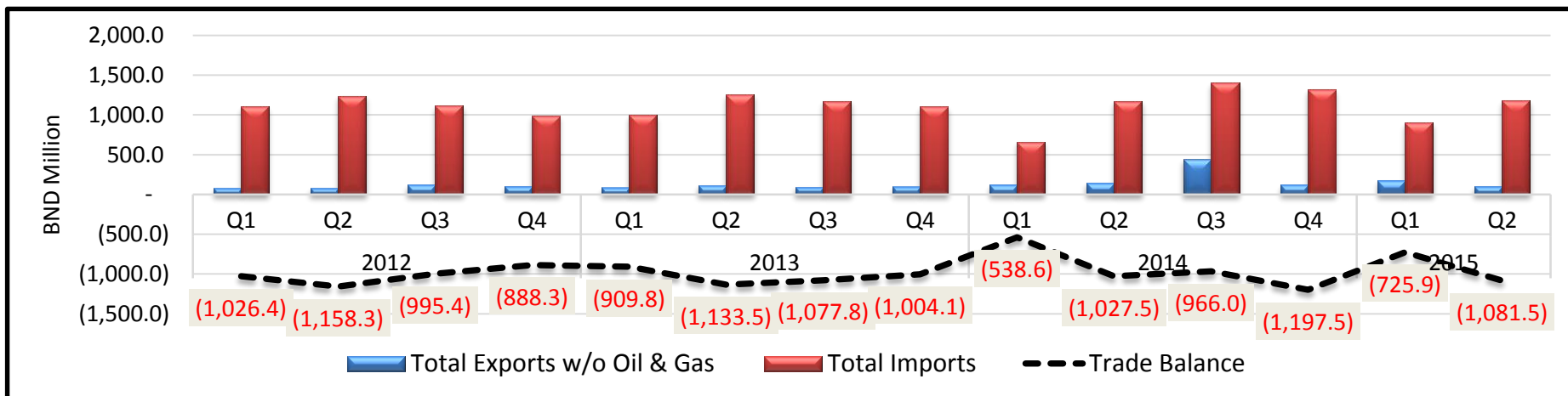


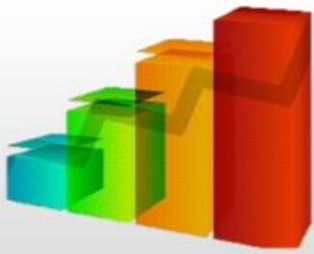
PERFORMANCE OF INTERNATIONAL TRADE UP TO SECOND QUARTER 2015

MERCHANDISE TRADE WITH OIL AND GAS EXPORTS - TRADE SURPLUS



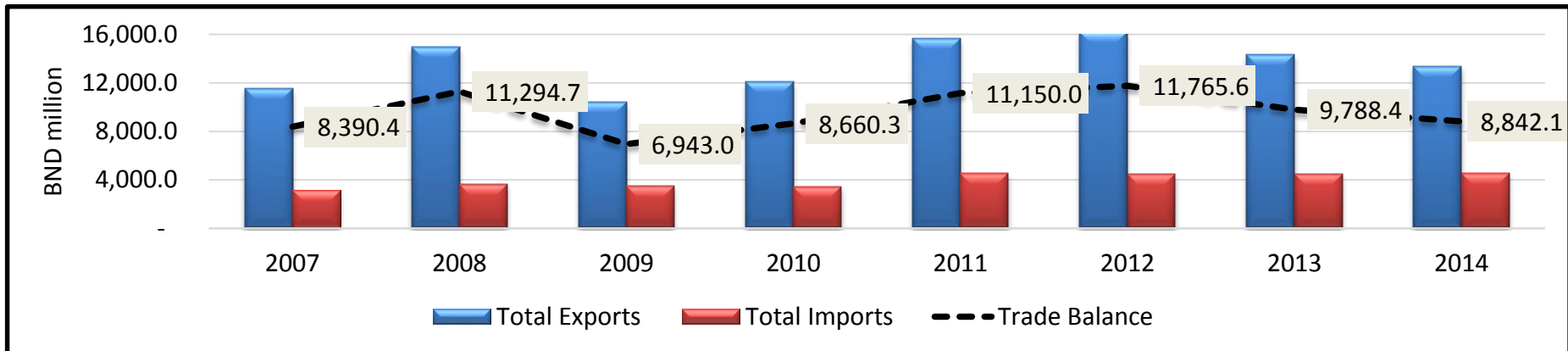
MERCHANDISE TRADE WITHOUT OIL AND GAS EXPORTS - TRADE DEFICIT



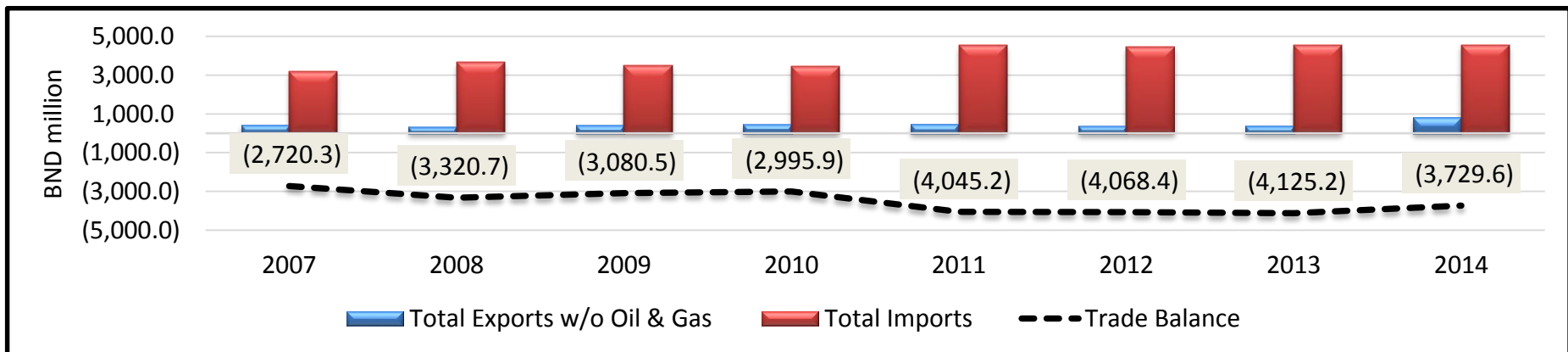


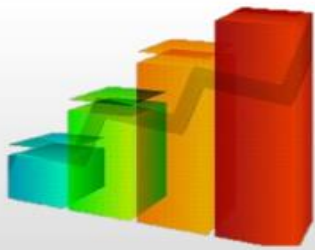
TRADE BALANCE (ANNUALLY)

SURPLUS TRADE BALANCE WITH 90% EXPORTS COME FROM OIL AND GAS

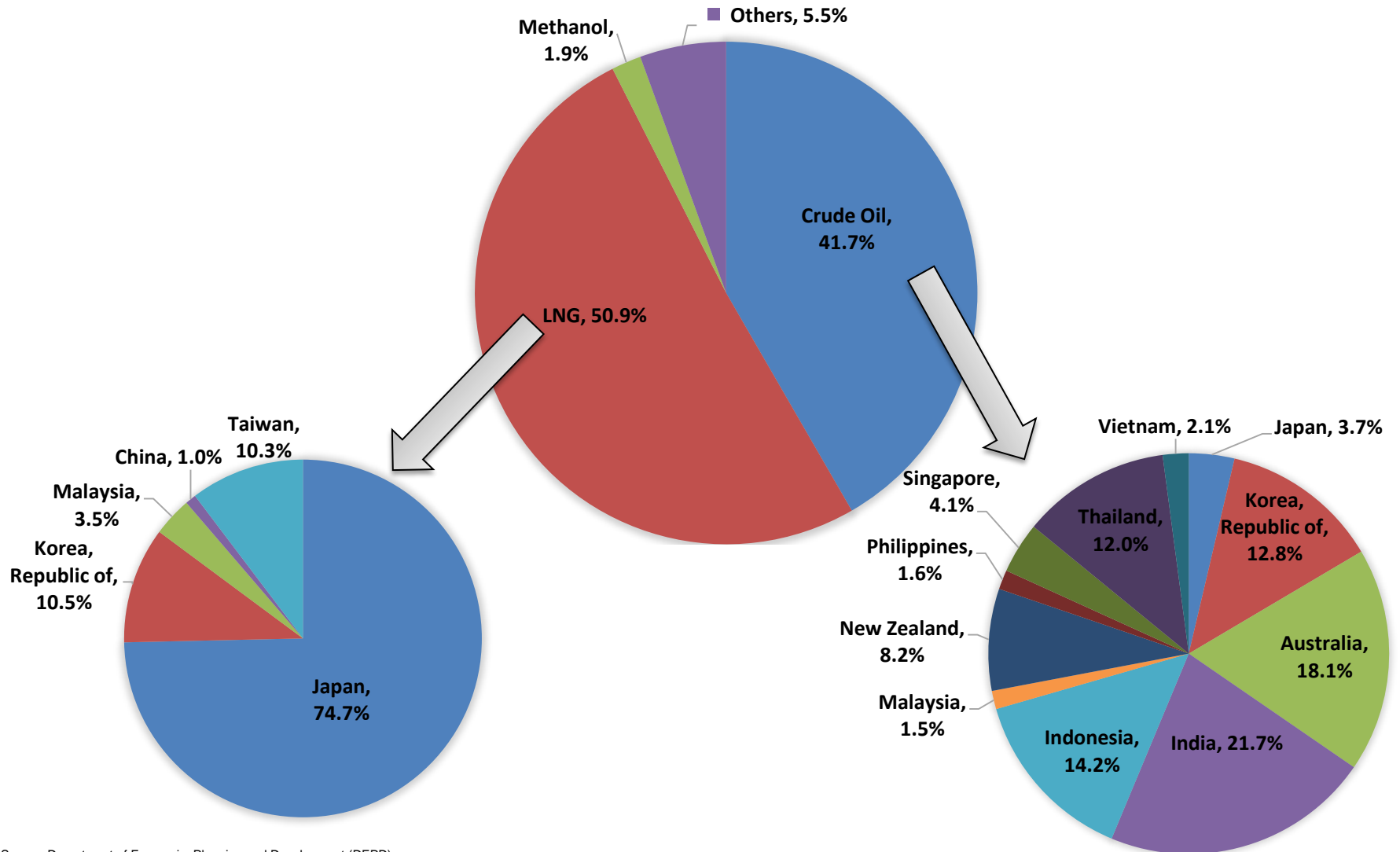


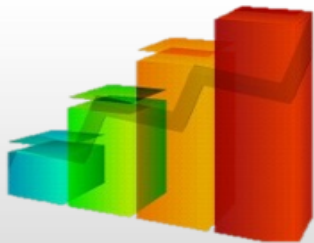
TRADE BALANCE BECOMES DEFICIT WITHOUT OIL AND GAS EXPORTS



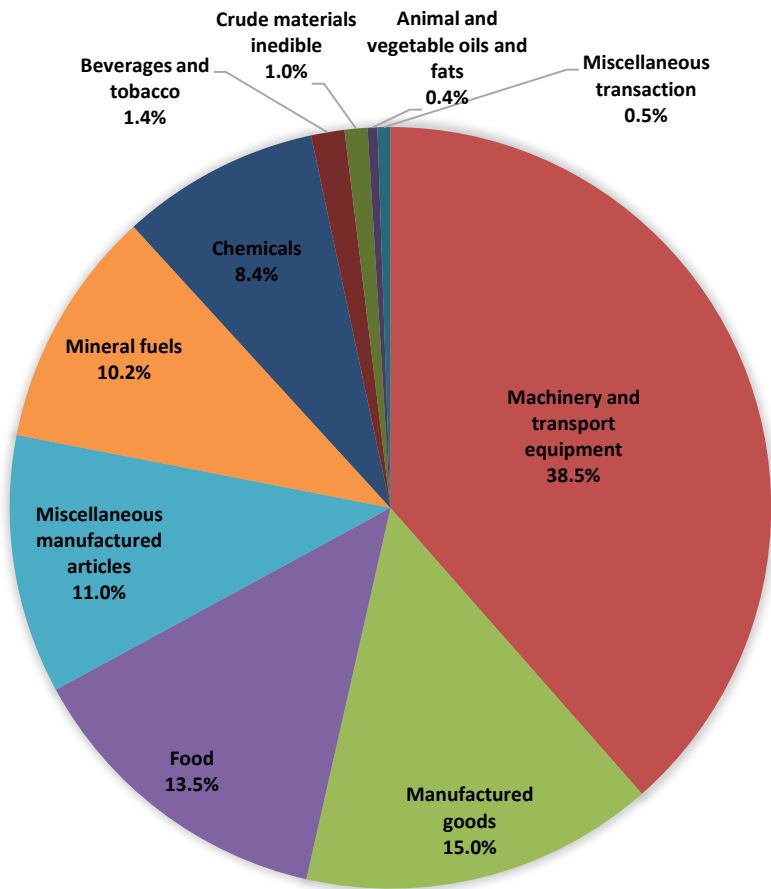


MAJOR EXPORTS & DESTINATIONS (2014)

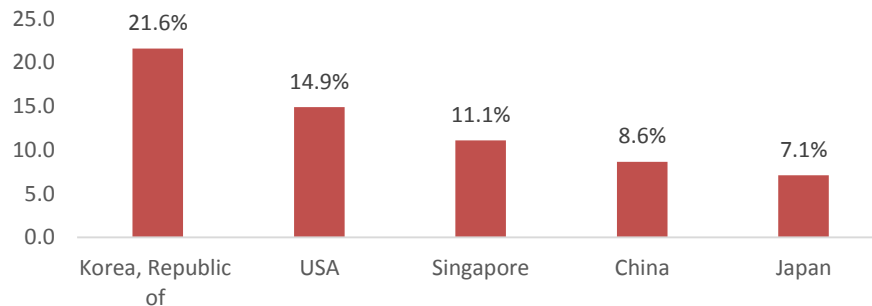




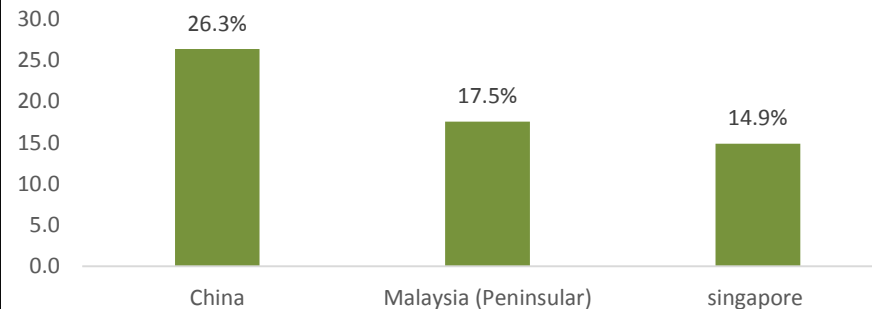
IMPORTS & ORIGIN (2014)



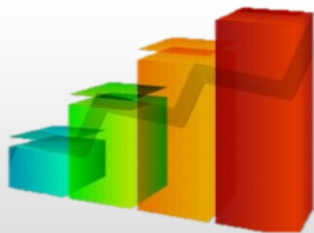
More Than 50% of Machinery & Transport Equipment Imported From:



More Than 50% Of Manufactured Goods Imported From:

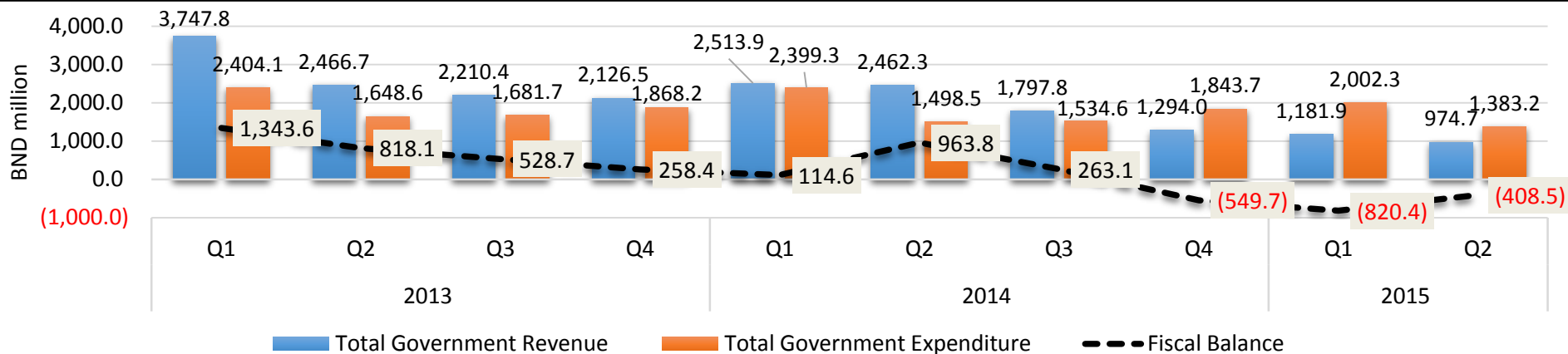


Fiscal Balance

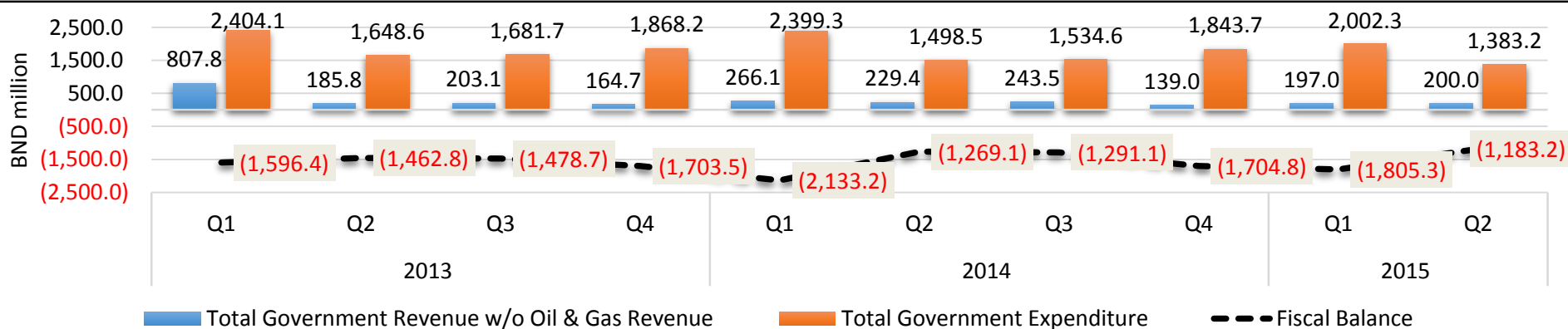


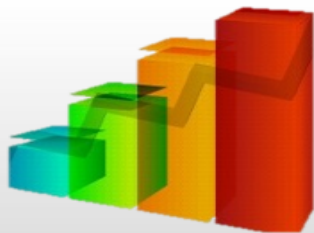
GOVERNMENT FINANCE UP TO SECOND QUARTER OF 2015

REVENUE WITH OIL AND GAS



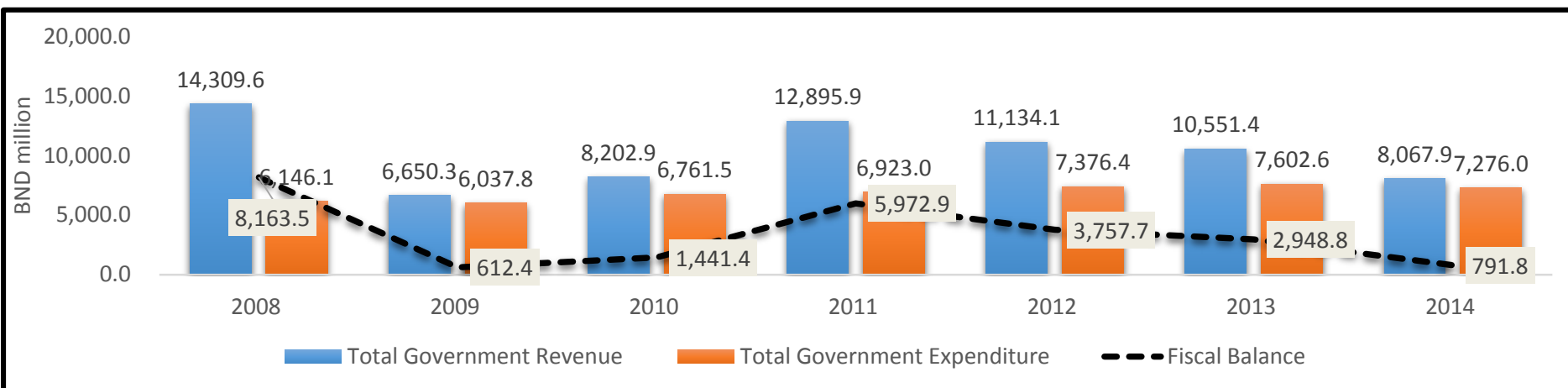
REVENUE WITHOUT OIL AND GAS



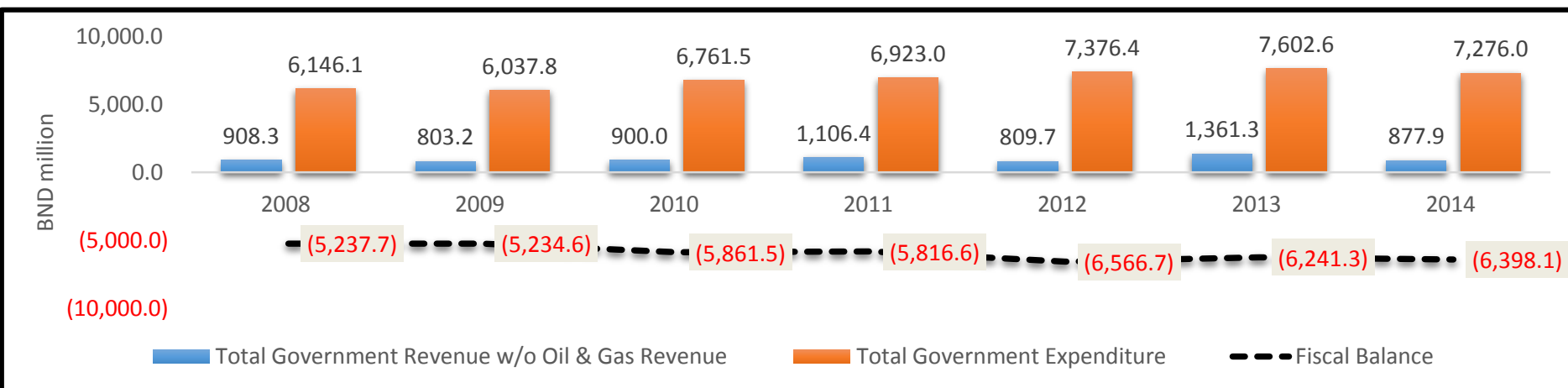


FISCAL BALANCE FROM 2008 – 2014

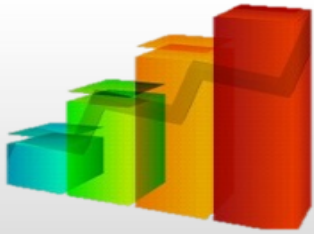
SURPLUS FISCAL BALANCE AS 90% OF REVENUE COMES FROM OIL AND GAS



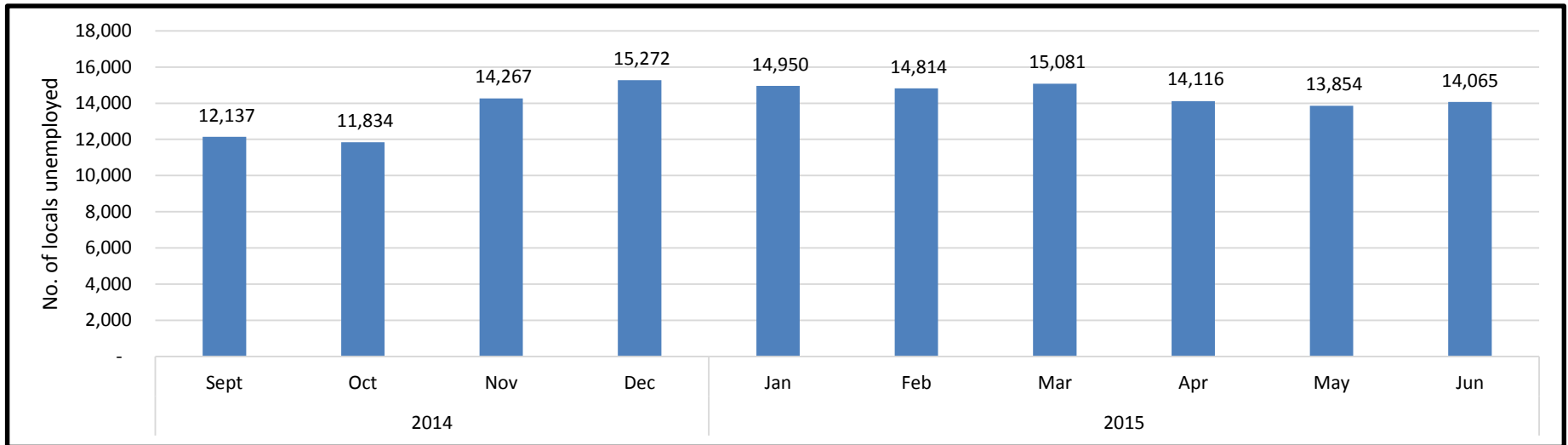
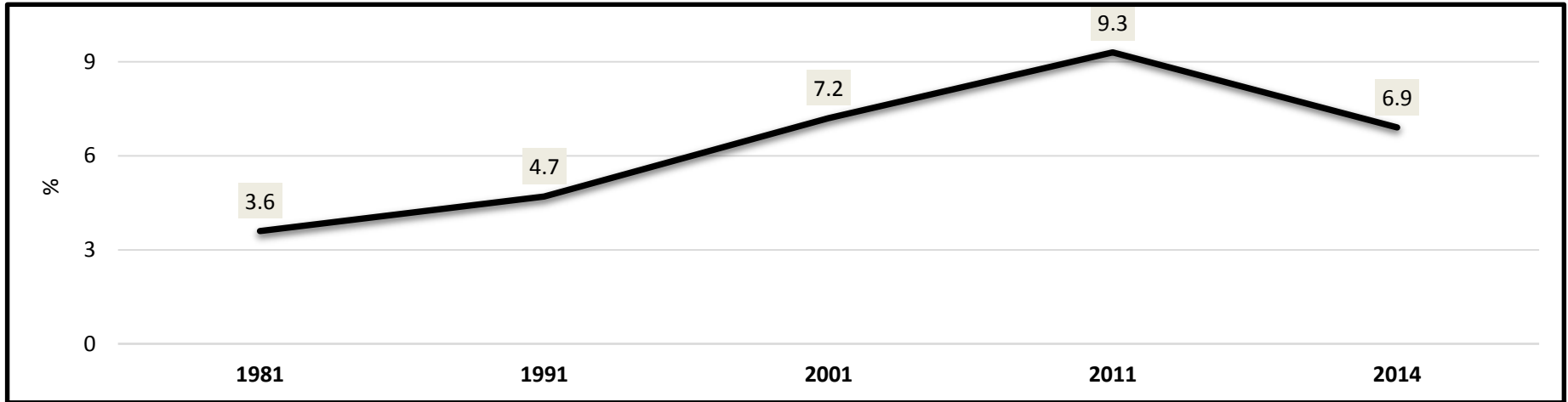
DEFICIT FISCAL BALANCE WITHOUT OIL AND GAS REVENUE

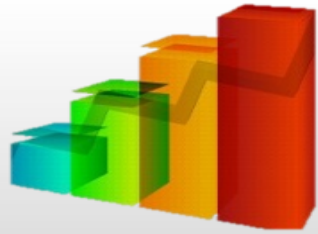


Unemployment



HIGH UNEMPLOYMENT RATE

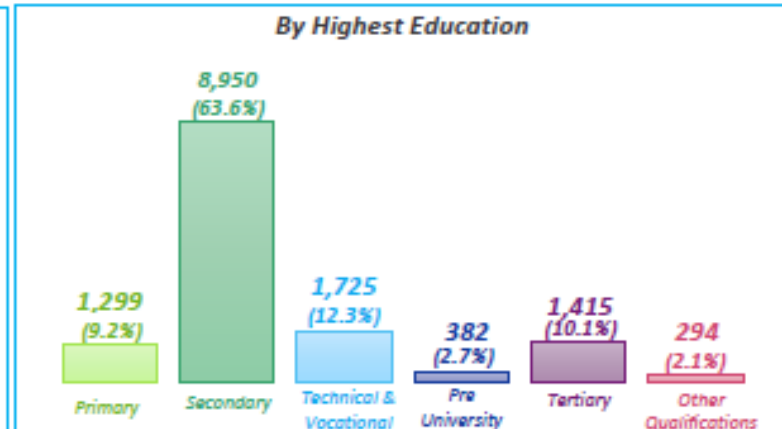
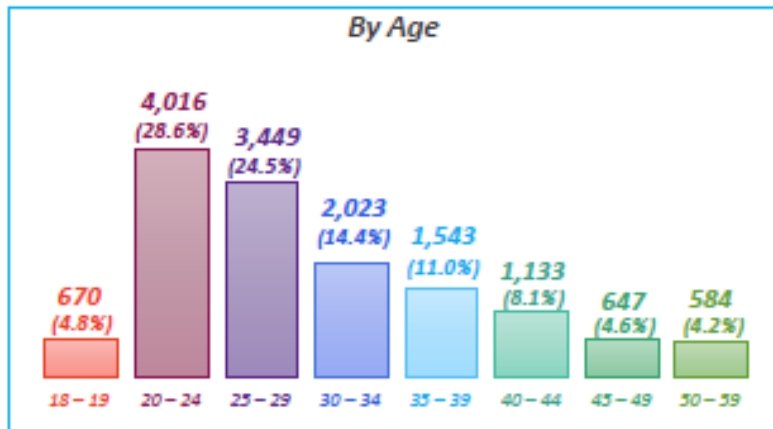
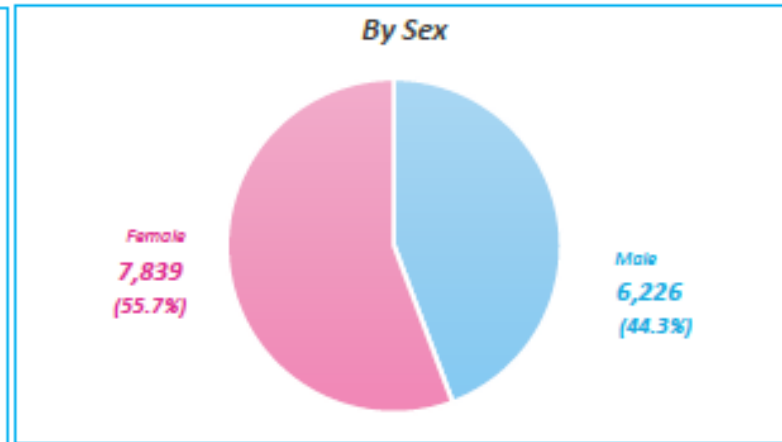
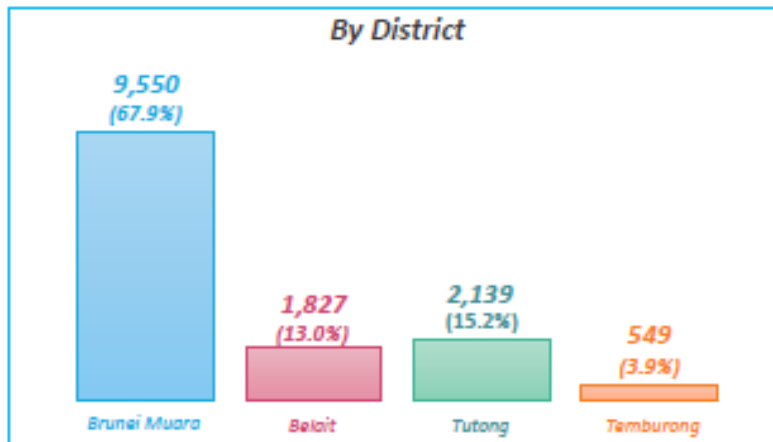




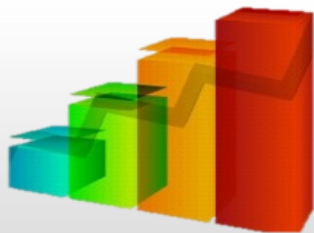
THE PROFILE OF UNEMPLOYED AS AT JUNE 2015





PROFILE OF LOCAL JOB SEEKERS (18 – 59 YEARS)

Number (persons) and Distribution (%)



Evaluation Performance



OBJECTIVE	TARGET	ACTUAL	ASSESSMENT
Economic Growth	5% to 6%	-2.3% in 2014	Unsatisfactory:  Negative growth rate, below the regional annual growth rate, and dominated by oil and gas in terms of output. NOT DIVERSIFIED
Inflation Rate	2% annually or lower	-0.2% in 2014	Satisfactory:  Mainly due the the support from subsidies. However, negative can be a concern.
Unemployment Rate	4% or lower	6.9% in 2014	Unsatisfactory:  The rate is too high, particularly amongst youths, the majority of whom are having only secondary and primary level of education.
Trade Balance	Surplus	Surplus	Satisfactory:  Around 95% of exports were contributed by the oil and gas sector, which implies that the economy is NOT DIVERSIFIED .

Thank you