



BRUNEI ECONOMIC BULLETIN

SECOND HALF 2010 (H2 2010) ECONOMIC DEVELOPMENTS

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Highlights in this issue

Gross Domestic Product GDP at constant prices increased to BND 6.17 billion in H2 2010 from BND 6.15 billion in H1 2010. Likewise, GDP at current prices increased by 0.1 per cent y-o-y to BND 8.80 billion from BND 8.79 billion. A considerable decline in the exports of goods due to contractions in the exports of liquefied natural gas (LNG) resulted in the low economic growth in the second half 2010. Of the sub-sectors that experienced negative growth; the vegetable, fruits & other agriculture sub-sector, forestry sub-sector and manufactured of wearing apparel & textile sub-sector exhibited a double digit figure.

Consumer Price Index For the whole of 2010, CPI growth moderated to 0.4 per cent from 1.0 per cent in 2009. 'Food and Non-Alcoholic Beverages' and 'Tobacco' contributed the most to the overall CPI inflation, at 0.27 percentage points (pp) and 0.19 pp respectively. The 'Food and Non-Alcoholic Beverages' index increased by 1.5 per cent y-o-y in H2 2010; double the rate of growth compared to H1 2010.

External Trade Trade balance stood at BND 4.7 billion in H2 2010, an increase of 30.8 per cent y-o-y. Japan remained the dominant export market with a 46.0 per cent share. Machinery and transport equipment formed the largest imports commodity with a 34.5 per cent share and shrinking by 2.4 per cent y-o-y in H2 2010. Peninsular Malaysia was the biggest import market with a 20.4 per cent share in H2 2010.

Public Finance Total revenue increased by 44.8 per cent y-o-y and expenditure declined by 3.8 per cent y-o-y in H2 2010. Fiscal balance rose by 375.6 per cent y-o-y. In H2 2010, tax and non-tax revenue formed 67.6 per cent and 32.4 per cent of the total revenue respectively. Current expenditure rose by 1.1 per cent y-o-y and accounted for 79.4 per cent of total expenditure. Capital expenditure was reduced by 19.1 per cent y-o-y and accounted for 20.5 per cent of total expenditure.

Oil and Gas The WACOP of Brunei Darussalam in 2010 rose by 22.8 per cent from USD 64.54/bbl in 2009 to USD 79.27/bbl. Brunei Darussalam's average annual crude production in 2010 rose by 1.9 per cent from 166,728 bpd in 2009 to 169,891 bpd. The LNG price increased by 58.8 per cent y-o-y from USD 7.77 in H2 2009 to USD 12.33 in H2 2010. Annual average LNG production in 2010 rose by 0.9 per cent from 951,616 MMBtu in 2009 to 960,483 MMBtu.

RKN Update The total expenditure of all RKN projects for the financial year 2010/2011 was BND856.5 million or 81.6 per cent of the total allocation. The Social Services sector recorded the highest expenditure amount of BND441.5 Million. The Ministry of Development recorded the highest RKN expenditure which amounted to BND369.5 million.

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1. Gross Domestic Product

Overall performance

Brunei Darussalam's GDP at constant prices increased by 0.3 per cent year-on-year (y-o-y) in the second half of 2010 (H2 2010) after a strong 5.2 per cent y-o-y expansion in the first half of 2010 (H1 2010). GDP at constant prices increased to BND 6.17 billion in H2 2010 from BND 6.15 billion in H1 2010. Likewise, GDP at current prices increased by 0.1 per cent y-o-y to BND 8.80 billion from BND 8.79 billion. (Table 1.1). Meanwhile, GDP at constant prices on a half yearly (h-o-h) basis expanded by 9.0 per cent in H2 2010.

For 2010, GDP at constant prices recorded a growth of 2.6 per cent in 2010, after a negative 1.8 per cent growth in 2009 (Table 1.1). Similarly, GDP at current prices in 2010 increased by 8.1 per cent to BND 16.9 billion from BND 15.6 billion in 2009. As a result, Gross Domestic Product (GDP) per capita jumped by 5.9 per cent from BND 38.4 thousand to BND 40.7 thousand in 2010.

Table 1.1 : GDP at Current and Constant Prices and Growth Rates

	2009			2010			Real growth rates % change				
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010		2009	2010	
	BND Million						y-o-y	h-o-h			
GDP at 2000 constant prices	5,400.9	6,145.5	11,546.4	5,680.6	6,165.9	11,846.5	5.2	0.3	8.5	-1.8	2.6
GDP at current prices	6,818.2	8,793.1	15,611.4	8,068.9	8,798.4	16,867.3	18.3	0.1	9.0	-23.5	8.1

Source: Department of Economic Planning and Development, Prime Minister's Office

GDP by expenditure

The economy in H2 2010 was driven mainly by government consumption expenditure (GCE), personal consumption expenditure (PCE) and gross fixed capital formation (GFCF). (Table 1.2).

GCE grew by 4.9 per cent y-o-y in H2 2010, following a 1.8 per cent y-o-y increase in H1 2010 (Table 1.3). The growth was supported by the 2.9 per cent y-o-y increase in government's wages and salaries from BND 2.38 billion to BND 2.40 billion in the period.

PCE registered a 2.1 per cent y-o-y growth, which was similar to the growth recorded in H1 2010. Meanwhile, gross fixed capital formation (GFCF) rose by 1.4 per cent y-o-y, after a contraction of 8.8 per cent y-o-y in the previous period. This growth was brought about by the 0.5 per cent y-o-y increase in investment in machinery and equipment. Investment in construction, however, slowed down to 1.9 per cent y-o-y after a 2.0 per cent y-o-y growth in H1 2010.

GDP at constant prices increased to BND 6.17 billion in H2 2010 from BND 6.15 billion in H1 2010. Likewise, GDP at current prices increased by 0.1 per cent y-o-y to BND 8.80 billion from BND 8.79 billion.

Table 1.2 : GDP by expenditure and real growth rates

	H2 2009		H2 2010		Real growth rates
	Current prices	2000 constant prices	Current prices	2000 constant prices	
	BND million				y-o-y % change
Gross domestic product	8,793.1	6,145.5	8,798.4	6,165.9	0.3
Personal consumption expenditure	1,950.3	1,973.3	2,004.0	2,013.9	2.1
Government consumption expenditure	1,853.0	2,157.2	1,954.3	2,262.4	4.9
Capital formation	1,444.5	1,283.6	1,471.2	1,301.7	1.4
- Gross fixed capital formation	1,444.3	1,283.7	1,470.9	1,301.4	1.4
Construction	880.6	792.1	882.8	807.4	1.9
Machinery	563.7	491.6	588.1	494.0	0.5
- Change in stocks	0.2	-0.1	0.4	0.3	-
Net export of goods and services	2,949.50	591.40	4,684.20	-303.50	-
- Export of goods and services	5,618.2	3,227.6	7,512.4	2,532.0	-21.6
Export of goods	4,932.5	2,739.5	6,777.4	2,008.8	-26.7
Export of services	685.7	488.1	735.0	523.2	7.2
- less: Import of goods and services	2,668.7	2,636.2	2,828.2	2,835.5	7.6
Import of goods	1,610.5	1,748.1	1,712.2	1,895.2	8.4
Import of services	1,058.2	888.2	1,116.0	940.2	5.9
Statistical discrepancy	595.8	140.1	-1,315.3	891.3	-

Source: Department of Economic Planning and Development, Prime Minister's Office

Table 1.3 : Growth rates by type of expenditure

	H1 2010	H2 2010	
	Real growth rates % change		
	y-o-y		h-o-h
Gross domestic product	5.2	0.3	8.5
Personal consumption expenditure	2.1	2.1	0.9
Government consumption expenditure	1.8	4.9	26.2
Capital formation	-8.8	1.4	18.7
Gross fixed capital formation	-8.8	1.4	18.7
Construction	2.0	1.9	18.0
Machinery	-22.4	0.5	19.9
Change in stocks	-	-	-
Net export of goods and services	-	-	-
Export of goods and services	6.9	-21.6	-21.2
Export of goods	6.5	-26.7	-26.0
Export of services	8.9	7.2	5.1
less: Import of goods and services	-7.4	7.6	6.4
Import of goods	-13.1	8.4	7.8
Import of services	6.0	5.9	3.8

Source: Department of Economic Planning and Development, Prime Minister's Office

A considerable decline in the exports of goods due to contractions in the exports of liquefied natural gas (LNG) resulted in the low economic growth in the second half 2010. Exports of goods fell by 26.7 per cent y-o-y, following a growth of 6.9 per cent y-o-y in H1 2010. The exports of LNG decreased by 3.7 per cent from 957,558 million British thermal units (MMbtu) per day in H2 2009 to 922,511

A considerable decline in the exports of goods due to contractions in the exports of liquefied natural gas (LNG) resulted in the low economic growth in the second half 2010.

MMbtu per day in H2 2010. Meanwhile, export of services registered a growth of 7.2 per cent y-o-y, a slight drop from an 8.9 per cent y-o-y increase in H1 2010.

Imports of goods and services in H2 2010 increased by 7.6 per cent y-o-y, after a negative performance of 7.4 per cent y-o-y in the previous period. This was mainly due to the jump in the imports of goods at 8.4 per cent y-o-y growth, as compared to the contraction of 13.1 per cent y-o-y in H1 2010.

Table 1.4 Comparison in GDP by expenditure and growth rates

	2009		2010	
	2000 constant prices	Real growth rates	2000 constant prices	Real growth rates
	BND Million	y-o-y % change	BND Million	y-o-y % change
Gross domestic product	11,546.4	-1.8	11,846.5	2.6
Personal consumption expenditure	3,929.9	4.7	4,010.8	2.1
Government consumption expenditure	3,919.0	5.3	4,055.2	3.5
Capital formation	2,486.3	-0.3	2,398.3	-3.5
Gross fixed capital formation	2,485.9	-0.5	2,397.6	-3.6
Construction	1,463.2	1.3	1,491.5	1.9
Machinery	1,022.7	-2.9	906.1	-11.4
Change in stocks	0.4	-	0.7	-
Net export of goods and services	714.7	-	243.7	-
Export of goods and services	6,229.9	-5.3	5,744.1	-7.8
Export of goods	5,284.4	-7.3	4,723.0	-10.6
Export of services	945.4	8.1	1,021.2	8.0
less: Import of goods and services	5,515.2	-0.8	5,500.4	-0.3
Import of goods	3,772.1	-3.6	3,654.1	-3.1
Import of services	1,743.1	5.9	1,846.3	5.9
Statistical discrepancy	496.5	-	1,138.5	-

Source: Department of Economic Planning and Development, Prime Minister's Office

An overview for the whole year of 2010 shows that the real growths of PCE and GCE have slowed down to 2.1 per cent and 3.5 per cent respectively, compared to 4.7 per cent and 5.4 per cent in 2009 (Table 1.4). The contraction of the growths of GFCF and export of goods and services in 2009 continued into 2010 registering at -3.5 per cent and -7.8 per cent respectively. Imports of goods and services, on the other hand still registered a negative growth of 0.3 per cent in comparison to -0.8 per cent in 2009.

GDP by production

The oil and gas sector constituted 62.2 per cent of Brunei Darussalam's GDP at current prices in H2 2010 (Table 1.5). In H1 2010, it had a share of 63.5 per cent.

Table 1.5 GDP by production and growth rates

	H2 2009		H2 2010		Real growth rates
	Current prices	2000 constant prices	Current prices	2000 constant prices	
	BND million				y-o-y % change
Gross domestic product	8,793.1	6,145.5	8,798.4	6,165.9	0.3
Oil and gas sector	5,587.5	2,879.8	5,476.3	2,794.5	-3.0
Oil and gas mining	4,595.5	2,178.2	4,458.5	2,075.5	-4.7
Manufacture of LNG and Methanol	992.0	701.6	1,017.8	719.0	2.5
Non-oil & gas sector	3,205.6	3,265.7	3,322.1	3,371.4	3.2
Government services	1,178.0	1,315.1	1,247.6	1,361.5	3.5
Private	2,027.6	1,950.6	2,074.5	2,009.9	3.0
Vegetable, fruits & other agriculture	16.6	20.1	13.7	16.4	-18.8
Livestock and poultry	24.5	29.7	23.2	28.6	-3.6
Forestry	3.4	3.4	1.3	1.3	-62.2
Fishery	30.4	21.3	24.6	19.3	-9.8
Manufactured of wearing apparel & textile	39.0	37.6	28.9	21.4	-43.2
Other manufacturing	28.4	29.0	38.4	33.5	15.4
Electricity and water	64.1	48.4	66.9	49.6	2.6
Construction	288.6	263.0	292.0	270.9	3.0
Wholesale and retail trade	287.3	287.9	300.9	302.1	4.9
Water transport	83.4	105.1	86.1	111.4	6.1
Air transport	63.9	41.9	65.7	42.3	0.8
Other transport services	25.7	39.7	27.6	43.3	8.9
Communication	119.9	121.9	122.4	130.5	7.0
Finance	325.2	279.6	331.6	287.3	2.7
Real estate & ownership of dwellings	216.1	213.7	221.5	218.0	2.0
Hotels and restaurants	37.8	28.9	38.6	30.8	6.4
Private health and education services	62.3	66.9	65.1	68.9	2.9
Business services	256.9	250.7	271.3	273.8	9.2
Domestic services	26.0	24.6	27.1	24.7	0.6
Other private services	27.9	37.0	27.7	36.0	-2.7

Source: Department of Economic Planning and Development, Prime Minister's Office

After an 8.0 per cent y-o-y growth in H1 2010, the oil and gas sector contracted by 3.0 per cent y-o-y in H2 2010 (Table 1.6). This was due to the contraction of the oil and gas mining sub-sector; having fallen by 4.7 per cent y-o-y in comparison to the previous period's growth of 9.2 per cent y-o-y. The manufacture of LNG and Methanol grew by 2.5 per cent y-o-y, compared to 4.8 per cent y-o-y in H1 2009.

The production of crude oil increased by 0.7 per cent from 174,053 barrel per day (bpd) in H2 2009 to 175,209 bpd in H2 2010. And even though natural gas production increased by 3.1 per cent from 1,202.0 Million Standard Cubic Feet (MMScf) per day in H2 2009 to 1,239.0 MMScf per day in H2 2010, the production of LNG decreased by 2.9 per cent in the same period.

Table 1.6 Growth rates by kind of economic activity

	H1 2010	H2 2010	
	Real growth rates % change		
	y-o-y		h-o-h
Gross domestic product	5.2	0.3	8.5
Oil and gas sector	8.0	-3.0	3.1
Oil and gas mining	9.2	-4.7	3.8
Manufacture of LNG	4.8	2.5	1.2
Non-oil & gas sector	2.7	3.2	13.5
Government services	4.5	3.5	32.6
Private	1.8	3.0	3.4
Vegetable, fruits & other agriculture	30.7	-18.8	-9.3
Livestock and poultry	-7.0	-3.6	4.6
Forestry	-51.8	-62.2	-17.7
Fishery	1.7	-9.8	-3.9
Manufactured of wearing apparel & textile	-58.5	-43.2	-2.3
Other manufacturing	41.7	15.4	-40.3
Electricity and water	6.6	2.6	0.6
Construction	1.5	3.0	24.4
Wholesale and retail trade	4.1	4.9	-2.8
Water transport	-6.4	6.1	25.2
Air transport	-2.1	0.8	39.6
Other transport services	26.7	8.9	-52.6
Communication	8.3	7.0	146.6
Finance	1.6	2.7	32.3
Real estate & ownership of dwellings	1.4	2.0	1.7
Hotels and restaurants	38.8	6.4	-7.5
Private health and education services	16.4	2.9	1.8
Business services	-3.7	9.2	-25.2
Domestic services	-0.1	0.6	0.8
Other private services	4.7	-2.7	4.3

Source: Department of Economic Planning and Development, Prime Minister's Office

The non oil and gas sector in the meantime, registered a 3.2 per cent y-o-y growth; a steady increase from a 2.7 per cent y-o-y growth in H1 2010. The government services sector dropped slightly to 3.5 per cent y-o-y, after a 4.5 per cent y-o-y increase in the previous period. The private sector however, grew by 3.0 per cent y-o-y.

Of the non oil & gas sub-sectors that exhibited positive growths, other manufacturing sub-sector, water transport sub-sector, other transport services sub-sector, communication sub-sector, hotels and restaurants sub-sector and business services sub-sector demonstrated a more than 5 per cent y-o-y increase.

Other manufacturing sub-sector posted a growth of 15.4 per cent y-o-y in H2 2010. This was brought about by increases in the production of bricks, cements and roofing materials. The production of cements for example, jumped considerably by 26.5 per cent y-o-y from 111,465.2 metric tons in H2 2009 to 141,015.0 metric tons H2 2010.

Other transport services' growth on the other hand shrank to 8.9 per cent y-o-y after a great performance in H1 2010 in which it registered a 26.7 per cent y-o-y growth.

Hotels and restaurants sub-sector exhibited a similar pattern, down to 6.4 per cent y-o-y in H2 2010 from a 38.8 per cent y-o-y growth in the previous period.

Communication sub-sector's growth registered at a steady 7.0 per cent y-o-y in H2 2010 from an 8.3 per cent y-o-y growth in H1 2010.

Water transport sub-sector and business services sub-sector were the biggest gainer; having recovered from negative performances in H1 2010 to positives 6.1 per cent y-o-y and 9.2 per cent y-o-y growth respectively in H2 2010.

Table 1.7 Growth rates of selected economic activities

	H1 2010	H2 2010
	y-o-y % change	
Forestry	-51.8	-62.2
Manufactured of wearing apparel & textile	-58.5	-43.2
Vegetable, fruits & other agriculture	30.7	-18.8

Source: Department of Economic Planning and Development, Prime Minister's Office

Of the sub-sectors that experienced negative growth in H2 2010; the vegetable, fruits & other agriculture sub-sector, forestry sub-sector and manufacture of wearing apparel & textile sub-sector exhibited a double-digit figure (Table 1.7).

The forestry sub-sector's growth continued to contract to -62.2 per cent y-o-y. This was supported by the decreases in the productions of round timber and bakau poles, respectively from 76.5 thousands in H2 2009 to 42.6 thousands in H2 2010 (a 44.4 per cent y-o-y decrease) and from 72.9 thousands to 58.5 thousands (a 19.8 per cent y-o-y decrease).

The manufacture of wearing apparel & textile sub-sector recorded a -43.2 per cent y-o-y growth compared to a negative 58.5 per cent y-o-y growth in the previous period. The production of garments continued to dwindle to 1,740,463 dozens from 2,957,516 dozens in H1 2009, a 41.2 per cent y-o-y drop.

The vegetable, fruits & other agriculture sub-sector's growth slumped in H2 2010 by -18.8 per cent y-o-y after enjoying a strong growth of 30.7 y-o-y in the previous period. This was partly due to the fall in the production of the country's main crops (which include vegetables and rice) to 19,125.2 metric tons; a 10.8 per cent decrease from 21,449.4 metric tons in H2 2009.

Over the whole year of 2010, the oil and gas sector grew by 2.2 per cent, in comparison to the 4.6 per cent decline in 2009 (Table 1.8). Both the oil and gas mining sub-sector and the manufacture of LNG and methanol sub-sector showed positive growths of 1.7 per cent and 3.6 per cent respectively; having recovered from negative performances in the preceding year.

Of the sub-sectors that experienced negative growth in H2 2010; the vegetable, fruits & other agriculture sub-sector, forestry sub-sector and manufactured of wearing apparel & textile sub-sector exhibited a double digit figure.

Table 1.8 Comparison in GDP by production and growth rates

	2009		2010	
	2000 constant prices	Real growth rates	2000 constant prices	Real growth rates
	BND Million	y-o-y % change	BND Million	y-o-y % change
Gross domestic product	11,546.4	-1.8	11,846.5	2.6
Oil and gas sector	5,388.5	-4.6	5,504.6	2.2
Oil and gas mining	4,008.8	-3.4	4,075.0	1.7
Manufacture of LNG and Methanol	1,379.7	-8.0	1,429.6	3.6
Non-Oil & Gas Sector	6,157.9	0.9	6,341.9	3.0
Government services	2,297.9	1.4	2,388.2	3.9
Private	3,860.0	0.6	3,953.7	2.4
Vegetable, fruits & other agriculture	33.9	-3.9	34.4	1.3
Livestock and poultry	59.0	12.4	55.9	-5.3
Forestry	6.7	1.6	2.9	-57.1
Fishery	41.0	6.2	39.3	-4.3
Manufactured of wearing apparel & textile	90.4	-31.5	43.3	-52.1
Other manufacturing	68.6	-6.6	89.6	30.6
Electricity and water	94.6	6.3	98.9	4.6
Construction	477.4	-4.0	488.7	2.4
Wholesale and retail trade	586.4	4.5	612.8	4.5
Water transport	200.2	12.4	200.5	0.1
Air transport	72.9	3.3	72.5	-0.4
Other transport services	111.9	2.4	134.6	20.4
Communication	170.8	0.5	183.4	7.4
Finance	493.4	-2.4	504.4	2.2
Real estate & ownership of dwellings	424.9	-0.3	432.3	1.7
Hotels and restaurants	52.9	25.0	64.0	21.1
Private health and education services	125.0	27.3	136.5	9.2
Business services	630.7	-0.3	639.9	1.5
Domestic services	49.1	0.2	49.2	0.2
Other private services	69.9	2.4	70.5	0.8

Source: Department of Economic Planning and Development, Prime Minister's Office

The non oil and gas sector continued to rise to 3.0 per cent from a 0.9 per cent growth in 2009. This figure was supported by the growths in both the government service sector by 3.0 per cent and the private sector by 2.4 per cent .

Other manufacturing and other transport services sub-sectors enjoyed the biggest improvement in growths of 30.6 per cent and 20.4 per cent respectively. The production of cements under the other manufacturing sub-sector increased by 51.4 per cent from 193,485.2 metric tons to 292,849.5 metric tons in 2010.

The only sub-sectors that recorded negative double digit figures in 2010 were the forestry sub-sector and the manufacture of wearing apparel & textile sub-sector. The forestry sub-sector experienced the worst growth in years at -57.1 per cent from a 1.6 per cent growth the previous year. The productions of round timber decreased by 23.5 per cent, sawn timber decreased by 20.7 per cent and poles decreased by 76.0 per cent. The manufacture of wearing apparel & textile sub-sector contracted in terms of growth to -52.1 per cent from -31.5 per cent in 2009. The production of garments dropped by 36.5 per cent from 4,473,434 dozens in 2009 to 2,841,340 dozens in 2010.

Contribution to growth in total demand

In H2 2010, total aggregate demand consisting of PCE, GCE, GFCF, change in stocks and external demand (exports of goods and services) fell by 6.2 percentage points (pp). External demand was the main contributor to this negative growth with -8.0 pp. (Table 1.9)

Within total domestic demand which registered a contribution of 1.9 pp to total demand, GCE was responsible in pushing the positive figure for domestic demand with a contribution of 1.2 pp. PCE and GFCF also provided positive growth contributions at 0.5 pp and 0.2 pp respectively.

The economy as a whole in 2010 saw the growth of total aggregate demand shrank by 2.2 pp; compared to 0.1 pp in the preceding year.

Although total domestic demand continued to contribute positively that year at 0.8 pp, the growth was dampened by the negative contributions of external demand of 2.9 pp; which also exhibited the same pattern in 2009 at -2.1 pp.

As in 2009, consumption expenditure contributed a positive figure of 1.3 pp, while GFCF a negative figure of 0.5 pp.

Table 1.9 Percentage contributions to total demand growth at 2000 constant prices

	H1 2010	H2 2010	2009	2010
	Percentage points (pp)			
Total aggregate demand	2.2	-6.2	0.1	-2.2
Total domestic demand	-0.4	1.9	2.2	0.8
Final domestic demand	-0.4	1.9	2.2	0.8
Consumption expenditure	0.9	1.7	2.3	1.3
Personal consumption expenditure	0.5	0.5	1.1	0.5
Government consumption expenditure	0.4	1.2	1.2	0.8
Gross fixed capital formation	-1.3	0.2	-0.1	-0.5
Construction	0.2	0.2	0.1	0.2
Machinery and equipments	-1.5	0.0	-0.2	-0.7
Changes in stocks	0.0	0.0	0.0	0.0
External demand	2.6	-8.0	-2.1	-2.9

Source: Department of Economic Planning and Development, Prime Minister's Office

Contribution to growth in real GDP (production side)

In H2 2010, the non-oil and gas sector was the main contributor to the country's real GDP growth at 1.7 pp. Within this sector, the private sector contributed more at 1.0 pp in comparison to the contribution of the government services sector which stood at 0.8 pp. (Table 1.10)

Of the sub-sectors which made up the private sector, the business services sub-sector excelled the most with a contribution of 0.4 pp. Meanwhile, the negative contribution of the oil and gas sector pulled down the overall growth to 0.3 pp only. This was primarily due to the contribution of the oil and gas mining sub-sector at -1.7 pp.

In 2010, both the oil and gas sector (at 1.0 pp) and the non-oil and gas sector (at 1.6 pp) contributed positively to the real GDP growth.

There was an equal contribution of 0.8 pp between the government services sector and the private sector within the non oil and gas sector. Other manufacturing sub-sector, wholesale and retail trade sub-sector and other transport services sub-sector registered the highest contributions to growth within the private sector at 0.2 pp each.

Table 1.10 Percentage contributions to real GDP growth at 2000 constant prices

	H1 2010	H2 2010	2009	2010
	Percentage points (pp)			
Gross domestic product	5.2	0.3	-1.8	2.6
Oil and gas sector	3.7	-1.4	-2.2	1.0
Oil and gas mining	3.1	-1.7	-1.2	0.6
Manufacture of LNG and Methanol	0.6	0.3	-1.0	0.4
Non-Oil & Gas Sector	1.4	1.7	0.5	1.6
Government services	0.8	0.8	0.3	0.8
Private	0.6	1.0	0.2	0.8
Vegetable, fruits & other agriculture	0.1	-0.1	0.0	0.0
Livestock and poultry	0.0	0.0	0.1	0.0
Forestry	0.0	0.0	0.0	0.0
Fishery	0.0	0.0	0.0	0.0
Manufactured of wearing apparel & textile	-0.6	-0.3	-0.4	-0.4
Other manufacturing	0.3	0.1	0.0	0.2
Electricity and water	0.1	0.0	0.0	0.0
Construction	0.1	0.1	-0.2	0.1
Wholesale and retail trade	0.2	0.2	0.2	0.2
Water transport	-0.1	0.1	0.2	0.0
Air transport	0.0	0.0	0.0	0.0
Other transport services	0.4	0.1	0.0	0.2
Communication	0.1	0.1	0.0	0.1
Finance	0.1	0.1	-0.1	0.1
Real estate & ownership of dwellings	0.1	0.1	0.0	0.1
Hotels and restaurants	0.2	0.0	0.1	0.1
Private health and education services	0.2	0.0	0.2	0.1
Business services	-0.3	0.4	0.0	0.1
Domestic services	0.0	0.0	0.0	0.0
Other private services	0.0	0.0	0.0	0.0

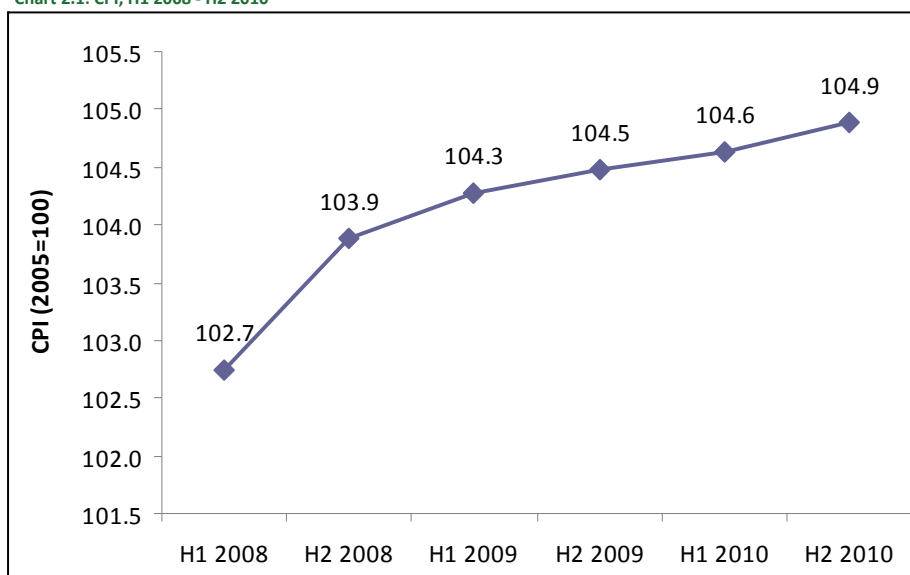
Source: Department of Economic Planning and Development, Prime Minister's Office

2.Consumer Price Index

Brunei Darussalam’s inflation, as measured by the Consumer Price Index (CPI) presented a steady rise, whereby in H2 2010 it was recorded at 104.9 (Chart 2.1 and Table 2.1). This shows a slightly higher rate of increase of 0.4 per cent year-on-year (y-o-y), from 0.3 per cent y-o-y in H1 2010 (Table 2.2). For the whole of 2010, CPI growth moderated to 0.4 per cent from 1.0 per cent in 2009 (Chart 2.2 and Table 2.2).

For the whole of 2010, CPI growth moderated to 0.4 per cent from 1.0 per cent in 2009.

Chart 2.1: CPI, H1 2008 - H2 2010



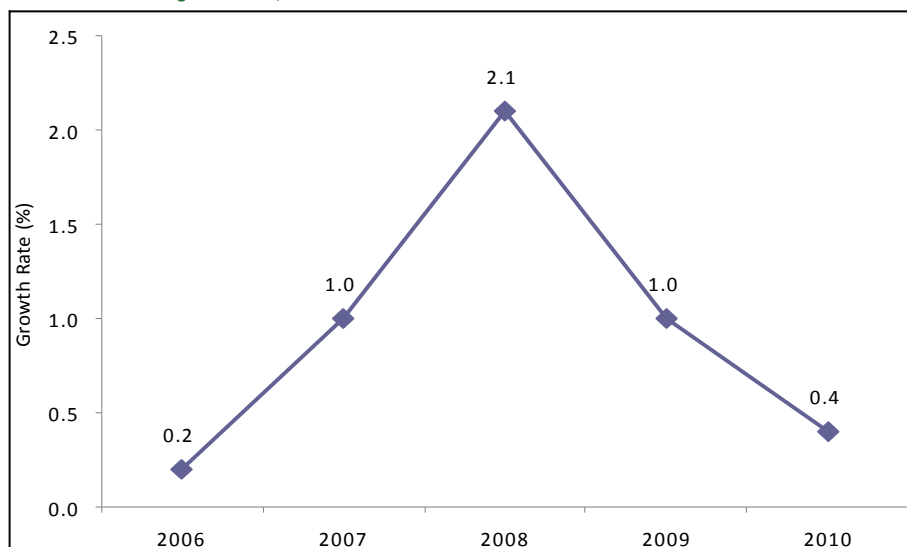
Source: Department of Economic Planning and Development, Prime Minister's Office

Table 2.1: CPI, 2009 - 2010

No	Major Groups	Weight	Index					
			2009			2010		
			H1	H2	Jan-Dec	H1	H2	Jan-Dec
	Overall Index	10000	104.3	104.5	104.4	104.6	104.9	104.8
I	Food and Non-Alcoholic Beverages	1905	108.6	109.2	108.9	109.2	110.8	110.0
II	Tobacco	44	103.6	103.7	103.6	103.7	151.3	127.5
III	Clothing and Footwear	426	104.3	103.0	103.7	103.1	102.3	102.7
IV	Housing, Water, Electricity, Gas and Other Fuels	1071	99.7	99.8	99.8	99.8	100.0	99.9
V	Furnishings, Household Equipment and Routine Household Maintenance	1026	106.5	106.3	106.4	106.2	106.1	106.1
VI	Health	88	103.6	104.0	103.8	105.5	106.1	105.8
VII	Transport	2245	103.6	104.4	104.0	104.7	103.7	104.2
VIII	Communication	641	95.6	95.2	95.4	95.0	96.5	95.7
IX	Recreation and Culture	736	104.6	104.4	104.5	104.5	102.3	103.4
X	Education	571	101.5	101.6	101.6	101.6	102.1	101.9
XI	Restaurants and Hotels	718	104.8	105.1	105.0	105.8	105.6	105.7
XII	Miscellaneous Goods and Services	529	109.0	109.0	109.0	109.0	110.3	109.7

Source: Department of Economic Planning and Development, Prime Minister's Office

Chart 2.2: CPI annual growth rates, 2006 – 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

Table 2.2: Y-O-Y percentage change in CPI, 2009 - 2010

No	Major Groups	Weight (%)	YOY% Change					
			2009			2010		
			H1	H2	Jan-Dec	H1	H2	Jan-Dec
	Overall Index	100	1.5	0.6	1.0	0.3	0.4	0.4
I	Food and Non-Alcoholic Beverages	19.1	3.0	1.7	2.3	0.6	1.5	1.0
II	Tobacco	0.4	0.2	0.2	0.2	0.1	46.0	23.0
III	Clothing and Footwear	4.3	0.4	2.2	1.3	-1.2	-0.7	-0.9
IV	Housing, Water, Electricity, Gas and Other Fuels	10.7	-0.7	-0.5	-0.6	0.1	0.1	0.1
V	Furnishings, Household Equipment and Routine Household Maintenance	10.3	5.0	1.6	3.3	-0.2	-0.2	-0.2
VI	Health	0.9	0.1	1.1	0.6	1.9	2.0	1.9
VII	Transport	22.5	0.4	-0.7	-0.1	1.1	-0.7	0.2
VIII	Communication	6.4	-1.3	-0.8	-1.1	-0.6	1.4	0.4
IX	Recreation and Culture	7.4	1.4	-0.8	0.3	-0.1	-2.0	-1.0
X	Education	5.7	0.1	0.0	0.1	0.1	0.6	0.3
XI	Restaurants and Hotels	7.2	2.9	2.9	2.9	0.9	0.4	0.7
XII	Miscellaneous Goods and Services	5.3	2.4	1.4	1.9	0.1	1.2	0.6

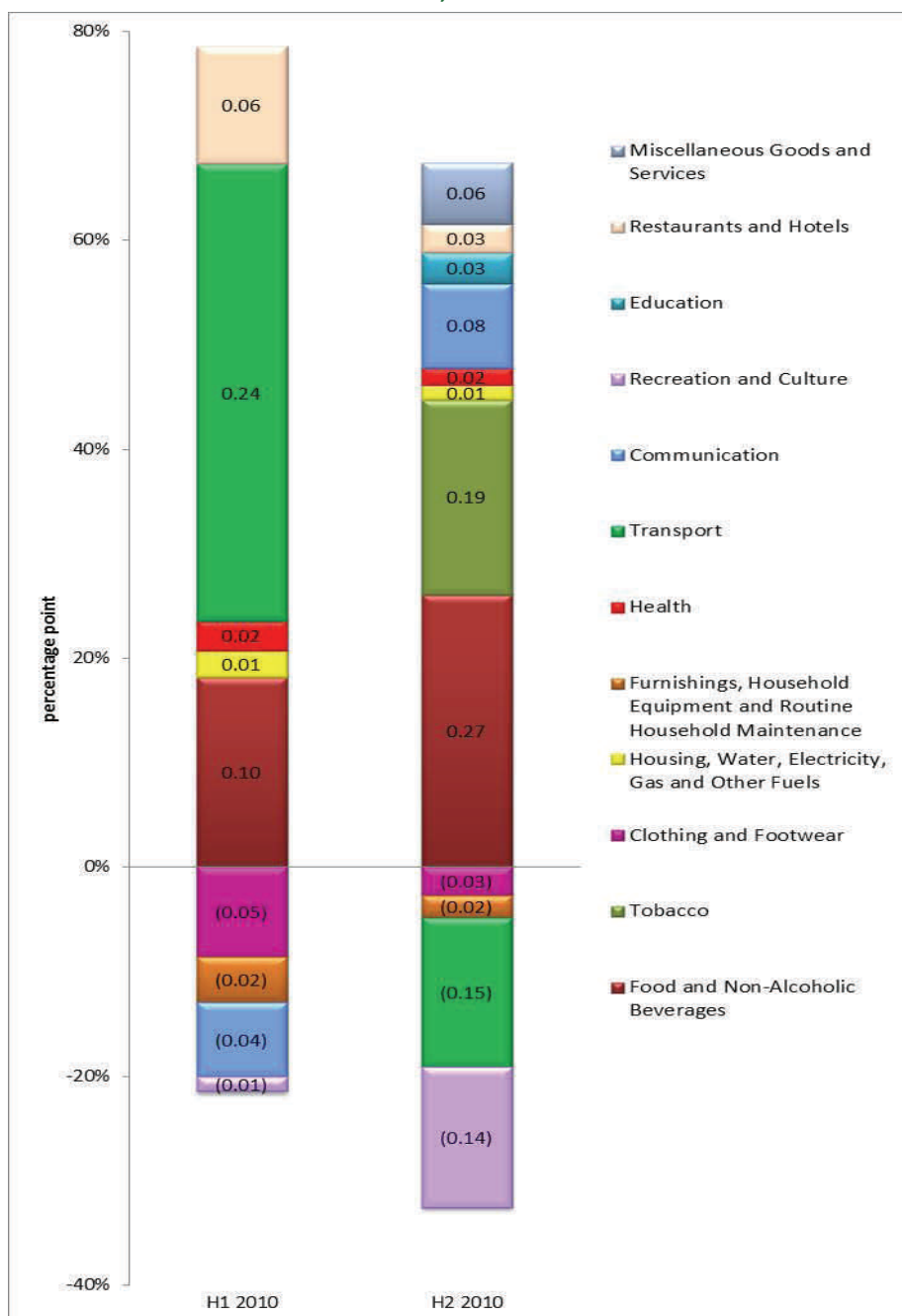
Source: Department of Economic Planning and Development, Prime Minister's Office

In H2 2010, four indices (Clothing and Footwear, Furnishings, Household Equipment and Routine Household Maintenance, Transport and Recreation and Culture recorded y-o-y decline. The rest of the indices recorded increases of less than 2.0 per cent, except for Tobacco which escalated by 46.0 per cent (Table 2.2).

The 46.0 per cent y-o-y rise for Tobacco was attributed to increased excise duties for cigarettes, tobacco and tobacco products which took effect in November 2010

The amendment to the tax charges on cigarettes, non-manufactured tobacco, tobacco refuse, cigar, cheroots and cigarillos was part of the move by the Ministry of Health in curbing public smoking in Brunei Darussalam.

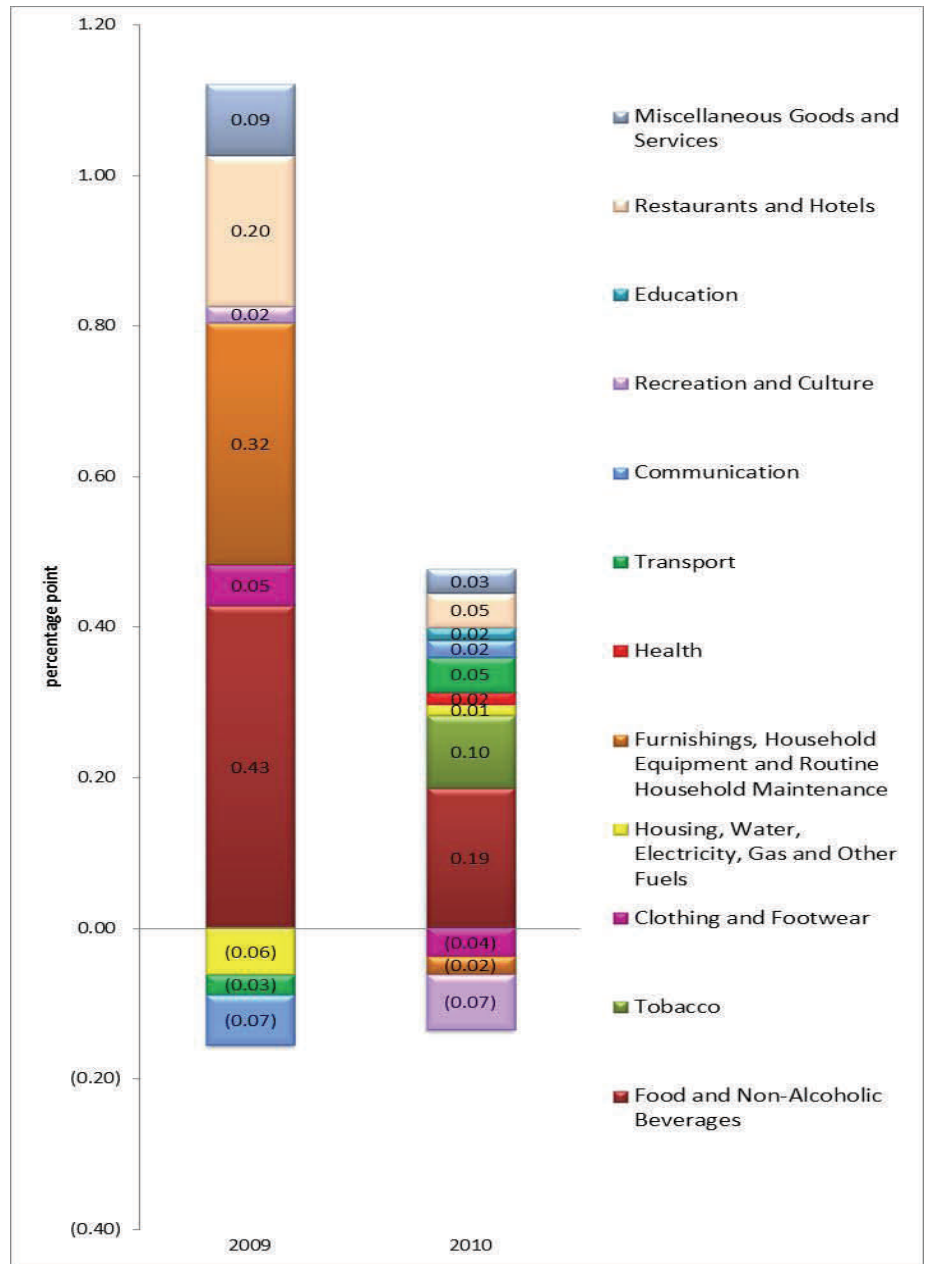
Chart 2.3: Contribution to CPI Inflation, H1 2010 and H2 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

The soaring increase in global food prices in late 2010 has somewhat affected Brunei Darussalam's price development as about 80 per cent of its food requirements are imported. The Food and Non-Alcoholic Beverages index increased by 1.5 per cent y-o-y in H2 2010; double the rate of growth compared to H1 2010 (Table 2.2). This was mainly due to the inflation in Vegetables (9.9 per

Chart 2.4: Contribution to CPI Inflation, 2009 and 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

The Food and Non-Alcoholic Beverages index increased by 1.5 per cent y-o-y in H2 2010; double the rate of growth compared to H1 2010.

cent), Fruit (7.7 per cent), Milk, Dairy Products and Eggs (3.8 per cent) and Rice and Cereals(0.3 per cent) (Annex 2.1). The global price hike in late 2010 was caused by shortages of food supply on the back of bad weather conditions in major agricultural producing countries.

The price of Housing, Water, Electricity, Gas and Other Fuels recorded a marginal increase of 0.1 per cent in H2 2010; similar to in H1 2010. The source of price pressure here was the increase in the cost of Materials for the Maintenance and Repair of the Dwelling as well as Miscellaneous Services Relating to the Dwelling.

Increases in the indices of Paramedical and Traditional Services (3.9 per cent), coupled with Pharmaceutical Products (2.5 per cent) caused the Health index to increase by 2.0 per cent y-o-y in H2 2010.

Costs of Education and Restaurants and Hotels recorded a y-o-y rise of 0.6 per cent and 0.4 per cent respectively in H2 2010. The cost of Education increased due to the 0.9 per cent rise in the costs of Pre-Primary and Primary Education and 0.3 per cent rise in the costs of Secondary Education. The 0.5 per cent increase in the cost of Restaurants, Cafes and the Like and the 6.2 per cent contraction in the cost of Accommodation Services had resulted in a 0.4 per cent surge in the 'Restaurants and Hotels' index.

Communication cost grew by 1.4 per cent y-o-y in H2 2010 in contrast to the negative growth of 0.6 y-o-y in H1 2010. This was largely attributed to the substantial increase of 57.5 per cent in Telephone and Telefax Equipment. As for Miscellaneous Goods and Services, the costs rose by 1.2 per cent y-o-y in H2 2010; mainly as a result of inflationary pressure by 'Jewellery, Clocks and Watches' which rose by 15.1 per cent.

In H2 2010, costs of Clothing and Footwear and Furnishing, Household Equipment and Routine Household Maintenance recorded negative growths of 0.7 per cent and 0.2 per cent correspondingly. This was mainly attributed to the fall in the prices of Clothing Material and Shoes and Other Footwear classes for Clothing and Footwear and Carpets and Other Floor Coverings and on-Durable Household Goods for Furnishings, Household Equipment and Routine Household Maintenance.

After a 1.1 per cent growth in H1 2010, the price for Transport declined by 0.7 per cent y-o-y in H2 2010. This was primarily caused by the price reduction of 6.5 per cent y-o-y for Transport by Air.

Costs of Recreation and Culture fell by 2.0 per cent y-o-y in H2 2010, following a 0.1 per cent dip in H1 2009. This was mainly due to price decline in Recreation and Culture services by 3.0 per cent, Other Recreational Items and Equipments, Gardens and Pets by 2.7 per cent and Audio-Visual, Photographic and Information Processing Equipment by 1.9 per cent.

In H2 2010, based on the contribution to change, Food and Non-Alcoholic Beverages and Tobacco contributed the most to the overall CPI inflation, at 0.27 percentage points (pp) and 0.19 pp respectively. A positive contribution of 0.08 pp was given by Communication and 0.06 pp by Miscellaneous Goods and Services. Other indices that contribute positively to inflation are Education (0.03 pp), Restaurants and Hotels (0.03 pp), Health (0.02 pp) and Housing, Water, Electricity, Gas and Other Fuels (0.01 pp) (Chart 2.3).

'Communication' cost grew by 1.4 per cent y-o-y in H2 2010 in contrast to the negative growth of 0.6 y-o-y in H1 2010. This was largely attributed to the substantial increase of 57.5 per cent in 'Telephone and Telefax Equipment'.

Food and Non-Alcoholic Beverages and Tobacco contributed the most to the overall CPI inflation, at 0.27 percentage points (pp) and 0.19 pp respectively.

For 2010, CPI inflation was significantly contributed by Food and Non-Alcoholic Beverages (0.19 pp), and Tobacco (0.10 pp) (Chart 2.4). Transport and Restaurants and Hotels each contributed 0.05 pp to inflation, whereas 0.03 pp was contributed by Miscellaneous Goods and Services. Other indices that contributed positively to overall inflation in 2010 were Communication (0.02 pp), Education (0.02 pp), Health (0.02 pp), and Housing, Water, Electricity, Gas and Other Fuels (0.01 pp) (Chart 2.4).

3. External Trade

Total external trade (defined as exports plus imports) accelerated with a 19.1 per cent year-on-year (y-o-y) increase in H2 2010, after a 3.4 per cent growth in H1 2010 (**Table 3.2**). It amounted to BND8,079.1 million in H2 2010 compared to

Total external trade rose by 19.1 per cent y-o-y in H2 2010.

Table 3.1: External trade

	2009		2010		
	H2	Jan-Dec	H1	H2	Jan-Dec
	BND million				
Exports	5,170.4*	10,434.9*	5,750.7	6,366.9	12,117.6
Domestic Exports	4,988.2	10,090.2	5,524.7	6,147.5	11,672.2
Re-Exports	182.2*	344.7*	226.0	219.5	445.5
Imports	1,610.5	3,491.9	1,637.1	1,712.2	3,349.3
Balance of trade	3,559.9*	6,943.0*	4,113.6	4,654.7	8,768.3
Total external trade	6,780.9*	13,926.8*	7,387.8	8,079.1	15,466.9

Note: *revised data

Source: Department of Economic Planning and Development, Prime Minister's Office

Table 3.2: External trade year-on-year percentage growth

	2009		2010		
	H2	Jan-Dec	H1	H2	Jan-Dec
	y-o-y % change				
Exports	-33.0*	-30.2	9.2	23.1	16.1
Domestic Exports	-34.6	-31.6	8.3	23.2	15.7
Re-Exports	104.7*	73.7*	39.2	20.5	29.2
Imports	-22.2	-4.3	-13.0	6.3	-4.1
Balance of trade	-37.0	-38.5	21.6	30.8	26.3
Total external trade	-30.7*	-25.1	3.4	19.1	11.1

Note: *revised data

Source: Department of Economic Planning and Development, Prime Minister's Office

BND6,780.9 million in H2 2009 (**Table 3.1**).

Total exports expanded further with a 23.1 per cent y-o-y increase in H2 2010, after a 9.2 per cent increase in H1 2010 (**Table 3.2**). This was mainly due to expansion in the export proceeds from Liquefied Natural Gas (LNG), Crude oil and other exports (excluding garments) (**Table 3.3**). Total imports improved by a 6.3 per cent y-o-y increase, after registering a 13.0 per cent drop in H1 2010.

In H2 2010, total exports and imports increased by 23.1 and 6.3 per cent y-o-y respectively.

Such developments brought the country's overall trade balance to a surplus of BND4,654.7 million in H2 2010, a rise of 30.8 per cent y-o-y.

Trade balance stood at BND4.7 billion in H2 2010, an increase of 30.8 per cent y-o-y.

For 2010, total external trade was recorded at BND15.5 billion, a 11.1 per cent increase from BND13.9 billion in 2009. Total exports improved by 16.1 per cent after a 30.2 per cent drop in 2009, while total imports declined by 4.1 per cent

For 2010, total exports improved by 22.2 per cent, meanwhile total imports declined by 4.3 per cent.

Oil export value increased at a lower rate by 5.3 per cent y-o-y in H2 2010, after a 49.3 per cent growth in H1 2010.

LNG export value expanded by 45.8 per cent y-o-y in H2 2010, after a 17.6 per cent drop in H1 2010.

Garment export value decreased by 68.8 per cent y-o-y in H2 2010, after a 91.6 per cent decline in H1 2010.

after a 4.3 per cent reduction in 2009. In 2010, a bigger trade surplus was registered at BND8.8 billion, compared to BND6.9 billion in 2009.

Exports

The H2 2010 export proceeds of BND6,366.9 million were mainly generated by two main commodities: LNG and oil.

Oil exports, the largest source of foreign exchange receipts in H2 2010 (49.5 per cent in terms of share) increased by a 5.3 per cent y-o-y to BND3,149.8 million from BND2,990.4 million a year ago (**Table 3.3**). The increase was attributed to higher weighted average crude oil price, which stood at USD83.05 per barrel in H2 2010 compared to USD76.15 per barrel in H2 2009. In addition, crude oil export volume also grew to 155,511 barrels per day in H2 2010 compared to 151,262 barrels per day in H2 2009.

LNG, which accounted for 45.4 per cent of the total exports in H2 2010, was the second biggest source of foreign exchange receipts (**Chart 3.1**). Export of this commodity in H2 2010 expanded by 45.8 per cent y-o-y (**Table 3.3**). The higher price of LNG in H2 2010 by 58.8 per cent y-o-y at USD12.34 per Million British thermal unit (MMBtu) compared to USD7.77 per MMBtu in H2 2009, offset the lower volume of LNG exports by 3.7 per cent y-o-y at 922,511 MMBtu per day in H2 2010 compared with 957,558 MMBtu per day in H2 2009.

Garments made up 0.1 per cent of total exports (**Chart 3.1**). Its export revenue continued to decline by 68.8 per cent y-o-y in H2 2010, after a 91.6 per cent contraction in H1 2010. This was driven by a huge drop in garment production of 52,083 dozens in H2 2010 compared to 203,071 dozens in H2 2009.

The remaining 5.1 per cent comprised mainly of re-export of Food, beverages and tobacco, Crude materials inedible, Mineral fuels, Animal and vegetable oils and fats, Chemicals, Manufactured goods, Machinery and transport equipment, Miscellaneous manufactured articles and Miscellaneous transactions. Re-export of Machinery and transport equipment made up the biggest share at 54.4 per cent of the total re-exports value and export mostly to Singapore.

Overall, total export in 2010 was registered at BND12.1 billion, an expansion of 16.1 per cent from BND10.4 billion in 2009. This was mainly due to expansion in crude oil, LNG and other exports (excluding garments). Crude oil exports made up the biggest share of exports at 50.4 per cent, followed by LNG (44.7 per cent), 'Others' (4.8 per cent) and garments (0.1 per cent) (**Chart 3.2**).

Chart 3.1: Percentage distribution of exports in H2 2010

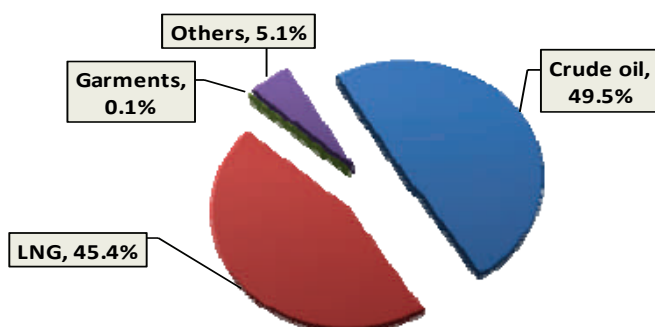
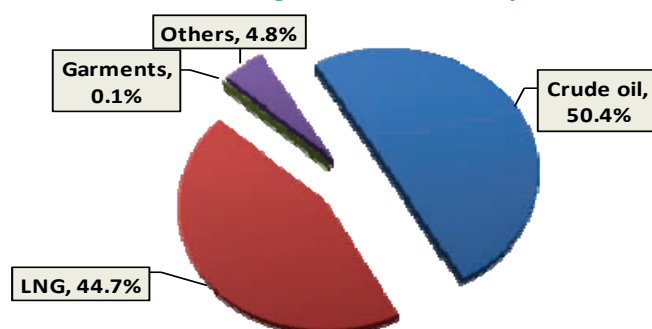


Chart 3.2: Percentage distribution of exports in 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

Table 3.3: Exports by major commodities

	2009		2010			y-o-y % change	
	H2	Jan-Dec	H1	H2	Jan-Dec	2010	
	BND Million					H2	Jan-Dec
Crude oil	2,990.4	4,974.5	2,962.5	3,149.8	6,112.3	5.3	22.9
LNG	1,980.0	5,049.1	2,527.8	2,887.7	5,415.5	45.8	7.3
Garments	15.4	56.7	3.5	4.8	8.3	-68.8	-85.4
Others	184.6*	354.7*	256.9*	324.6	581.5	75.8	63.9
Total exports	5,170.4*	10,434.9*	5,750.7	6,366.9	12,117.6	23.1	16.1

Note: *revised data

Source: Department of Economic Planning and Development, Prime Minister's Office

Export market

Brunei Darussalam's top three export destinations in H2 2010 were Japan, South Korea, and Australia (Table 3.4). Altogether, they accounted for almost 76 per cent of Brunei Darussalam's total exports in H2 2010.

Japan remained the dominant export market for Brunei Darussalam accounting for 46.0 per cent of total exports, followed by South Korea (17.0 per cent), and Australia (12.6 per cent). Mineral fuels were the major export commodities, which accounted for almost 100 per cent of the total exports to these countries.

Japan remained the dominant export market with a 46.0 per cent share in H2 2010.

Table 3.4: Top three export markets, H2 2009 and H2 2010

	H2 2009	H2 2010	Share in H2 2010 (%)	y-o-y % change in H2 2010
	BND million			
Japan	1,881.6	2,926.5	46.0	55.5
South Korea	636.6	1,080.9	17.0	69.8
Australia	494.7	804.4	12.6	62.6

Source: Department of Economic Planning and Development, Prime Minister's Office

In H2 2010, Brunei Darussalam's exports to South Korea, Australia and Japan expanded by 69.8 per cent, 62.6 per cent and 55.5 per cent y-o-y respectively. With respect to the destinations of export in 2010, Brunei Darussalam's top three markets were Japan (43.5 per cent), South Korea (16.7 per cent) and Australia (10.3 per cent) (Table 3.5).

Table 3.5: Top three export markets, 2009 and 2010

	2009	2010	Share in 2010 (%)	% change in 2010
	BND million			
Japan	4,809.7	5,267.1	43.5	9.5
South Korea	1,205.8	2,022.1	16.7	67.7
Australia	761.9	1,251.3	10.3	64.2

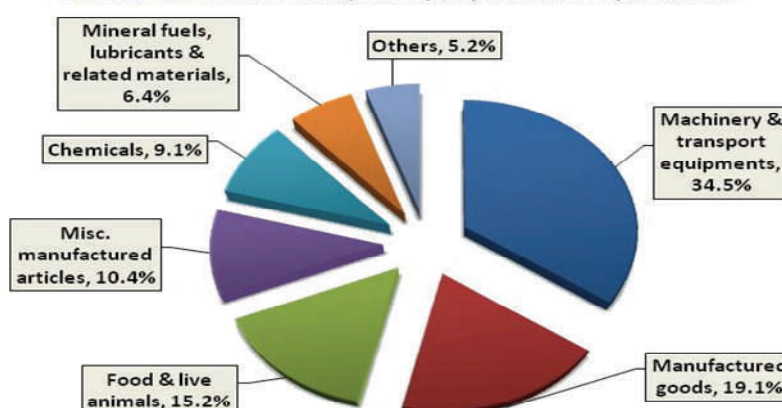
Source: Department of Economic Planning and Development, Prime Minister's Office

Imports

Brunei Darussalam's total imports in H2 2010 stood at BND1,712.2 million (Table 3.1 and Table 3.6). Accounting for 34.5 per cent of the aggregate imports bill was payment for Machinery and transport equipment which in H2 2010 shrank by 2.4 per cent y-o-y (Table 3.6 and Chart 3.3).

Machinery and transport equipment formed the largest imports commodity with a 34.5 per cent share and shrinking by 2.4 per cent y-o-y in H2 2010.

Chart 3.3: Distribution of imports by major commodity in H2 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

Manufactured goods, contributed 19.1 per cent to Brunei Darussalam's total imports. In H2 2010, its imports bill stood at BND327.7 million. In comparison, the H2 2009 figure was BND353.2 million.

Food and live animals accounted for 15.2 per cent of the total imports. The value

recorded in H2 2010 was BND260.4 million in H2 2010. Imports of this commodity group increased by 38.1 per cent y-o-y, after a 0.3 per cent drop in H1 2010.

Imports of Miscellaneous manufactured articles in H2 2010 increased by 13.3 per cent y-o-y, after a 5.8 per cent reduction in H1 2010. This group of commodity accounted for 10.4 per cent of the total imports.

Chemical products accounted for 9.1 per cent of the total imports. In H2 2010, the imports bill of this group of products was BND156.2 million. Growth of chemicals imports rose slower by 8.1 per cent y-o-y, following an 11.0 per cent increase in H1 2010.

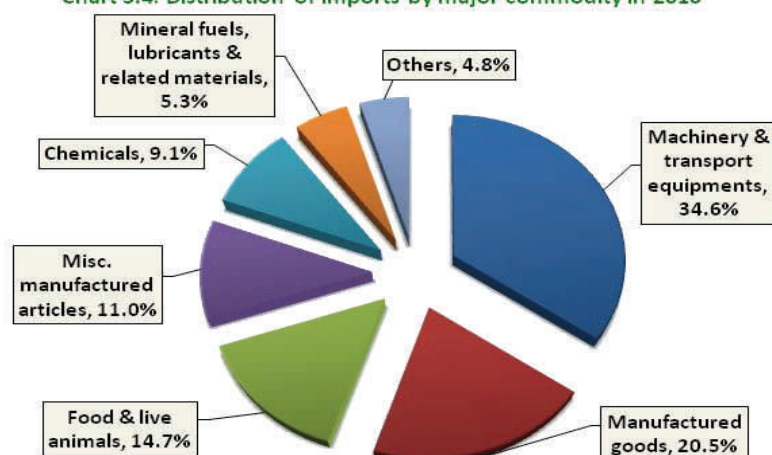
Table 3.6: Imports by commodity section

	2009		2010			y-o-y % change	
	H2	Jan-Dec	H1	H2	Jan-Dec	2010	
						H2	Jan-Dec
Food & live animals	188.6	422.5	233.3	260.4	493.7	38.1	16.8
Beverages & tobacco	41.1	78.9	38.5	37.9	76.4	-7.8	-3.1
Crude materials, inedible except fuels	20.2	35.0	19.0	22.8	41.8	12.9	19.4
Mineral fuels, lubricants & related materials	72.6	112.4	67.3	108.9	176.2	50.0	56.7
Animal & vegetable oils & fats	6.2	12.1	6.4	7.3	13.7	17.7	12.6
Chemicals	144.5	278.8	149.2	156.2	305.4	8.1	9.5
Manufactured goods	353.2	781.2	358.2	327.7	685.9	-7.2	-12.2
Machinery & transport equipments	605.4	1,382.7	568.1	590.7	1,158.8	-2.4	-16.2
Misc. manufactured articles	156.9	357.6	189.1	177.8	366.9	13.3	2.6
Misc. transactions & commodities, n.e.c	21.8	30.7	8.2	22.5	30.7	3.2	-0.2
Total imports	1,610.5	3,491.9	1,637.1	1,712.2	3,349.3	6.3	-4.1

Source: Department of Economic Planning and Development, Prime Minister's Office

In 2010, total imports was registered at BND3.3 billion, which was a 4.1 per cent decline from that of 2009. This was mainly due to the decrease in the import values of Machinery and transport equipment by 16.2 per cent, Manufactured goods by 12.2 per cent, and Beverages and tobacco by 3.1 per cent. The three major import commodities were Machinery and transport equipment, Manufactured goods and Food and live animals (Table 3.6 and Chart 3.4).

Chart 3.4: Distribution of imports by major commodity in 2010



Source: Department of Economic Planning and Development, Prime Minister's Office

Peninsular Malaysia was the biggest import market with a 20.4 per cent share in H2 2010.

Import markets

In H2 2010, peninsular Malaysia overtook Singapore as the biggest source of imports with a 20.4 per cent share and its imports value expanded by 23.2 per cent y-o-y, after a 4.2 per cent y-o-y growth in H1 2010 (Table 3.7). Brunei Darussalam imports mostly food from peninsular Malaysia.

Singapore fell as the biggest source of imports to second place in H2 2010, accounting for 18.6 per cent share with its imports value declining by 4.7 per cent y-o-y, after a 40.8 per cent y-o-y drop in H1 2010. Machinery and transport equipment was the main commodity group imported from Singapore.

Table 3.7: The main source of imports, H1 2009 and H1 2010

	H2 2009	H2 2010	Share in H2 2010 (%)	y-o-y % change in H2 2010
	BND million			
Peninsular Malaysia	283.2	348.9	20.4	23.2
Singapore	334.6	318.8	18.6	-4.7
USA	261.1	189.9	11.1	-27.3
Japan	136.1	177.4	10.4	30.3
China	109.4	116.9	6.8	6.9

Source: Department of Economic Planning and Development, Prime Minister's Office

The next three biggest imports came from the USA (11.1 per cent), Japan (10.4 per cent) and China (6.8 per cent).

In 2010, peninsular Malaysia became the biggest source of imports with 19.4 per cent share, followed by Singapore. Whereas in 2009, Singapore was the biggest source with 25.6 per cent share compared to 19.4 per cent in 2010 due to high imports of 'Machinery and transport equipment' which was Brunei Darussalam's biggest import commodity group from Singapore.

Table 3.8: The main source of imports, 2009 and 2010

	2009	2010	Share in 2010 (%)	% change in 2010
	BND million			
Peninsular Malaysia	572.2	649.9	19.4	13.6
Singapore	894.1	649.7	19.4	-27.3
Japan	312.0	343.5	10.3	10.1
USA	453.9	335.9	10.0	-26.0
China	204.1	235.3	7.0	15.3

Source: Department of Economic Planning and Development, Prime Minister's Office

4. Public Finance

Overview

In H2 2010, total revenue amounted to BND4,080.8 million, which increased by 44.8 per cent year-on-year (y-o-y) compared to BND2,818.8 million in H2 2009 (Table 4.2 and Annex 4.1). Meanwhile, total expenditure declined by 3.8 per cent y-o-y from BND3,147.2 million in H2 2009 to BND3,026.2 million in H2 2010 (Table 4.4). A fiscal surplus of BND1,054.7 million was recorded in H2 2010, which was a significant rise compared to a fiscal deficit of BND384.0 million in H2 2009 (Table 4.1, Annex 4.2 and Chart 4.7).

Total revenue increased by 44.8 per cent y-o-y and expenditure declined by 3.8 per cent y-o-y in H2 2010. Fiscal balance rose by 375.6 per cent y-o-y in H2 2010.

Table 4.1: Public finance

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010/	2010/
							H2 2009	2009
Total revenue (BND Million)	3,831.4	2,818.8	6,650.2	4,103.6	4,080.8	8,184.4	44.8	23.1
Total expenditure (BND Million)	2,890.6	3,147.2	6,037.8	3,735.4	3,026.1	6,761.5	-3.8	12.0
Fiscal balance (BND million)	940.8	-384.0	556.8	368.3	1,054.7	1,422.9	-374.7	155.6
Fiscal balance (% of GDP)	13.8	-4.4	3.6	4.6	12.0	8.4	-372.4	136.5

Source: Ministry of Finance

Note: Figures are subjected to rounding errors.

Table 4.2: Revenue

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010 / H2 2009	2010 / 2009
Total revenue (BND Million)	3,831.4	2,818.8	6,650.2	4,103.6	4,080.8	8,184.4	44.8	23.1
Tax revenue (BND Million)	1,998.9	1,831.3	3,830.2	2,513.5	2,759.2	5,272.7	50.7	37.7
Non-Tax revenue (BND Million)	1,832.5	987.5	2,820.9	1,590.1	1,321.5	2,911.6	33.8	3.9
Tax revenue (% of total revenue)	52.2	20.8	57.6	61.3	67.6	64.4	224.6	11.9
Non-Tax revenue (% of total revenue)	47.8	35	42.1	38.7	32.4	35.6	-7.6	-15.6
Total revenue (% of total GDP)	56.2	32.1	42.6	50.9	46.4	48.5	44.7	13.9
Tax revenue (% of total GDP)	29.3	20.8	24.5	31.2	31.4	31.3	50.6	27.4
Non-Tax revenue (% of total GDP)	26.9	11.2	18	19.7	15	17.3	33.7	-3.9

Source: Ministry of Finance

Note: Figures are subjected to rounding errors.

As a percentage of GDP, total revenue increased to 46.4 per cent of GDP in H2 2010, compared to 32.1 per cent of GDP in H2 2009 (Table 4.2). The ratio of tax revenue to GDP rose 31.4 per cent in H2 2010, compared to 20.8 per cent in H2 2009. Meanwhile, the non-tax revenue as percentage of GDP rose to 15.0 per cent in H2 2010 compared to 11.2 per cent of GDP in H2 2009.

Total revenue increased by 46.4 per cent of GDP in H2 2010, compared to 32.1 per cent of GDP in H2 2009.

In 2010, revenue increased by 23.1 per cent while expenditure rose by 12.0 per cent. Fiscal balance increased by 155.6 per cent.

In H2 2010, tax and non-tax revenue formed 67.6 per cent and 32.4 per cent of the total revenue respectively.

As a whole, total revenue amounted to BND8,184.4 million in 2010, an increase of 23.1 per cent compared to BND6,650.2 million in 2009. Total expenditure, amounted to BND6,761.5 million, an increase of 12.0 per cent from BND6,037.8 million during the same period. This led to a higher fiscal balance by 155.6 per cent, from BND556.8 million (3.6 per cent of GDP) in 2009 to BND1,422.9 million (8.4 per cent of GDP) in 2010.

Government revenue

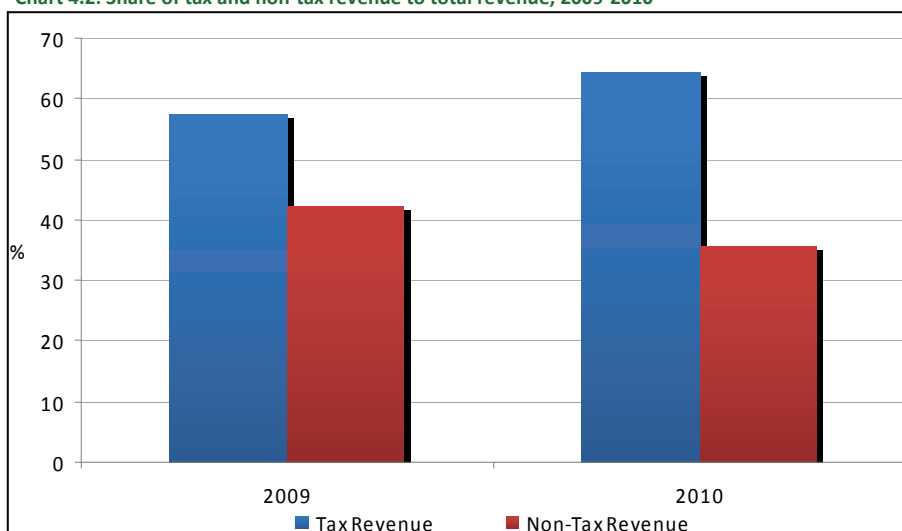
Total revenue comprised of tax and non-tax revenue (Table 4.3). Tax revenue accounted for 67.6 per cent of the total revenue in H2 2010 (Table 4.2 and Chart 4.1). This included taxes on net income and profits, taxes on international trade and taxes on goods and services. The non-tax revenue accounted for the remaining 32.4 per cent which comprised of property income, administrative fees on sales of goods and fines and charges and other non-tax revenue.

Chart 4.1: Share of tax and non-tax revenue to total revenue, H1 2009 – H2 2010



Source: Ministry of Finance

Chart 4.2: Share of tax and non-tax revenue to total revenue, 2009-2010



Source: Ministry of Finance

As a whole, tax and non-tax revenue accounted for 64.4 per cent and 35.6 per cent of total revenue in 2010, respectively (**Table 4.2** and **Chart 4.2**).

Tax revenue

The tax revenue increased by 50.7 per cent from BND1,831.3 million in H2 2009 to BND2,759.2 million in H2 2010 (**Table 4.3**). The tax revenue accounted for 67.6 per cent to the total revenue in H2 2010, **Chart 4.1**).

The tax revenue was mainly contributed by net income and profits which had increased by 52.7 per cent y-o-y from BND1,747.0 million in H2 2009 to BND2,667.8 million in H2 2010. Other components of tax revenue are taxes on international trade and on goods and services. Tax revenue on international trade increased by 9.0 per cent y-o-y from BND74.0 million in H2 2009 to BND80.6 million in H2 2010. While, tax revenue on goods and services grew by 4.2 per cent y-o-y from BND10.3 million in H2 2009 to BND10.8 million in H2 2010.

Overall, tax revenue increased by 37.7 per cent, from BND3.8 billion in 2009 to BND5.3 billion in 2010.

In H2 2010, tax revenue on net income and profits rose by 52.7 per cent y-o-y. Tax revenue on international trade grew 9.0 per cent y-o-y. Tax revenue on goods and services grew by 4.2 per cent y-o-y.

Table 4.3: Tax and non-tax revenue

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010/ H2 2009	2010/ 2009
	BND Million			BND Million				
Taxes on net income and profits	1,921.7	1,747.0	3,668.7	2,429.0	2,667.8	5,096.8	52.7	38.9
Taxes on international trade	67.8	74.0	141.8	75.1	80.6	155.7	9.0	9.9
Taxes on goods and services	9.5	10.3	19.8	9.4	10.8	20.1	4.2	1.6
Total tax revenue	1,998.9	1,831.3	3,830.2	2,513.5	2,759.2	5,272.7	50.7	37.7
<i>Property income</i>	1,689.0	841.1	2,530.1	1,435.6	1,173.9	2,609.5	39.6	3.1
<i>Administrative fees and charges on sales of goods and fines</i>	141.1	144.5	285.6	152.4	145.8	298.2	0.8	4.4
<i>Other non-tax revenue</i>	2.4	1.8	4.2	2.1	1.8	4.0	2.2	-6.0
Total non-tax revenue	1,832.5	987.5	2,820.0	1,590.1	1,321.5	2,911.6	33.8	3.2

Source: Ministry of Finance

Note: Figures are subjected to rounding errors.

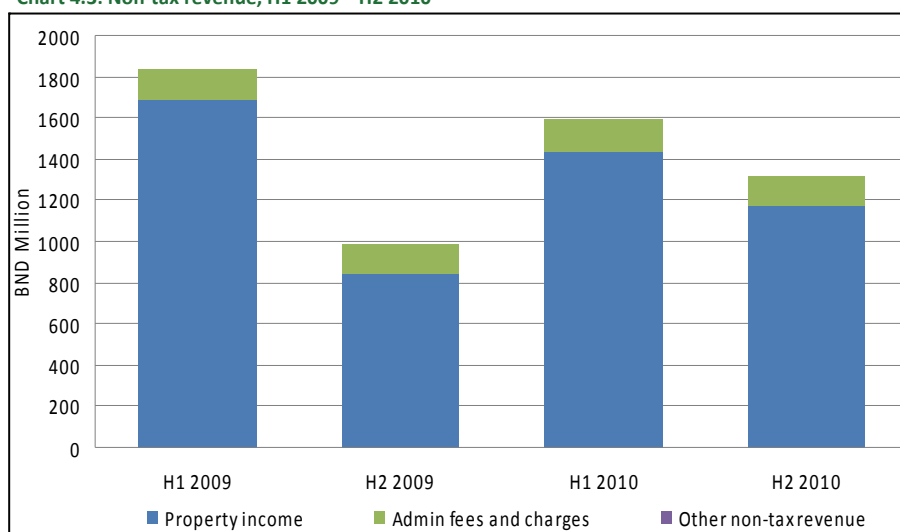
Non-tax revenue

Overall, the non-tax revenue rose 33.8 per cent y-o-y from BND987.5 million in H2 2009 to BND1,321.5 million in H2 2010 (**Table 4.3** and **Chart 4.3**).

In H2 2010, the non-tax revenue contributed 32.4 per cent to total revenue (**Chart 4.1**). The non-tax revenue is mainly comprised of property income which registered an increase of 39.6 per cent y-o-y from BND841.1 million in H2 2009 to BND1,173.9 million in H2 2010.

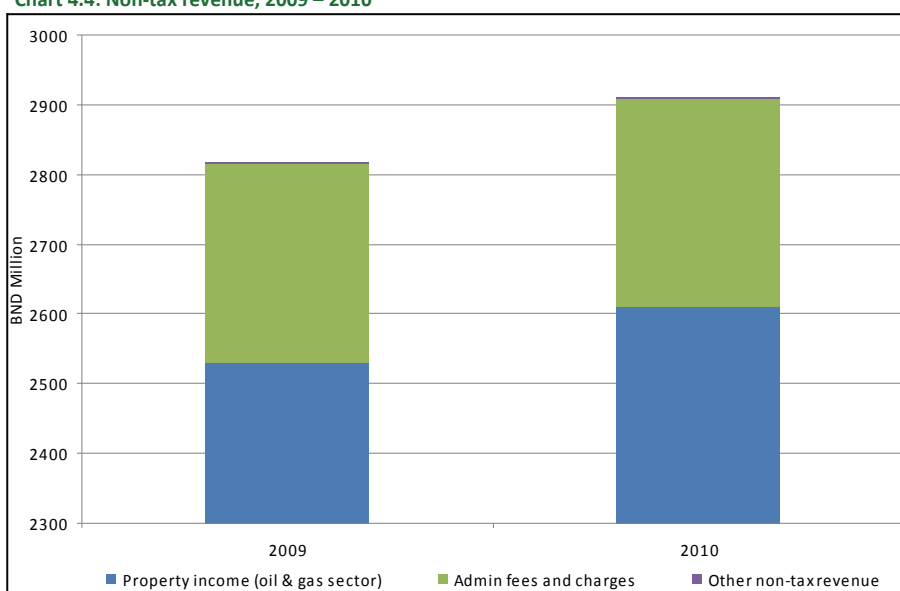
In H2 2010, non-tax revenue increased by 33.8 per cent y-o-y and contributed 32.4 per cent to total revenue.

Chart 4.3: Non-tax revenue, H1 2009—H2 2010



Source: Ministry of Finance

Chart 4.4: Non-tax revenue, 2009 – 2010



Source: Ministry of Finance

Another component of the non-tax revenue is the administrative fees and charges on sales of goods and fines, which recorded a 0.8 per cent y-o-y increase from BND144.5 million in H2 2009 to BND145.8 million in H2 2010.

The remaining component of the non-tax revenue; Other non-tax revenue remained at BND1.8 million in both periods.

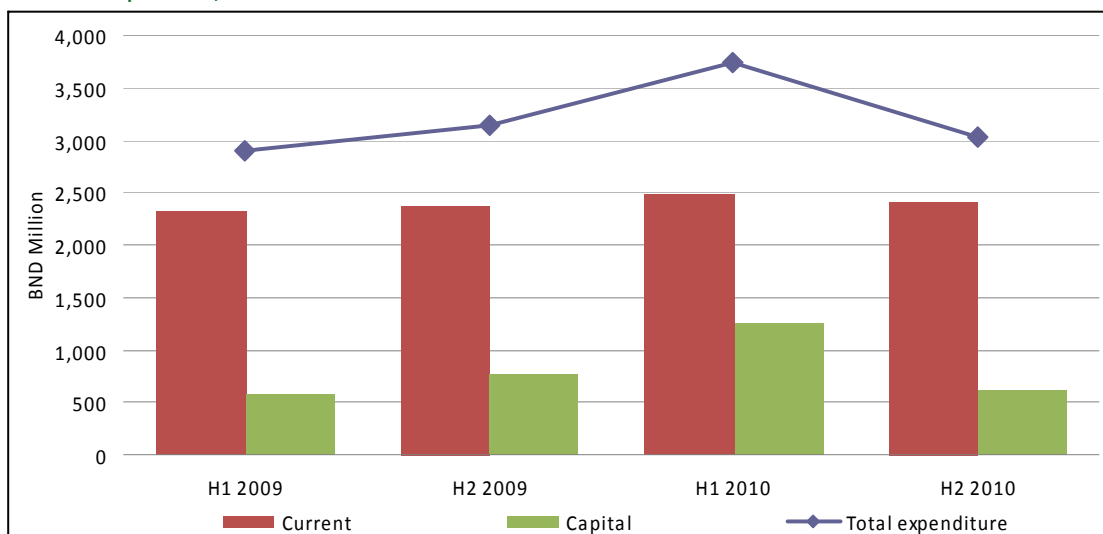
As a whole, non-tax revenue rose 3.2 per cent from 2.8 billion in 2009 to BND2.9 billion in 2010 (Chart 4.4).

Expenditure

Total expenditure declined by 3.8 per cent y-o-y from BND3,147.2 million (35.8 per cent of GDP) in H2 2009 to BND3,026.2 million (34.4 per cent of GDP) in H2 2010 (Table 4.3 and Annex 4.2).

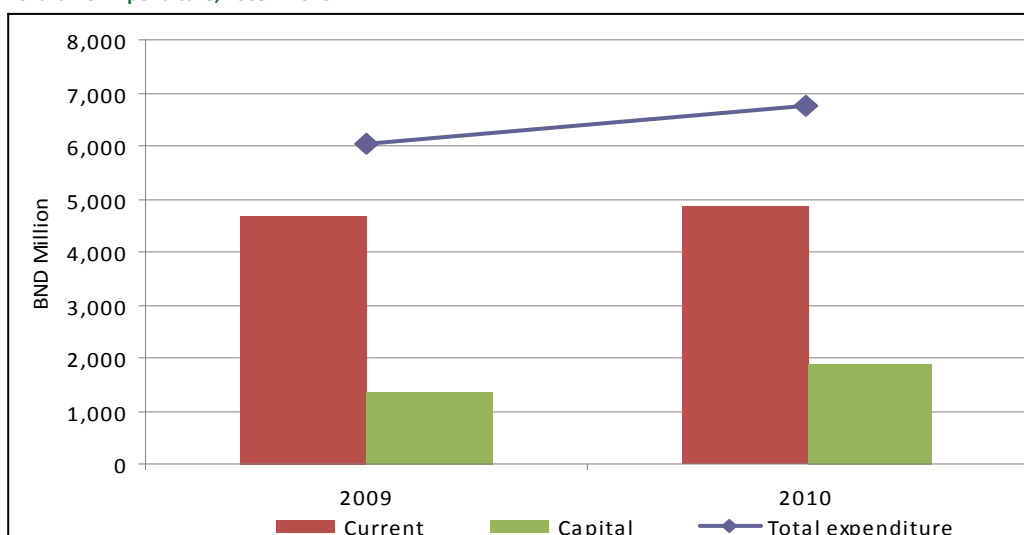
In H2 2010, total expenditure was reduced by 3.8 per cent y-o-y. It stood at 34.4 per cent of GDP in H2 2010 compared to 35.8 per cent of GDP in H2 2009.

Chart 4.5: Expenditure, H1 2009 – H2 2010



Source: Ministry of Finance

Chart 4.6: Expenditure, 2009 – 2010



Source: Ministry of Finance

Table 4.4: Expenditure

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010/ H2 2009	2010/ 2009
Total expenditure (BND Million)	2,890.6	3,147.2	6,037.8	3,735.3	3,026.2	6,761.5	-3.8	12.0
Current expenditure (BND Million)	2,318.7	2,378.9	4,697.6	2,479.6	2,404.3	4,883.9	1.1	4.0
Capital expenditure (BND Million)	571.9	768.27	1,340.2	1,255.8	621.8	1,877.6	-19.1	40.1
Total expenditure (% of GDP)	42.4	35.8	38.7	46.3	34.4	40.1	-3.9	3.6
Current expenditure (% of GDP)	34.0	27.1	30.1	30.7	27.3	29.0	1.0	-3.8
Capital expenditure (% of GDP)	8.4	8.7	8.6	15.6	7.1	11.1	-19.1	29.7

Source: Ministry of Finance

Note: Figures are subjected to rounding errors.

Current expenditure rose 1.1 per cent y-o-y and accounted for 79.4 per cent of total expenditure in H2 2010.

In H2 2010, capital expenditure was reduced by 19.1 per cent y-o-y and accounted for 20.5 per cent of total expenditure.

OCSE dropped by 43.5 per cent y-o-y, while development expenditure grew by 2.0 per cent y-o-y.

Fiscal balance rose 12.0 per cent of GDP in H2 2010 compared to -4.4 per cent of GDP in H2 2009.

Current expenditure

On a y-o-y basis, the current expenditure increased by 1.1 per cent from BND2,378.9 million (27.1 per cent of GDP) in H2 2009 to BND2,404.3 million (27.3 per cent of GDP) in H2 2010 (**Table 4.4** and **Chart 4.5**). This was due to an increase in Charged expenditure by 14.2 per cent from BND613.5 million to BND700.4 million (**Annex 4.2**). Meanwhile, Other Charges Annually Recurrent (OCAR) reduced by 10.7 per cent from BND830.7 million to BND742.1 million, during the same period. Wages and salaries grew by 2.9 per cent from BND934.7 million to BND961.9 million. Current expenditure accounted for 79.4 per cent of total expenditure in H2 2010 compared to 75.7 per cent in H2 2009.

Overall, current expenditure increased by 4.2 per cent from BND4.7 billion in 2009 (77.9 per cent of total expenditure) to BND4.9 billion (72.2 per cent of total expenditure) in 2010.

Capital expenditure

The share of capital expenditure to total expenditure declined to 20.5 per cent in H2 2010 compared to 24.4 per cent in H2 2009. Capital expenditure, comprising Other Charges Special Expenditure (OCSE) and Development expenditure, decreased by 19.1 per cent y-o-y from BND768.3 million (8.7 per cent of GDP) in H2 2009 to BND621.8 million (7.1 per cent of GDP) in H2 2010 (**Table 4.4**).

OCSE dropped by 43.5 per cent y-o-y from BND355.5 million in H2 2009 to BND200.7 million in H2 2010. However, Development expenditure increased by 2.0 per cent y-o-y from BND412.8 million to BND421.1 million, during the same period (**Annex 4.2**).

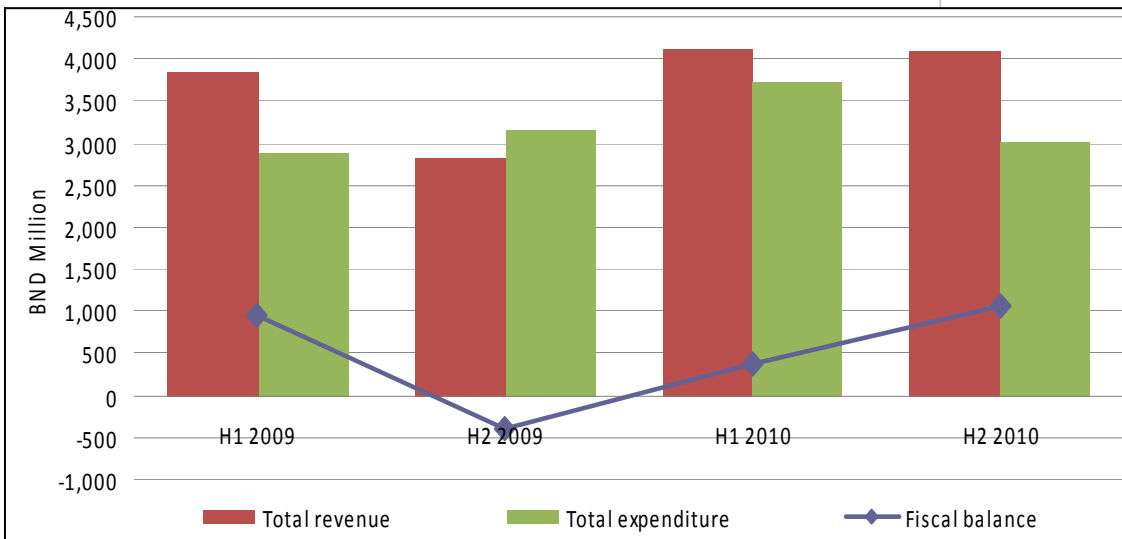
These brought capital expenditure to BND1.9 billion (27.8 per cent of total expenditure) in 2010, up from BND1.3 billion (22.2 per cent of total expenditure) in 2009.

Fiscal balance

The fiscal balance in H2 2010 recorded a surplus of BND1,054.7 million, a significant improvement of 374.7 per cent y-o-y from BND384.0 million in H2 2009. This was attributed to a 44.8 per cent increase in revenue and 3.8 per cent drop in expenditure. The fiscal balance rose 12.0 per cent of GDP in H2 2010 compared to a deficit of -4.4 per cent of GDP in H2 2009, as both tax and non-tax revenues expanded while total expenditure contracted y-o-y (**Table 4.1** and **Chart 4.5**).

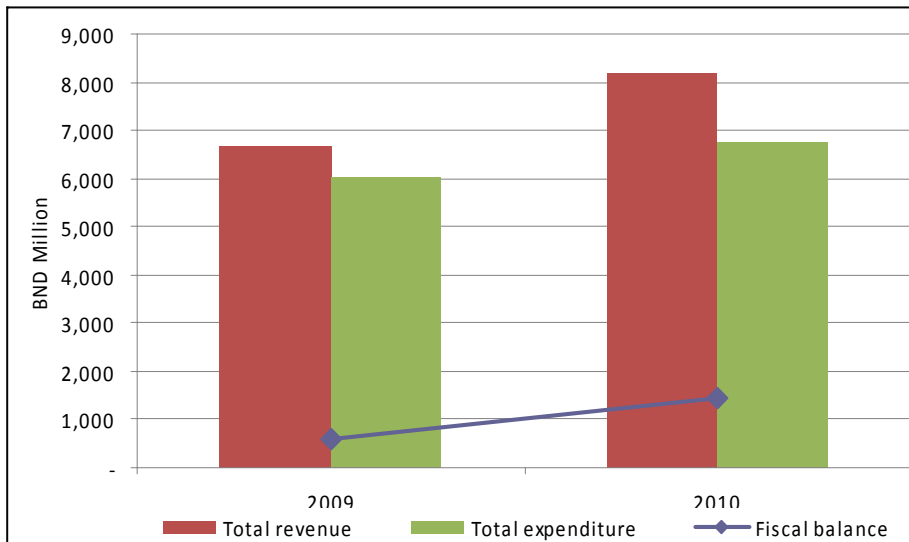
As a whole in 2010, fiscal balance increased to BND1.4 billion (8.4 per cent of GDP), 136.5 per cent up from BND556.8 million (3.6 per cent of GDP) in 2009.

Chart 4.7: Public finance, H1 2009 – H2 2010



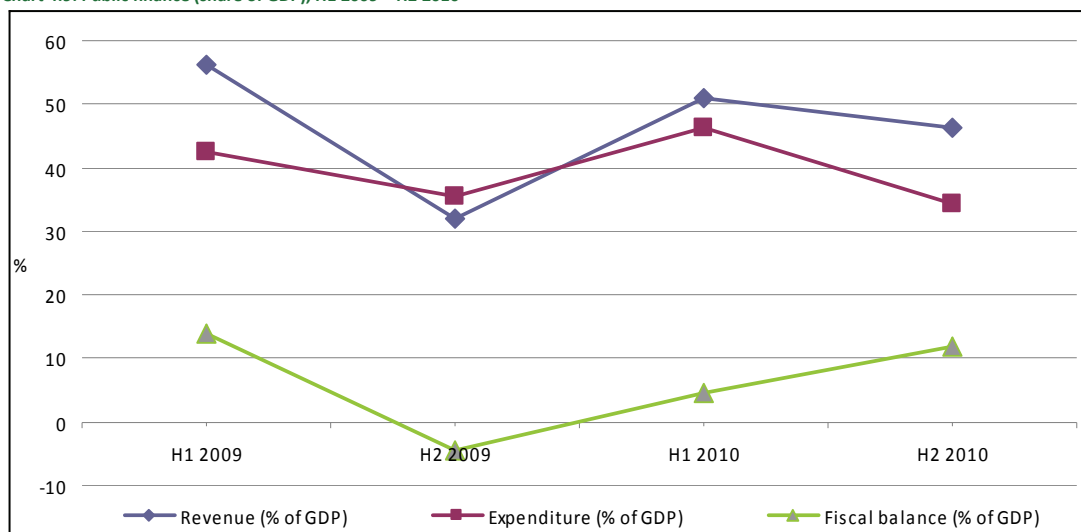
Source: Ministry of Finance

Chart 4.8: Public Finance, 2009 - 2010



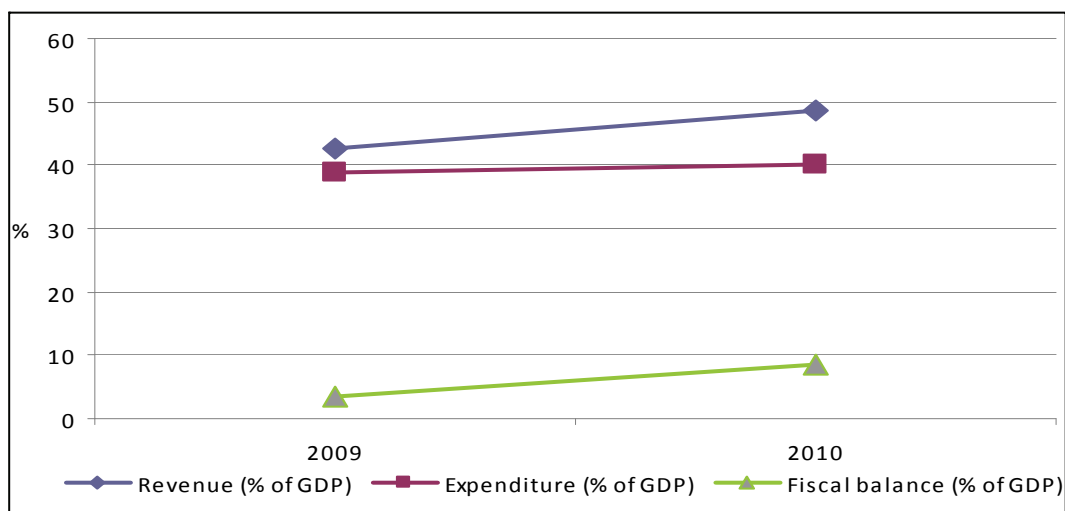
Source: Ministry of Finance

Chart 4.9: Public finance (share of GDP), H1 2009 – H2 2010



Source: Ministry of Finance

Chart 4.10: Public finance (share of GDP), 2009 – 2010



Source: Ministry of Finance

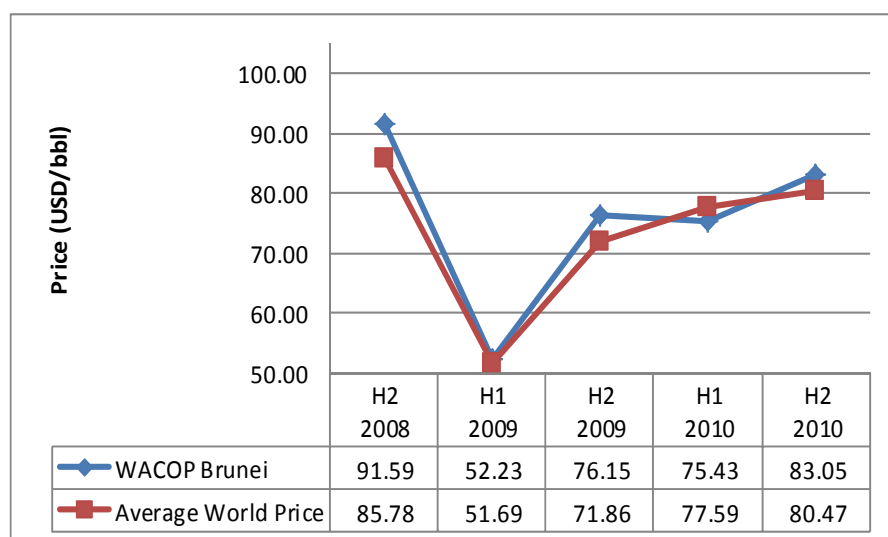
5. Oil and Gas

Crude Oil Price

The Weighted Average Crude Oil Price (WACOP) of Brunei Darussalam increased by 9.1 percent year-on-year (y-o-y) from USD76.15 per barrel (USD/bbl) in H2 2009 to USD83.05/bbl in H2 2010 (Annex 5.1 and Chart 5.1). On a half yearly (h-o-h) basis, Brunei Darussalam's WACOP increased by 10.1 percent from USD75.43 USD/bbl in H1 2010 to USD83.05/bbl in H2 2010. The average world price of crude oil increased h-o-h and y-o-y as global demand for oil continued to increase especially demand from Western countries.

The average world price of crude oil increased h-o-h and y-o-y as global demand for oil continued to increase especially demand from Western countries.

Chart 5.1: Brunei Darussalam's WACOP versus Average World Oil Prices



Source: Petroleum Unit, Prime Minister's Office and International Monetary Fund

On a month-on-month (m-o-m) basis, Brunei Darussalam's WACOP increased in July by 2.0 percent to USD77.07/bbl from USD75.50/bbl in June. The tropical storm Bonnie and field maintenance work in the North Sea pushed international crude oil prices upwards. *West Texas Intermediate* (WTI) and *Brent* grades of crude oil traded at around USD80/bbl in July 2010.

The WACOP of Brunei Darussalam decreased m-o-m in August by 1.9 percent to USD75.57/bbl. World crude prices struggled to hold above USD75 in August 2010. Business' sentiment on the increasing unemployment levels in the United States of America and an over supply of oil contributed to low oil prices in August.

In September, the WACOP of Brunei Darussalam increased by 6.5 percent to USD80.48/bbl. Increased oil demand, recovery in financial markets, a weaker US Dollar and a major strike at a French port in September increased *Brent* prices to around USD83.00/bbl while WTI prices declined slightly to around USD75.55/bbl.

Brunei Darussalam’s WACOP increased again in October by 11.0 percent to USD89.37/bbl. Oil markets were stronger in October due to demand being higher than expected and lower inventories in member countries of the *Organization for Economic Cooperation and Development* (OECD). Stronger financial markets, a weaker US Dollar and the US Federal Reserve’s second round of quantitative easing also contributed to increased oil prices.

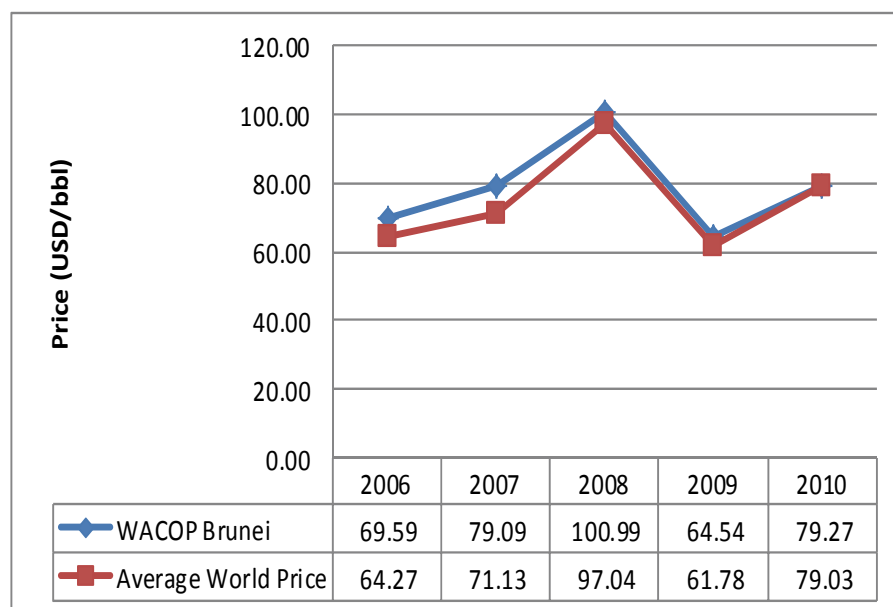
The WACOP of Brunei Darussalam decreased m-o-m in November 2010 by 5.6 percent to USD84.40/bbl.

In December, the WACOP of Brunei Darussalam increased by 5.8 percent to USD89.26. Stronger economic growth in Asia; particularly in China and higher oil demand in OECD countries in December pushed crude oil prices above the USD70-80/bbl range which was the range for much of 2010.

As a whole, the WACOP of Brunei Darussalam in 2010 rose by 22.8 percent from USD64.54/bbl in 2009 to USD79.27/bbl (**Chart 5.2**).

As a whole, the WACOP of Brunei Darussalam in 2010 rose by 22.8 percent from USD64.54/bbl in 2009 to USD79.27/bbl.

Chart 5.2: Annual Oil Prices



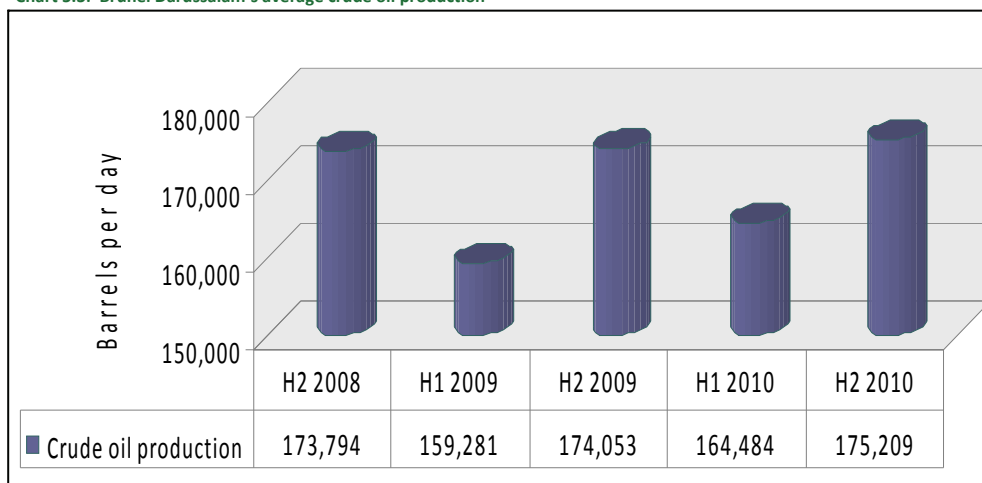
Source: Petroleum Unit, Prime Minister’s Office and International Monetary Fund

Crude Oil Production

The production of crude oil in H2 2010 was recorded at 175,209 barrels per day (bpd). In comparison, crude oil production was recorded at 164,484 bpd in H1 2010 and 174,053 bpd in H2 2009 (**Chart 5.3**). This translated to a h-o-h increase of 6.5 percent and y-o-y increase of 0.7 percent.

Oil production levels in Brunei Darussalam increased m-o-m in July by 2.7 percent to 166,650 bpd from 162,221 bpd in June primarily due to increased production from Brunei Darussalam’s offshore oilfields.

Chart 5.3: Brunei Darussalam's average crude oil production



Source: Petroleum Unit, Prime Minister's Office.

In August, oil production levels in Brunei Darussalam decreased m-o-m by 1.6 percent to 163,898 bpd. Global oil supply fell by 250,000 bpd to 86.8 million bpd. Supply from member countries of the *Organization of Petroleum Exporting Countries* (OPEC) decreased while supply from non OPEC countries was reduced due to seasonal maintenance in Canada, the United Kingdom and Russia.

Brunei Darussalam's oil production increased in September by 14.4 percent to 187,586 bpd due to increased production from offshore oilfields. Global oil supply fell by 150,000 bpd to 86.9 million bpd in September. Non OPEC output was lower due to seasonal maintenance in Azerbaijan. However, OPEC crude oil supplies increased by 40,000 bpd to 29.29 million bpd in September primarily due to higher production levels from Iraq.

Oil production levels in Brunei Darussalam decreased m-o-m in October by 9.2 percent to 170,255 bpd. October global oil supply rose by 800,000 bpd to 87.6 million bpd; largely due to higher non OPEC oil supply.

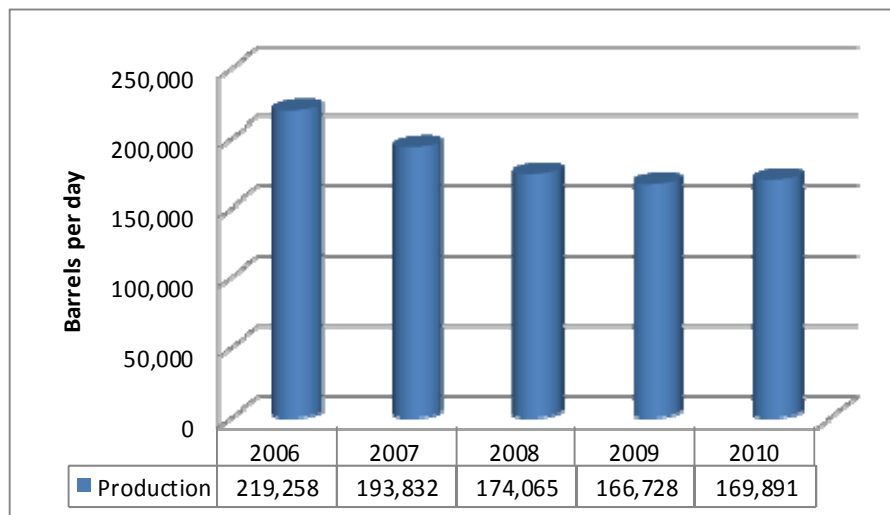
Brunei Darussalam's oil production increased in November by 2.0 percent to 173,632 bpd. Global oil supply rose by 400,000 bpd to 88.1 million bpd in November. OPEC crude oil production in November was marginally higher; up by 45,000 bpd to 29.2 million bpd. Non OPEC supply increased as well due to higher Canadian and Kazakhstani output after conducting maintenance, and higher production in Brazil following safety related platform closures.

Brunei Darussalam's oil production increased again in December by 9.2 percent to 189,580 bpd. Increases in Brunei Darussalam's oil production in November and December were primarily due to increased production from Brunei Darussalam's offshore oil fields. Global oil supply fell by 300,000 bpd to 88.1 million bpd in December, as non OPEC output was reduced due to weather related and technical reasons. Non OPEC supply was reduced largely due to outages in Argentina, Australia, Azerbaijan, Norway and Russia.

As a whole, Brunei Darussalam's average annual crude oil production in 2010 rose by 1.9 percent from 166,728 bpd in 2009 to 169,891 bpd.

As a whole, Brunei Darussalam's average annual crude oil production in 2010 rose by 1.9 percent from 166,728 bpd in 2009 to 169,891 bpd (**Chart 5.4**).

Chart 5.4: Brunei Darussalam's average annual crude oil production



Source: Petroleum Unit, Prime Minister's Office.

Liquefied Natural Gas (LNG) Price

The LNG price for Brunei Darussalam increased by 58.8 percent y-o-y from USD7.77 in H2 2009 to USD12.33 in H2 2010.

The LNG price for Brunei Darussalam increased by 58.8 percent y-o-y from USD7.77 in H2 2009 to USD12.33 in H2 2010. From H1 2010 to H2 2010, the LNG price rose by 12.6 percent from USD10.96 to USD12.33.

LNG prices increased steadily m-o-m in July, August and September by 3.5 percent, 5.8 percent and 1.2 percent to USD11.97/bbl, USD12.66/bbl and USD12.81/bbl respectively. LNG prices decreased steadily m-o-m in October, November and December by 1.4 percent, 4.0 percent and 1.6 percent to USD12.63/bbl, USD12.13/bbl and USD11.94/bbl respectively.

LNG Production

As a whole, Brunei Darussalam's annual average LNG production in 2010 rose by 0.9 percent from 951,616 MMBtu in 2009 to 960,483 MMBtu.

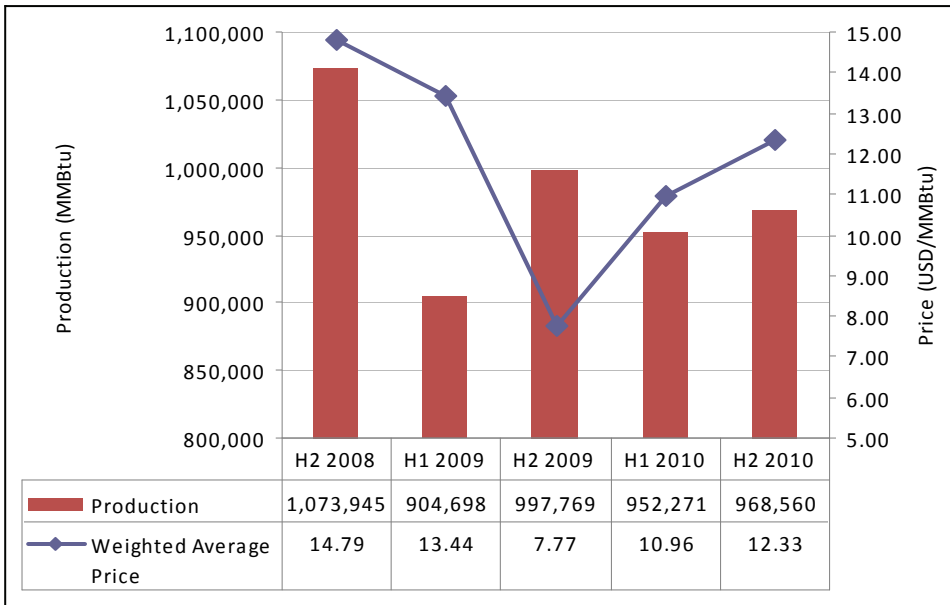
On a h-o-h basis, the production level of LNG increased in H2 2010 by 1.7 percent from 952,271 MMBtu in H1 2010 to 968,560 MMBtu in H2 2010. On a y-o-y basis on the other hand, it decreased by 2.9 percent from 997,769 MMBtu in H2 2009.

As a whole, Brunei Darussalam's annual average LNG production in 2010 rose by 0.9 percent from 951,616 MMBtu in 2009 to 960,483 MMBtu (**Chart 5.6**).

LNG production increased m-o-m in July, October and December by 32.6 percent, 9.8 percent and 5.4 percent to 1,052,229 MMBtu, 1,033,697 MMBtu and 930,075 MMBtu respectively.

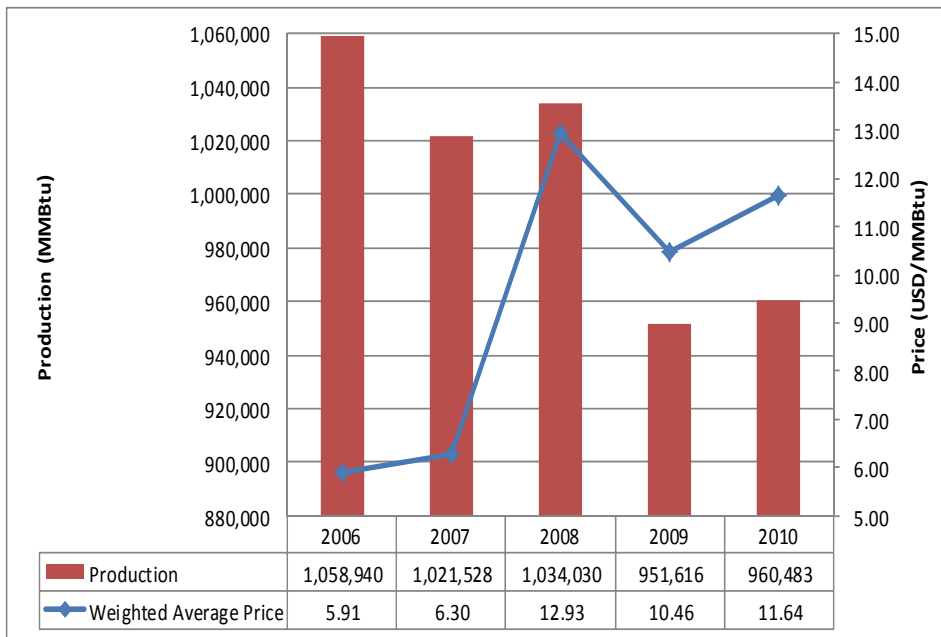
LNG production decreased m-o-m in August, September and November by 8.1 percent, 2.6 percent and 14.6 percent to 967,392 MMBtu, 941,819 MMBtu, and 882,510 MMBtu respectively.

Chart 5.5: Brunei Darussalam's average LNG price and production



Source: Petroleum Unit, Prime Minister's Office.

Chart 5.6: Brunei Darussalam's annual average LNG price and production levels.



Source: Petroleum Unit, Prime Minister's Office.

Sources:

- Department of Economic Planning and Development, Prime Minister's Office, Brunei Darussalam
- Petroleum Unit, Prime Minister's Office, Brunei Darussalam
- International Energy Agency

RKN Update H2 2010/2011 (FROM OCTOBER 2010 TO MARCH 2011)

The total expenditure of all RKN projects for the financial year 2010/2011 was BND856.5 million or 81.6 per cent of the total allocation.

The total expenditure for RKN projects in H2 2010/2011 (from October 2010 To March 2011) was BND582.9 million or 55.5 per cent of the total allocation BND1,050 million. Combining both H1 and H2 2010/2011, the total expenditure of all RKN projects for the financial year 2010/2011 was BND856.5 Million or 81.6 per cent of the total allocation (Table 7.1).

Table 7.1 Total RKN expenditure 2010/2011 by H

H 2010/2011	Total Expenditure (BND million)	Percent Total Expenditure
H1	273.6	31.9
H2	582.9	68.1
Total	856.5	100.0

Source: Department of Economic Planning and Development, Prime Minister's Office

EXPENDITURE BY MONTH IN H2 2010/2011

The total expenditure of all RKN projects in H2 2010/2011 was BND582.9 million.

During H2 period, March 2011 recorded the highest RKN expenditure of BND166.8 million or 28.6 per cent of the total expenditure. This is mainly because March is the end of the financial year for 2010/2011. Housing projects (implemented by both Housing Development Department & BEDB) spent the most which amounted to BND53.4 million or 32.0 per cent of March expenditure.

The second highest RKN expenditure was recorded in December 2010 amounted to BND109.0 million or 18.7 per cent of the total expenditure. Housing, road and education infrastructure projects (primary and secondary schools) spent BND44.3 million, BND14.2 million and BND9.4 million respectively.

January 2011 recorded the third highest expenditure amounting BND83.7 million or 14.4 per cent of the total expenditure. Housing projects again contributed the highest expenditure BND38.4 million or 45.9 per cent of January expenditure (Table 7.2).

Table 7.2: Comparative figure of RKN expenditure by month

Month	Total Expenditure in H2 2010/2011 (BND million)	Percent Total Expenditure
October	73.9	12.7
November	71.0	12.2
December	109.0	18.7
January	83.7	14.4
February	78.5	13.5
March	166.8	28.6
Total	582.9	100.0

Source: Department of Economic Planning and Development, Prime Minister's Office

EXPENDITURE BY MAIN SECTOR IN H2 2010/2011

The Social Services Sector recorded the highest expenditure by the end of the financial year period which amounted to BND441.5 million or 51.5 per cent of the total expenditure of BND856.5 million. The spending was mainly attributed by National Housing Scheme (BND293.8 million) and education projects (BND84.9 million). The Transportation & Communication Sector recorded the second highest expenditure which amounted to BND112.5 million or 13.1 per cent of the total expenditure. Road projects made up most of the expenditure in that sector which amounted to BND93.9 million. The Public Utility Sector recorded the third highest expenditure of BND97.8 million or 11.4 per cent of the total expenditure. Most of the expenditure in that sector was attributed by water supply (BND36.5 million) and electricity projects BND36.8 million. (Table 7.3).

The Social Services sector recorded the highest expenditure amount of BND441.5 Million.

Table 7.3: Expenditure by main sector

Main Sector	Total Allocation (BND million)	Total Expenditure	Percentage of Expenditure / Allocation	Percentage of Total Expenditure
Industry & Commerce	171.9	155.9	90.7%	18.2%
Social Services	446.5	342.5	76.7%	40.0%
Transportation & Communication	132.2	115.0	87.0%	13.4%
Public Utilities	117.5	97.7	83.1%	11.4%
Public building	52.2	42.7	81.8%	5.0%
Security	39.5	30.9	78.2%	3.6%
Miscellaneous	14.0	7.0	50.0%	0.8%
Info-Communication Technology	50.9	45.5	89.4%	5.3%
S & T and R & D	25.3	19.3	76.3%	2.3%
TOTAL	1,050.0	856.5		100.0%

Source: Department of Economic Planning and Development, Prime Minister's Office

EXPENDITURE BY MINISTRY IN H2 2010/2011

The Ministry of Development recorded the highest expenditure which amounted to BND369.5 million or 43.1 per cent of the total expenditure. Housing and road projects are the major contributor to this ministry's performance. Other projects under the Ministry of Development are water, drainage and sanitation.

The Ministry of Development recorded the highest RKN expenditure which amounted to BND369.5 million.

The Prime Minister's Office recorded the second highest expenditure with BND116.9 million or 13.6 per cent of the total expenditure. Electricity, the Internal Security Department's office building and Human Resource Fund projects spent BND36.8 million, BND21.8 million and BND15.4 million respectively (Table 7.4).

Table 7.4: Expenditure by ministry & agency

Ministry / Agency	In BND million				
	Total Project	Scheme Value 2010/2011	Allocation 2010/2011	Total Expenditure	Percentage of Total Expenditure
Prime Minister's Office	111	1,822.0	167.0	116.9	13.6%
Finance	4	53.5	5.1	5.1	0.6%
Defence	24	393.8	28.3	25.1	2.9%
Foreign Affairs and Trade	13	346.7	6.5	4.0	0.5%
Health	28	263.4	18.0	14.5	1.7%
Home Affairs	61	241.4	26.4	22.9	2.7%
Religious Affairs	32	97.4	7.4	5.8	0.7%
Culture, Youth and Sports	27	73.4	12.8	12.0	1.4%
Education	114	999.4	121.1	28.0	11.4%
Industry and Primary Resources	140	686.7	69.1	52.0	6.1%
Development	412	3,091.2	453.7	369.5	43.1%
Communication	64	400.6	24.4	20.9	2.4%
Brunei Economic Development Board	13	1,030.5	110.2	109.8	12.8%
Total	1,043.0	9,500.0	1,050.0	856.5	100.0%

Source: Department of Economic Planning and Development, Prime Minister's Office

A total of 501 projects or 48.0 per cent of the total RKN projects were in the implementation (ongoing) stage by the end of the period.

PROJECTS BY STATUS

A total of 298 out of 1043 projects amounted to BND1,529.1 million have been completed by the end of the financial year 2010/2011. This represents 16.1 per cent of BND9,500 million of the total scheme value this plan whereas 501 projects amounted to BND5,320.2 million were in the Implementation (ongoing) Stage. Other status were Tender Stage (66 projects with the value of BND873.7 million), Design Stage (93 projects, BND1,348.2 million), Appointment of Consultants (7 projects, BND134.8 million), Planning Stage (50 projects, BND1,348.2 million) and Others (28 projects, BND45.5 million) (Table 7.5).

Table 7.5: Project status by stage

Status in Stages	No. of Projects	Scheme Value (BND million)	Percentage of Scheme Value	Allocation (BND million)	Percentage of Allocation
Planning	50	248.5	2.6%	12.5	1.2%
Appointment of consultants	7	134.8	1.4%	7.0	0.7%
Design	93	1,348.2	14.2%	67.4	6.4%
Tender	66	873.7	9.2%	70.2	6.7%
Implementation (Ongoing)	501	5,320.2	56.0%	698.5	66.5%
Completed	298	1,529.1	16.1%	194.3	18.5%
Other	28	45.5	0.5%	0.1	0.0%
Total	1,043	9,500.0	100.0%	1,050	100.0%

Source: Department of Economic Planning and Development, Prime Minister's Office

EXPENDITURE COMPARISON BETWEEN 2009/2010 AND 2010/2011

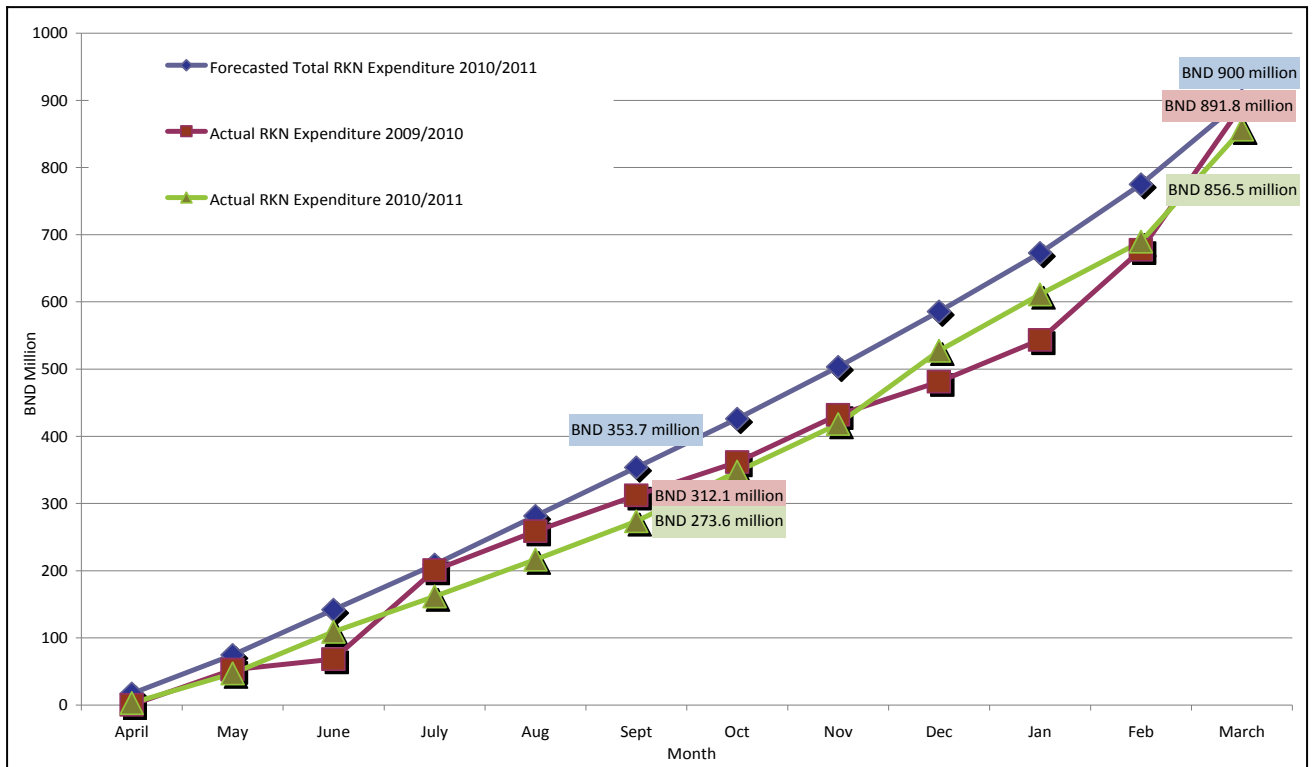
The total expenditure of RKN projects by the end of the period was BND856.5 million or 81.6 per cent of the total allocation, lower than the forecasted expenditure of BND900 million (Graph 7.1). It was also lower than the total RKN expenditure in Financial Year 2009/2010 which was BND891.8 million (Table 7.6 and Graph 7.1).

Table 7.6: Comparison between the total RKN expenditure in 2010/2011 and 2009/2010 by month

Month	Total Expenditure 2010/2011 (BND million)	Percentage of Total Expenditure	Total Expenditure 2009/2010 (BND million)	Percentage of Total Expenditure
April	3.1	0.4	0.4	0.0
May	44.0	5.1	52.3	5.9
June	62.1	7.3	15.8	1.8
July	52.6	6.1	132.3	14.8
August	54.7	6.4	58.1	6.5
September	57.1	6.7	53.2	6.0
October	73.9	8.6	49.5	5.6
November	71.0	8.3	70.2	7.9
December	109.0	12.7	49.5	5.6
January	83.7	9.8	62.2	7.0
February	78.5	9.2	134.1	15.0
March	166.8	19.5	214.2	24.0
Total	856.5	100.0	891.8	100.0

Source: Department of Economic Planning and Development, Prime Minister's Office

Graph 7.1: Cumulative comparative figure of forecast and actual total RKN expenditure in 2010/2011 with actual total RKN expenditure in 2009/2010



Source: Department of Economic Planning and Development, Prime Minister's Office

SPECIAL ARTICLES

Dk Norhanidah Pg Hj Masshor

Department of Macroeconomy

Department of Economic Planning and Development

BRUNEI DARUSSALAM'S FOREIGN DIRECT INVESTMENT

Introduction

The economy of Brunei Darussalam has been dependent on its non-renewable hydrocarbon resources for a very long period of time. Due to this dependency, economic diversification has always been one of the economy's development objectives. One of the many ways to achieve this objective is by promoting foreign direct investment (FDI) in the non oil and gas sector. This short article analyses FDI flows and stakes in Brunei Darussalam over the period between 2000-2010. This paper reveals that investment in the oil and gas sector still dominate the overall FDI in this country.

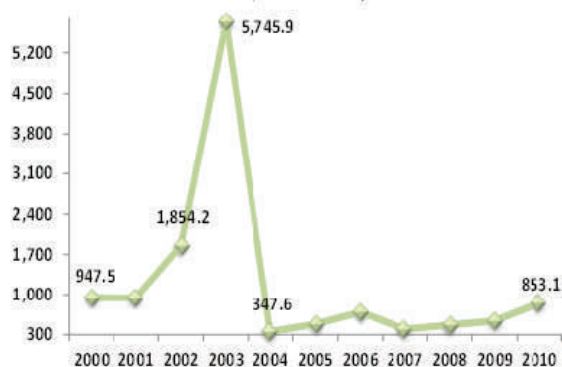
Definitions and sources of data

FDI in a country is established following the holding of at least 10 per cent of the total equity in a resident company by a non-resident direct investor. Any subsequent transactions in financial assets or liabilities that occur between non-resident direct investors and resident companies that are linked by a foreign direct investment relationship are also classified as FDI. In other words, direct investment can also be established by the existence of lasting interest between direct investors and the enterprises and a significant degree of influence by the investors on the management of the enterprises. [Source: *Balance of Payments and International Investment Position Manual: Sixth Edition (BPM6)*]

FDI data was previously collected through the International Transaction Reporting System (ITRS) from commercial banks and only cash transactions were recorded. At present, the data is compiled based on annual enterprise surveys conducted by the Department of Economic Planning and Development (JPKE). The data is also reported based on geographical origin and industrial sectors, using the International Standard Industrial Classification (ISIC).

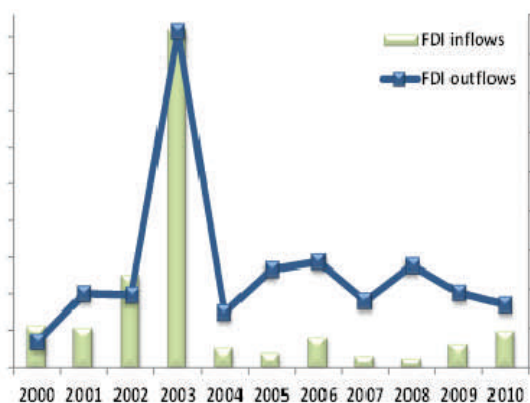
FDI can be categorised into three components; equity capital, re-invested earnings and intra-company loans. Equity capital comprises of the shares of companies in countries foreign to that of the investor. Re-invested earnings include the earnings not distributed to shareholders but re-invested into the company. Intra-company loans relate to financial transactions between a parent company and its affiliates [Source: *United Nations Conference on Trade and Development (UNCTAD)*].

Figure 1: FDI inflows, 2000-2010
(BND million)



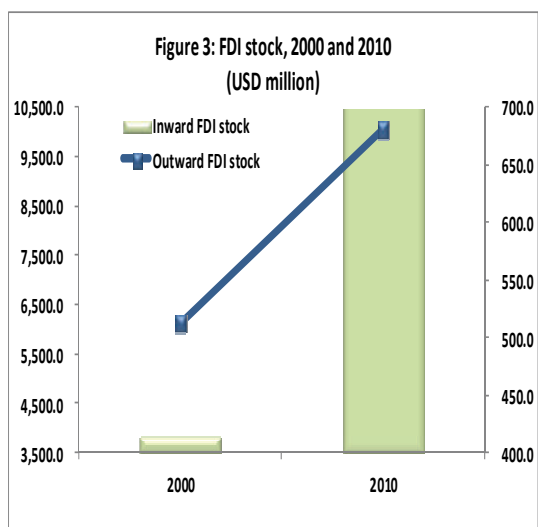
Source: Department of Economic Planning and Development, Brunei Darussalam

Figure 2: FDI flows, 2000-2010
(USD million)



Source: UNCTAD, World Investment Reports: www.unctad.org/wir

Figure 3: FDI stock, 2000 and 2010
(USD million)



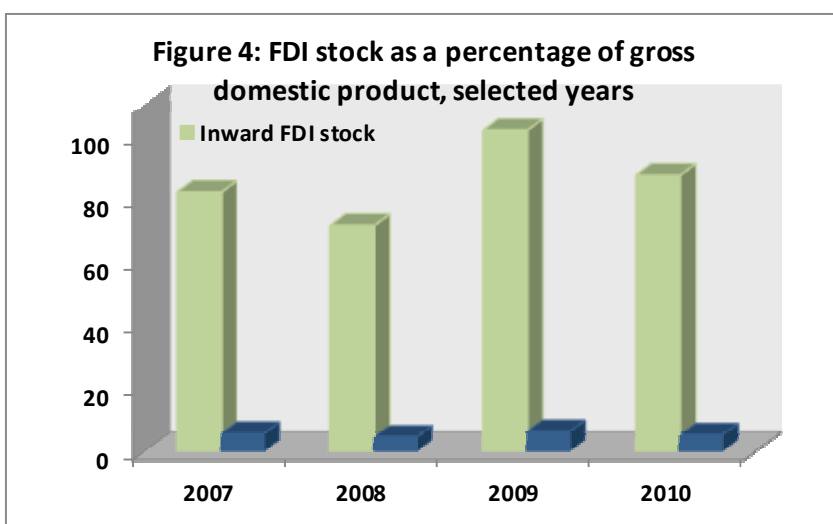
Source: UNCTAD, World Investment Reports: www.unctad.org/wir

FDI data are usually reported in terms of flows and stock FDI flow refers to capital provided by or received from a foreign direct investor to an FDI enterprise. It can be further classified as *inflows* (capital flows into the host economy) and *outflows* (capital flows out of the home economy). Meanwhile, FDI stock refers to the value of capital and reserves plus net indebtedness. FDI stocks are estimated by either cumulating FDI flows over a period of time or adding flows to an FDI stock that has been obtained for a particular year [Source: *United Nations Conference on Trade and Development (UNCTAD)*].

Brunei Darussalam's Investment Performance

FDI flows to Brunei Darussalam declined in 2010 to BND853.1 million (USD311 million) after its peak of BND5,745.9 million (USD3,375 million) in 2003 (Figure 1 and 2). Brunei Darussalam's FDI inflows surged in 2003 due to a significant increase in the primary sector; in particular mining and quarrying (Figure 5). Inward FDI stock grew rapidly, while outward FDI stock grew by less than inward stock (Figure 3). In particular, inward FDI stock reached more than USD10 billion in 2010 and outward FDI stock only USD681 million in the same year.

Inward FDI stock as a percentage of gross domestic product (GDP) in 1995-2010 grew dramatically; from 13.6 per cent in 1995 to 87.7 per cent in 2010 (Figure 4). In contrast, outward FDI stock as a percentage of GDP grew marginally from 4.5 per cent in 1995 to 5.3 per cent in 2010.

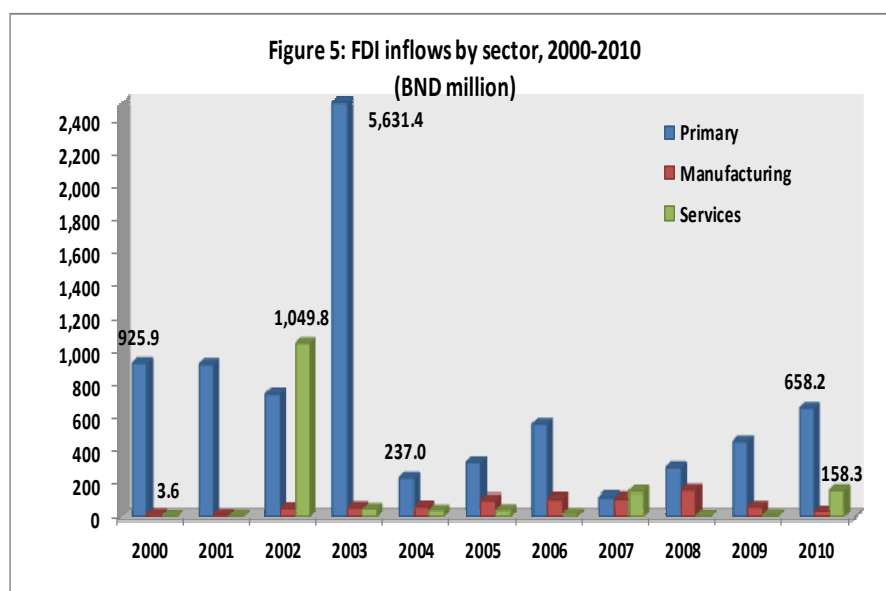


Source: UNCTAD, *World Investment Reports*: www.unctad.org/wir

Highest Brunei Darussalam's FDI inflows to primary sector

FDI flows to Brunei Darussalam continued to be concentrated in the primary and services sectors. The share of FDI in the primary sector accounted for 77.2 per cent of FDI inflows in 2010, while the share of services was 18.6 per cent. The primary sector was mainly in mining and quarrying with main activities such as extraction of crude petroleum and natural gas.

Since the year 2000, most of the FDI flows went to the primary sector; with the highest inflows in 2003 due to replacement of equipment in the oil and gas sector. However in 2002, FDI in the services sector overtook the dominance of the primary sector (Figure 5). The Transport, Storage and Communication was the biggest sub-sector; accounting more than 50 per cent of the total FDI inflows (Table 1). In this particular year, a carrier vessel had been purchased.



Source: Department of Economic Planning and Development, Brunei Darussalam

Table 1: FDI inflows by sector, selected years

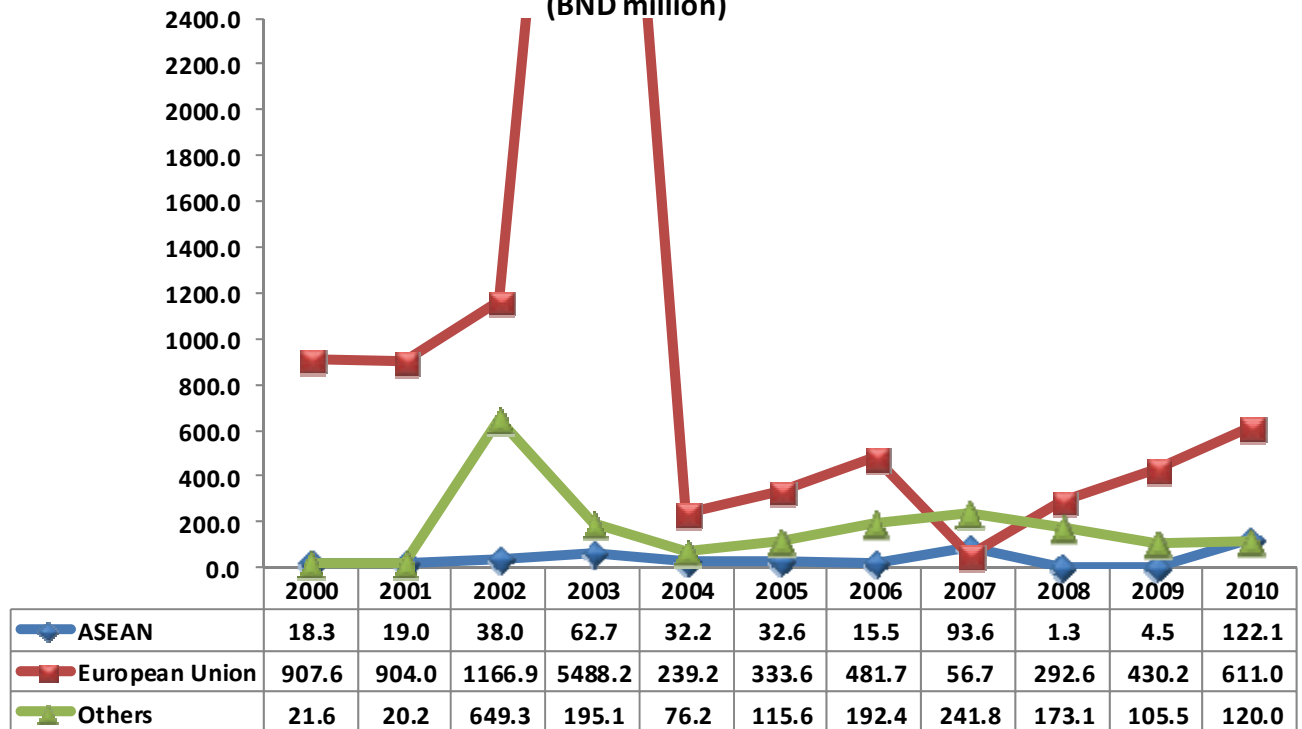
	BND million			
	2000	2002	2003	2004
Agriculture, hunting & forestry	-	3.4	1.8	0.0
Fishing	-	0.6	-	-
Mining and quarrying	925.9	743.2	5,629.6	237.0
Manufacturing	18.0	57.2	62.0	68.0
Construction	-	4.3	19.1	8.2
Wholesale and retail trades; repair of motor vehicles and motorcycles; reatail sale of automotive fuel	0.4	14.2	14.1	21.9
Hotels and restaurants	-	-	0.6	0.2
Transport, storage and communications	0.1	1,023.7	0.7	0.3
Financial intermediation	-	-	2.6	1.8
Real estate, renting and business activities	2.2	-	14.2	9.7
Education	-	-	0.1	0.2
Health and social work	-	7.6	0.1	0.2
Other community, social and personal service activities	1.0	-	1.0	0.0
TOTAL	947.5	1,854.2	5,745.9	347.5

Source: Department of Economic Planning and Development, Prime Minister's Office

United Kingdom, Netherlands and Japan are the major investors

FDI flows to Brunei Darussalam have been dominated by investment from the European Union (Figure 6). In 2010, the United Kingdom and the Netherlands were the two largest investors with a 70.2 per cent share of total FDI inflows, followed by Japan. Most of the investments from these three countries went to the primary sector; in particular mining and quarrying. The main activities involved were extraction of crude petroleum and natural gas.

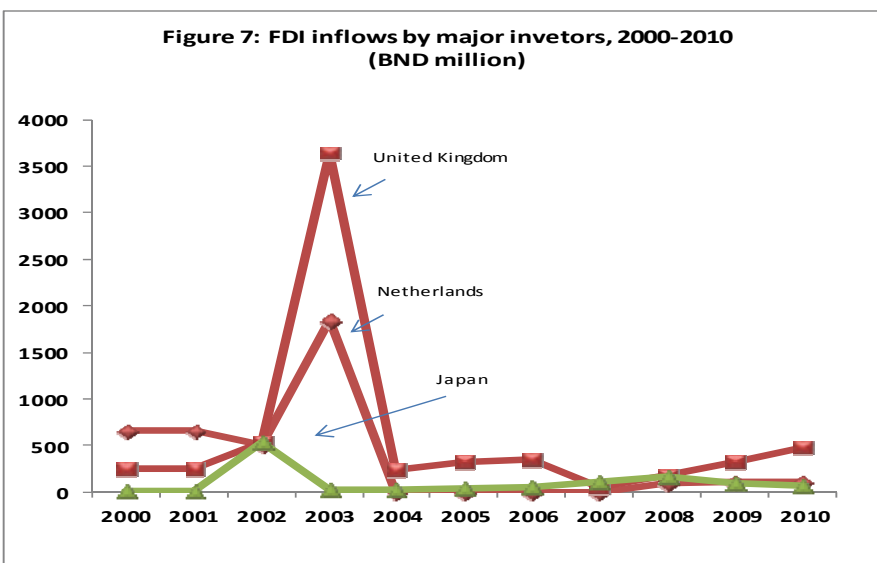
**Figure 6: FDI inflows by region, 2000-2010
(BND million)**



Source: Department of Economic Planning and Development, Brunei Darussalam

However, the FDI inflows from the United Kingdom and Netherlands fell drastically in 2004 onwards after its peak of BND3,634.9 million and BND1,853.3 million respectively in 2003 (Figure 7). In 2003, high inflows from these two countries were experienced in the primary sector; in particular in mining and quarrying that was due to replacement of equipment in the oil and gas sector.

**Figure 7: FDI inflows by major investors, 2000-2010
(BND million)**



Source: Department of Economic Planning and Development, Brunei Darussalam

Likewise, FDI inflows from Japan also experienced a drastic decline in 2003 by 96 per cent from 2002 which peaked at BND528.5 million (Figure 7). In 2002, Japan invested mostly in the services sector; in particular in Transport, Storage and Communication where a carrier vessel had been purchased.

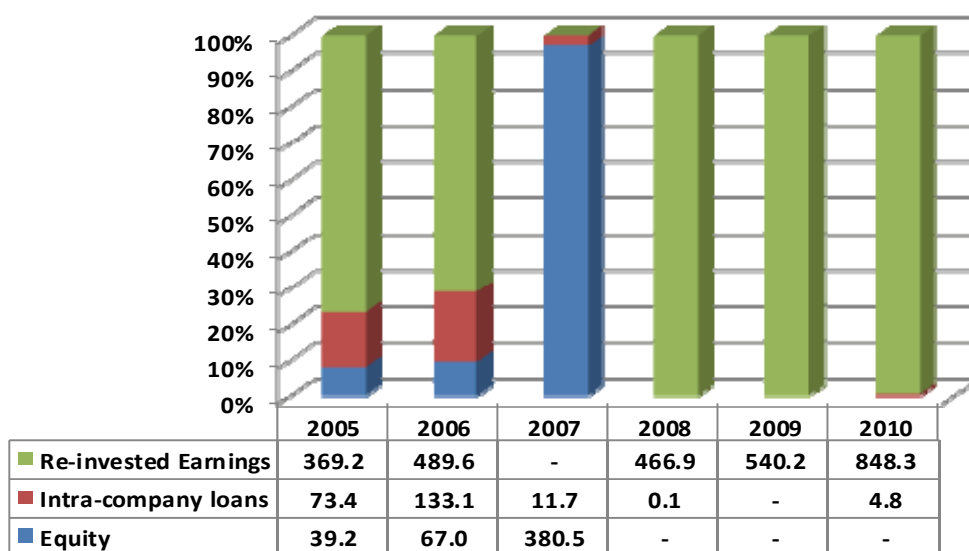
In terms of employment in 2010, a petroleum company from United Kingdom was the largest foreign affiliate which employs more than 3,000 people.

Re-invested earnings was the major component of FDI

Over the years, re-invested earnings formed the largest component of FDI, with the exception of 2007 where equity capital formed the largest. In 2010, the value of re-invested earnings expanded almost 100 per cent from 2005. This marked the trends of retaining bigger portion of profits in Brunei Darussalam by foreign investors.

From the period 2005 to 2010, there was no equity capital from the year 2008 to 2010 which marked less Greenfield investments or less direct investment in new facilities (in an area where no previous facilities exist).

Figure 8: FDI inflows by type of investment, 2005-2010 (Percentage)



Source: Department of Economic Planning and Development, Brunei Darussalam

Conclusion

The primary sector; in particular mining and quarrying, contributed to the largest proportion of FDI flows to Brunei Darussalam. Most of the FDI inflows came from United Kingdom, Netherlands and Japan. Re-invested earnings were the major component of FDI.

Sources:

- *Department of Economic Planning and Development, Brunei Darussalam.*
- *World Investment Reports, United Nations Conference on Trade and Development (UNCTAD); www.unctad.org/wir or www.unctad.org/fdistatistics*
- *Balance of Payments and International Investment Position Manual: Sixth Edition (BPM6), International Monetary Fund.*
- *ASEAN Investment Report 2009, ASEAN Secretariat.*

Annex - Consumer Price Index

Annex 2.1

GOODS AND SERVICES (Division, Group, Class)	WEIGHTS	Index				Y-O-Y % change	
		H1 2009	H2 2009	H1 2010	H2 2010	H1 2010/ H1 2009	H2 2010/ H2 2009
OVERALL INDEX	10,000	104.3	104.5	104.6	104.9	0.3	0.4
FOOD AND NON-ALCOHOLIC BEVERAGES	1,905	108.6	109.2	109.2	110.8	0.6	1.5
Food	1,713	108.9	109.3	109.4	111.0	0.5	1.5
Rice And Cereals	385	109.0	111.0	110.9	111.4	1.7	0.3
Meat	309	99.6	99.5	99.1	97.6	-0.5	-1.9
Fish And Seafood	306	106.3	107.7	105.6	107.2	-0.7	-0.5
Milk, Dairy Products And Eggs	184	121.2	124.0	124.7	128.7	2.8	3.8
Oils And Fats	53	139.0	130.0	127.6	121.8	-8.2	-6.4
Fruit	139	103.5	102.0	104.8	109.8	1.3	7.7
Vegetables	170	103.1	99.9	103.0	109.8	-0.1	9.9
Sugar, Jam, Honey, Chocolate And Confectionery	82	122.8	124.2	124.4	124.2	1.3	0.0
Food Products, Not Elsewhere Classified	85	112.6	115.1	115.5	118.1	2.6	2.6
Non-Alcoholic Beverages	192	106.4	107.7	107.6	108.8	1.1	1.1
Coffee, Tea And Cocoa	61	108.3	108.6	109.3	113.0	1.0	4.0
Mineral Waters, Soft Drinks, Fruit And Vegetables Juices	131	105.5	107.2	106.8	106.9	1.2	-0.3
TOBACCO	44	103.6	103.7	103.7	151.3	0.1	46.0
Tobacco	44	103.6	103.7	103.7	151.3	0.1	46.0
Cigarette, Cigars And Others	44	103.6	103.7	103.7	151.3	0.1	46.0
CLOTHING AND FOOTWEAR	426	104.3	103.0	103.1	102.3	-1.2	-0.7
Clothing	353	100.4	99.4	99.6	100.2	-0.7	0.7
Clothing Material	56	103.0	106.1	107.6	101.3	4.5	-4.6
Garments	212	99.9	97.7	97.5	99.5	-2.4	1.9
Other Articles Of Clothing And Clothing Accessories	11	104.7	105.4	106.7	106.9	1.9	1.4
Tailoring Charges And Cleaning	74	99.3	98.6	98.7	100.2	-0.6	1.7
Footwear	73	123.2	120.5	119.7	112.8	-2.8	-6.4
Shoes And Other Footwear	73	123.2	120.5	119.7	112.8	-2.8	-6.4
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	1,071	99.7	99.8	99.8	100.0	0.1	0.1
Rentals For Housing	298	97.5	97.5	97.5	97.5	0.0	0.0
Rentals Paid For Housing	298	97.5	97.5	97.5	97.5	0.0	0.0
Maintenance And Repair Of The Dwelling	205	102.8	103.4	103.5	104.0	0.7	0.6
Materials For The Maintenance And Repair Of The Dwelling	148	103.9	104.8	104.9	105.7	1.0	0.9
Services For The Maintenance And Repair Of The Dwelling	57	99.8	100.0	99.8	99.8	0.0	-0.2
Water Supply And Miscellaneous Services Relating To The Dwelling	140	99.1	98.9	99.1	99.1	0.0	0.2
Water Supply	109	100.0	100.0	100.0	100.0	0.0	0.0
Miscellaneous Services Relating To The Dwelling	31	96.0	95.2	96.0	96.0	0.0	0.8
Electricity, Gas And Other Fuels	428	100.0	100.0	100.0	100.0	0.0	0.0
Electricity	395	100.0	100.0	100.0	100.0	0.0	0.0
Gas	33	100.0	100.0	100.0	100.0	0.0	0.0
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	1,026	106.5	106.3	106.2	106.1	-0.2	-0.2
Furniture And Furnishings, Carpets And Other Floor Coverings	121	102.9	103.0	102.5	103.0	-0.4	0.0
Furniture And Furnishings	114	101.8	101.6	101.5	101.9	-0.3	0.3
Carpets And Other Floor Coverings	7	120.8	125.2	118.5	120.6	-2.0	-3.7
Household Textiles	33	96.1	94.7	95.3	94.7	-0.9	-0.1
Household Textiles	33	96.1	94.7	95.3	94.7	-0.9	-0.1
Household Appliances	124	95.4	95.4	95.3	94.9	-0.1	-0.6
Major Household Appliances Whether Electric Or Not	102	94.1	93.9	93.9	93.5	-0.2	-0.5
Small Electric Household Appliances	22	101.4	102.2	102.0	101.5	0.6	-0.7
Glassware, Tableware And Household Utensils	45	108.7	108.1	109.7	111.4	1.0	3.1
Glassware, Tableware And Household Utensils	45	108.7	108.1	109.7	111.4	1.0	3.1
Tools And Equipment For House	41	110.4	112.5	112.6	112.8	2.0	0.2
Tools And Equipment For House	41	110.4	112.5	112.6	112.8	2.0	0.2
Goods And Services For Routine Household Maintenance	662	109.3	109.0	108.8	108.5	-0.4	-0.5
Non-Durable Household Goods	106	108.4	106.7	105.4	103.6	-2.8	-2.9
Domestic Services And Household Services	556	109.5	109.5	109.5	109.4	0.0	0.0
HEALTH	88	103.6	104.0	105.5	106.1	1.9	2.0
Medical products, Appliances And Equipment	53	104.6	105.1	107.5	107.7	2.8	2.5
Pharmaceutical Products	53	104.6	105.1	107.5	107.7	2.8	2.5
Out-Patient Services	35	102.0	102.4	102.4	103.6	0.4	1.2
Medical Services	21	102.8	102.8	102.8	102.8	0.0	0.0
Dental Services	3	103.9	108.1	108.1	108.1	4.0	0.0
Paramedical And Traditional Services	11	100.0	100.0	100.0	103.9	0.0	3.9

Source: Department of Economic Planning and Development, Prime Minister's Office

Annex 2.1 continued

GOODS AND SERVICES (Division, Group, Class)	WEIGHTS	Index				Y-O-Y % change	
		H1 2009	H2 2009	H1 2010	H2 2010	H1 2010/ H1 2009	H2 2010/ H2 2009
TRANSPORT	2,245	103.6	104.4	104.7	103.7	1.1	-0.7
Purchase Of Vehicles	937	104.5	104.5	104.5	104.5	0.0	0.0
Motor Car	915	104.6	104.6	104.6	104.6	0.0	0.0
Motorcycle	22	99.0	99.0	99.0	99.0	0.0	0.0
Operation Of Personal Transport Equipment	1,041	101.2	101.3	101.3	101.5	0.1	0.2
Spare Parts And Accessories Of Vehicles	151	108.2	108.6	108.5	110.1	0.3	1.4
Fuels	627	100.1	100.1	100.1	100.1	0.0	0.0
Maintenance And Repair Of Vehicles	217	99.8	99.9	99.9	99.7	0.0	-0.2
Other Services In Respect Of Vehicles	46	100.0	100.0	100.0	100.0	0.0	0.0
Transport Services	267	109.5	116.0	119.1	109.3	8.7	-5.8
Passenger Transport By Road	7	100.0	100.0	100.0	100.0	0.0	0.0
Passenger Transport By Air	236	110.7	118.0	121.5	110.4	9.8	-6.5
Passenger Transport By Sea And Inland Waterway	24	101.0	101.0	101.0	101.0	0.0	0.0
COMMUNICATION	641	95.6	95.2	95.0	96.5	-0.6	1.4
Postal Services	2	49.4	57.6	57.8	70.0	17.0	21.5
Postal Services	2	49.4	57.6	57.8	70.0	17.0	21.5
Telephone And Telefax Equipment	34	51.1	41.9	39.0	66.0	-23.7	57.5
Telephone And Telefax Equipment	34	51.1	41.9	39.0	66.0	-23.7	57.5
Telephone And Telefax Services	605	98.3	98.3	98.3	98.3	0.0	0.0
Telephone And Telefax Services	605	98.3	98.3	98.3	98.3	0.0	0.0
RECREATION AND CULTURE	736	104.6	104.4	104.5	102.3	-0.1	-2.0
Audio-Visual, Photographic And Information Processing Equipment	165	95.5	95.2	95.1	93.4	-0.4	-1.9
Equipment For The Reception, Recording And Reproduction Of Sound And Pictures	61	94.0	93.7	91.9	91.0	-2.2	-2.9
Photographic And Cinematographic Equipment And Optical Instruments	13	100.8	100.8	100.8	100.8	0.0	0.0
Information Processing Equipment	54	92.9	91.8	91.4	92.3	-1.7	0.5
Recording Media	37	99.8	100.5	103.7	96.3	3.9	-4.2
Other Recreational Items And Equipments, Gardens And Pets	110	104.2	103.3	102.7	100.5	-1.4	-2.7
Games, Toys And Hobbies	38	102.8	99.2	98.2	90.5	-4.5	-8.8
Equipment For Sport, Camping And Open-Air Recreation	16	106.6	108.2	107.1	105.5	0.5	-2.5
Gardens, Plants And Flowers	23	98.5	98.6	98.6	100.5	0.1	2.0
Pets And Related Products	33	108.6	108.9	108.6	109.5	0.0	0.5
Recreational And Cultural Services	232	109.6	109.6	109.5	106.3	-0.1	-3.0
Recreational And Sporting Services	51	100.0	100.0	100.0	100.0	0.0	0.0
Cultural Services	181	112.4	112.3	112.2	108.1	-0.1	-3.8
Newspapers, Books And Stationery	127	101.0	102.5	102.9	102.5	1.9	0.0
Book	31	104.3	104.2	104.2	109.8	-0.1	5.4
Newspaper, Magazines And Periodicals	45	100.0	100.0	100.1	99.3	0.0	-0.8
Stationery And Drawing Materials	51	99.8	103.7	104.7	101.0	4.8	-2.6
Package Holiday	102	112.7	110.8	112.0	109.4	-0.6	-1.2
Package Holidays / Pilgrimages	102	112.7	110.8	112.0	109.4	-0.6	-1.2
EDUCATION	571	101.5	101.6	101.6	102.1	0.1	0.6
Pre-Primary And Primary Education	292	102.6	102.6	102.7	103.5	0.1	0.9
Pre-Primary And Primary Education	292	102.6	102.6	102.7	103.5	0.1	0.9
Secondary Education	236	100.5	100.5	100.5	100.8	0.0	0.3
Secondary Education	236	100.5	100.5	100.5	100.8	0.0	0.3
Post-Secondary Non-Tertiary Education	8	100.0	100.0	100.0	100.0	0.0	0.0
Post-Secondary Non-Tertiary Education	8	100.0	100.0	100.0	100.0	0.0	0.0
Tertiary Education	14	100.0	100.0	100.0	100.0	0.0	0.0
Tertiary Education	14	100.0	100.0	100.0	100.0	0.0	0.0
Education Not Definable By Level And Education Overseas	21	100.9	100.9	100.9	100.9	0.0	0.0
Education Not Definable By Level	21	100.9	100.9	100.9	100.9	0.0	0.0
RESTAURANTS AND HOTELS	718	104.8	105.1	105.8	105.6	0.9	0.4
Catering Services	711	104.8	105.2	105.9	105.7	1.0	0.5
Restaurants, Cafes and the Like	711	104.8	105.2	105.9	105.7	1.0	0.5
Accommodation Services	7	100.0	100.0	95.4	93.8	-4.6	-6.2
Accommodation Services	7	100.0	100.0	95.4	93.8	-4.6	-6.2
MISCELLANEOUS GOODS AND SERVICES	529	109.0	109.0	109.0	110.3	0.1	1.2
Personal Care	222	107.7	106.2	105.4	106.4	-2.1	0.2
Hairdressing Salons And Personal Grooming Establishments	31	98.2	96.9	97.8	97.7	-0.4	0.8
Other Appliances Articles And Products For Personal Care	191	109.2	107.7	106.6	107.8	-2.4	0.1
Personal Effects N.E.C	71	134.5	139.3	142.2	148.8	5.7	6.8
Jewellery, Clocks And Watches	32	172.7	184.4	193.2	213.4	11.9	15.7
Other Personal Effects	39	103.3	102.4	100.4	95.9	-2.8	-6.3
Insurance	184	101.9	102.0	102.0	102.0	0.0	0.0
Insurance	184	101.9	102.0	102.0	102.0	0.0	0.0
Financial Services	18	102.0	102.0	102.0	102.0	0.0	0.0
Financial Services	18	102.0	102.0	102.0	102.0	0.0	0.0
Other Services, N.E.C	34	105.7	105.8	105.5	105.1	-0.2	-0.7
Other Services, N.E.C	34	105.7	105.8	105.5	105.1	-0.2	-0.7

Source: Department of Economic Planning and Development, Prime Minister's Office

Annex - Public Finance

Annex 4.1: Revenue

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010/ H2 2009	2010/ 2009
	BND Million			BND Million				
Total revenue	3,831.4	2,818.8	6,650.2	4,103.6	4,080.8	8,184.4	44.8	23.1
Tax revenue	1,998.9	1,831.3	3,830.2	2,513.5	2,759.3	5,272.8	50.7	37.7
Taxes on net income and profits	1,921.7	1,747.0	3,668.7	2,428.9	2,667.8	5,096.7	52.7	38.9
Taxes on international trade	67.8	74.0	141.8	75.1	80.8	155.9	9.3	10.0
Taxes on goods and services	9.5	10.3	19.8	9.4	10.7	20.1	3.7	1.3
Non-tax revenue	1,832.5	987.5	2,820.0	1,590.1	1,321.5	2,911.6	33.8	3.2
Property income	1,689.0	841.1	2,530.1	1,379.7	1,173.9	2,553.6	39.6	0.9
Administrative fees and charges on sales of goods and fines	141.1	144.5	285.6	152.4	145.8	298.2	0.8	4.4
Other non-tax revenue	2.4	1.8	4.2	2.1	1.8	4.0	2.2	-6.0
Memo items	-	-	-	-	-	-	-	-

Source: Ministry of Finance

Annex 4.2: Expenditure

	2009			2010			y-o-y % change	
	H1	H2	Jan-Dec	H1	H2	Jan-Dec	H2 2010/ H2 2009	2010/ 2009
	BND Million			BND Million				
Total expenditure	2,890.6	3,147.2	6,037.8	3,735.3	3,026.2	6,761.5	(3.8)	12.0
Current	2,318.7	2,378.9	4,697.6	2,479.6	2,404.3	4,883.9	1.1	4.0
Wages & Salaries	798.7	934.7	1,733.4	833.9	961.9	1,795.7	2.9	3.6
OCAR	929.6	830.7	1,760.3	982.1	742.1	1,724.2	(10.7)	(2.1)
Charged	590.4	613.5	1,204.0	663.6	700.4	1,364.0	14.2	13.3
Capital	571.9	768.3	1,340.2	1,255.8	621.8	1,877.6	(19.1)	40.1
OCSE	315.5	355.5	670.9	731.2	200.7	931.8	(43.5)	38.9
Development Expenditure	256.5	412.8	669.2	524.7	421.1	945.8	2.0	41.3

Source: Ministry of Finance

Annex - Oil and Gas

Annex 5.1: Weighted Average Crude Oil Price of Brunei Darussalam

Unit - USD/Barrel

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	25.20	26.20	19.70	30.00	32.70	42.00	67.60	58.4	98.43	42.75	75.13
Feb	27.40	27.30	20.20	31.00	36.20	48.80	68.58	67.04	96.98	50.96	73.20
Mar	28.50	26.80	23.00	33.40	38.50	58.90	67.44	70.49	104.84	49.63	77.46
Apr	25.80	27.80	24.80	27.70	37.20	59.20	73.83	72.81	121.8	46.20	85.89
May	29.40	29.00	25.70	27.20	39.40	51.90	76.99	78.03	129.64	53.60	70.62
Jun	31.20	28.10	24.60	27.10	37.80	54.20	71.80	76.44	134.88	73.36	75.50
Jul	31.40	26.00	26.30	30.00	41.10	58.20	73.23	76.89	142.65	73.43	77.07
Aug	31.70	24.90	27.90	30.40	47.60	67.20	76.04	72.01	122.82	73.55	75.57
Sep	35.40	25.00	28.60	29.40	49.60	70.60	72.13	81.98	106.91	67.11	80.48
Oct	33.10	20.20	26.60	32.40	54.40	64.90	65.09	87.72	72.90	77.37	89.37
Nov	32.90	18.80	26.50	32.30	47.90	57.90	61.61	99.61	56.72	86.53	84.40
Dec	27.80	18.60	31.00	31.40	39.10	58.60	60.05	102.71	41.68	80.33	89.26
Average crude oil price for the year	29.70	24.70	25.30	30.20	41.83	52.50	69.59	79.09	100.99	64.54	79.27
Average crude oil price Q1	27.00	26.70	20.90	33.40	35.60	50.30	67.83	64.97	100.20	48.04	75.29
Average crude oil price Q2	28.50	28.20	25.00	27.30	38.20	55.20	74.22	76.65	128.94	57.38	75.59
Average crude oil price Q3	32.80	25.30	27.60	29.30	46.30	65.30	73.69	77.42	126.21	71.23	78.00
Average crude oil price Q4	31.10	19.20	28.00	32.00	46.70	60.40	62.44	96.52	56.96	80.65	87.60
Average crude oil price H1	27.70	27.50	23.00	30.30	36.89	52.50	71.05	70.83	113.98	52.23	75.43
Average crude oil price H2	29.20	23.20	27.50	30.65	46.50	62.85	68.07	86.97	91.59	76.5	82.80

Source: Petroleum Unit, Prime Minister's Office

Annex 5.2: Average Crude Oil Production of Brunei Darussalam

Unit - Barrels/Day

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	205,681	207,290	215,020	207,785	213,223	191,227	211,010	201,591	184,701	175,559	179,189
Feb	217,272	191,472	204,550	199,502	211,055	216,101	217,308	206,245	196,175	171,960	175,012
Mar	216,297	197,709	201,230	206,610	197,933	212,061	234,840	199,857	186,190	167,488	169,716
Apr	211,948	179,623	186,880	210,221	212,929	203,979	220,100	199,251	161,247	148,843	139,920
May	203,764	169,771	193,561	205,183	201,172	178,109	221,700	195,001	165,414	142,697	161,003
Jun	146,835	186,537	203,188	214,122	191,130	199,938	208,223	177,446	152,587	150,132	162,221
Jul	164,901	194,308	204,160	205,119	195,142	184,204	210,929	184,539	161,132	170,852	166,650
Aug	179,867	193,504	216,474	203,128	214,846	193,057	222,242	187,969	178,729	157,653	163,898
Sep	176,673	193,351	192,335	210,727	207,879	209,399	230,087	199,490	164,665	154,670	187,586
Oct	178,751	188,568	199,427	197,564	196,390	206,050	230,186	198,321	181,171	175,444	170,255
Nov	205,389	213,164	211,479	214,029	209,686	209,603	220,109	185,578	178,642	189,768	173,632
Dec	210,380	224,901	207,524	212,788	217,918	209,100	204,222	191,457	178,290	195,816	189,580
Crude oil prod for the year	193,101	195,065	203,021	207,240	205,750	200,812	219,215	193,832	174,065	166,728	169,891
Average crude oil prod Q1	212,991	199,069	207,013	204,803	207,323	206,142	221,177	202,441	188,865	171,521	174,626
Average crude oil prod Q2	187,694	178,546	194,532	209,790	201,738	193,504	216,729	190,615	159,811	147,174	154,454
Average crude oil prod Q3	173,783	193,725	204,450	206,277	205,935	195,403	220,988	190,570	168,213	161,127	172,550
Average crude oil prod Q4	198,095	208,828	206,085	208,063	207,978	208,236	216,151	191,853	179,375	186,979	177,868
Average crude oil prod H1	200,343	188,751	200,738	207,311	204,531	199,788	218,941	196,495	174,338	159,281	164,484
Average crude oil prod H2	185,939	201,277	205,268	207,170	206,956	201,820	219,570	191,212	173,794	174,053	175,209

Source: Petroleum Unit, Prime Minister's Office

Annex 5.3: Average LNG Price of Brunei Darussalam

Unit - USD/MMBtu

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	4.18	4.70	3.82	4.52	4.64	5.21	5.64	5.75	9.28	14.54	11.13
Feb	4.37	4.52	3.70	4.55	4.68	5.19	5.67	5.69	9.96	14.77	9.38
Mar	4.43	4.34	3.74	4.68	4.70	5.21	5.74	5.68	10.89	13.06	9.72
Apr	4.53	4.41	3.94	4.74	4.68	5.49	5.98	5.62	11.95	12.73	11.83
May	4.43	4.37	3.87	4.67	4.74	5.72	5.98	6.00	11.78	15.14	12.39
Jun	4.41	4.41	4.30	4.56	4.70	5.88	5.99	5.99	11.60	9.67	11.56
Jul	4.50	4.45	4.23	4.42	4.93	6.00	5.99	6.00	12.64	8.18	11.97
Aug	4.55	4.44	4.41	4.44	5.00	6.10	6.00	6.00	13.42	7.35	12.66
Sep	4.59	4.48	4.38	4.45	5.10	6.26	6.01	6.00	16.08	7.23	12.81
Oct	4.72	4.43	4.49	4.50	5.18	5.70	6.00	6.01	15.72	7.56	12.63
Nov	4.87	4.31	4.53	4.47	5.00	5.72	5.99	8.27	16.51	7.89	12.13
Dec	4.85	4.13	4.51	4.49	5.09	5.67	5.98	8.16	14.36	8.31	11.94
Average price of LNG for the year	4.53	4.41	4.17	4.54	4.87	5.67	5.91	6.30	12.93	10.46	11.64
Average price of LNG Q1	4.33	4.52	3.76	4.58	4.68	5.20	5.68	5.71	10.08	11.07	10.16
Average price of LNG Q2	4.46	4.40	4.03	4.66	4.71	5.70	5.98	5.86	11.79	12.54	11.92
Average price of LNG Q3	4.54	4.46	4.34	4.44	5.01	6.12	6.00	6.00	14.19	7.56	12.45
Average price of LNG Q4	4.82	4.28	4.51	4.48	5.09	5.70	5.99	7.52	15.49	7.94	12.22
Average price of LNG H1	4.39	4.46	3.87	4.62	4.69	5.46	5.83	5.78	10.84	13.44	10.96
Average price of LNG H2	4.68	4.37	4.42	4.46	5.05	5.91	6.00	6.76	14.84	7.77	12.33

Source: Petroleum Unit, Prime Minister's Office

Annex 5.4: Average LNG Production of Brunei Darussalam

Unit - MMBtu/Day

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jan	1,06,160	103,543	104,688	118,431	117,753	106,329	106,382	100,209	122,301	119,908	104,872
Feb	108,047	98,006	109,799	112,133	107,981	104,040	111,183	104,561	107,402	104,098	100,270
Mar	107,867	114,934	99,443	115,771	106,287	119,859	115,843	106,353	109,231	106,143	109,173
Apr	84,898	84,858	75,836	107,552	126,284	83,344	109,965	97,637	103,443	84,791	92,435
May	78,539	68,869	68,569	102,617	78,519	66,211	89,879	84,962	83,427	68,129	84,424
Jun	72,241	96,671	95,497	108,055	94,134	102,893	98,639	103,789	80,142	70,611	79,433
Jul	105,055	83,649	106,176	105,631	106,142	84,523	105,634	94,364	96,038	84,732	105,229
Aug	89,912	93,035	106,126	94,691	106,398	100,652	115,553	103,754	106,793	97,159	97,392
Sep	86,617	102,296	98,426	97,992	93,439	109,083	102,325	114,712	108,591	91,881	94,189
Oct	84,102	104,142	106,589	99,311	84,614	107,719	120,267	106,600	109,878	105,093	103,697
Nov	102,073	97,540	103,404	103,770	109,902	103,059	109,950	109,339	114,420	108,623	88,510
Dec	103,103	116,837	105,582	106,209	108,719	117,476	100,563	94,940	107,503	110,513	93,075
LNG prod for the year	943,992	968,124	978,804	1,049,143	1,016,002	992,543	1,058,940	1,021,528	1,034,030	951,616	960,483
Average LNG prod Q1	108,769	104,822	104,490	112,778	108,520	107,353	112,512	103,070	109,669	107,671	104,599
Average LNG prod Q2	78,137	83,448	78,567	104,284	95,639	84,130	96,971	95,952	89,684	73,625	85,013
Average LNG prod Q3	93,309	93,167	103,060	99,427	109,037	98,184	108,189	104,870	103,951	91,839	98,639
Average LNG prod Q4	96,777	105,049	105,363	103,113	100,924	107,704	107,666	105,814	113,939	108,701	94,481
Average LNG prod H1	93,488	94,943	92,244	108,281	107,944	95,589	103,842	94,270	99,676	90,698	95,271
Average LNG prod H2	95,393	99,862	104,212	101,720	104,081	102,944	107,728	104,842	107,945	97,769	98,560

Source: Petroleum Unit, Prime Minister's Office

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