



BRUNEI DARUSSALAM KEY ECONOMIC DEVELOPMENTS

FOURTH QUARTER & ANNUAL | 2023



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MAIN INDICATORS OF

THE BRUNEI DARUSSALAM ECONOMY Q4 2023

GDP


 Overall Economy
(y-o-y growth) **6.8%**


 Oil & Gas
(y-o-y growth) **11.1%**

 Non-Oil & Gas
(y-o-y growth) **3.1%**

PRICES


 Overall Prices
(y-o-y growth) **0.3%**


 Food
(y-o-y growth) **2.1%**

 Non-Food
(y-o-y growth) **-0.1%**

MERCHANDISE TRADE


 Total Trade
BND Million **7,430.1**

 Exports
BND Million **4,457.4**

 Imports
BND Million **2,972.7**

FISCAL

 Fiscal Balance
BND Million **-495.4**

 Revenue
BND Million **1,047.5**


 Expenditure
BND Million **1,542.9**


MAIN INDICATORS OF

THE BRUNEI DARUSSALAM ECONOMY ANNUAL 2023

GDP


 Overall Economy
(y-o-y growth) **1.4%**


 Oil & Gas
(y-o-y growth) **-2.0%**

 Non-Oil & Gas
(y-o-y growth) **4.5%**

PRICES


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


 Food
(y-o-y growth) **2.7%**

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

MERCHANDISE TRADE


 Total Trade
BND Million **25,149.3**


 Exports
BND Million **15,097.1**

 Imports
BND Million **10,052.2**

FISCAL

 Fiscal Balance
BND Million **-2,228.0**

 Revenue
BND Million **3,756.3**

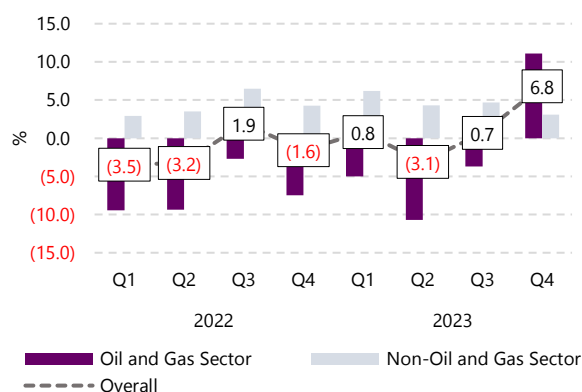
 Expenditure
BND Million **5,984.3**

Gross Domestic Product (GDP)

Overview

In the final quarter (Q4) of 2023, Brunei Darussalam's economy grew 6.8 per cent year-on-year (y-o-y) (**Exhibit 1**). The improvement was underpinned by a significant increase in the Oil and Gas Sector by 11.1 per cent and a sustained growth in the Non-Oil and Gas Sector by 3.1 per cent.

Exhibit 1 : GDP Growth (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

Oil and Gas Performance

The Oil and Gas Sector expanded on the back of higher production of crude oil, natural gas and liquefied natural gas (LNG). Specifically, the higher production of crude oil and natural gas was mainly due to no major turnaround activities compared to last year and production from a new oil and gas field which started in October 2023.

Table 1 : Production of Crude Oil, Natural Gas and LNG (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Crude Oil (Thousand barrels /day)	85.7	101.1
Natural Gas (Million m ³ /day)	27.4	31.8
LNG (MMBtu/day)	650,819	740,258

Source: Energy Department, Prime Minister's Office

Non-Oil and Gas Performance

The expansion of the Non-Oil and Gas Sector was supported by positive growth recorded in several subsectors (**Table 2**).

Table 2 : Growth (% y-o-y) of Selected Non-Oil & Gas Sectors (Q4 2023)

	Growth (%)
Finance	13.9
Manufacture of Petroleum and Chemical Products	11.7
Hotels	4.8
Wholesale and Retail Trade	4.0
Business Services	2.7
Communication	2.1
Transport & Logistics	0.5
Agriculture, Forestry and Fishery	(22.4)

Source: Department of Economic Planning and Statistics

The Finance Subsector marked a double-digit growth, mainly attributed to an increase in income from banking and insurance activities. As such, the improvement in banking was primarily driven by higher interest income from placement and investments abroad amid a high global interest rate environment. Meanwhile, the increase in insurance was mainly contributed by higher demand for new insurance products particularly life insurance.

The Manufacture of Petroleum and Chemical Products Subsector gained on the back of higher production of petrochemical products particularly diesel and naphtha, as well as methanol and urea fertilizer (**Table 3**). In particular, the higher production of methanol was in line with the increase in natural gas.

Table 3 : Production of Petrochemical Products, Methanol and Urea (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Petrochemical Products (Tonnes)	2,097,154.5	2,158,975.5
Methanol (Metric Tonnes)	86,887	202,711
Urea* (Metric Tonnes)	234,274	315,766

Source: Hengyi Shd Bhd, *Figures obtained from Brunei Fertilizer Industries.

As for the Hotels Subsector, its upturn was supported by an increase in international tourist arrivals by air (**Table 4**) on top of intensified tourism activities held towards the end of the year.

Table 4 : International Tourist Arrival by Air (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Persons	17,275	51,521

Source: Tourism Department, Ministry of Primary Resources and Tourism

This is accompanied by an improved performance in the Wholesale and Retail Trade Subsector, which is reflected in the increased retail sales volume index, particularly for Hardware, Paints and Glass in Specialised Stores, Petrol Station and Electrical Household Appliances and Lighting Equipment in Specialized Stores (Table 5). Furthermore, there was also an uptick in the wholesale activity, particularly sale of motor vehicles. As such, this development is reflected by an increase in the number of newly registered vehicles (Table 6). Additionally, this increase is also consistent with the increase in petrol stations retail sales (Table 5), fuel consumption and the rise in personal vehicles loans (Table 6).

Table 5 : Quarterly Retail Sales Volume Index, Weight and Growth Rate by Activity (2019 = 100), Q4 2023

	Weights	% Growth (Q4 2022/Q4 2023)
Department Store	2,576	(4.0)
Supermarket	1,711	(3.6)
Mini Mart	271	(2.1)
Food and Beverages in Specialised Stores	200	4.2
Petrol Station	1,192	7.1
Computer & Telecommunications Equipment	593	2.2
Textiles, Wearing Apparel & Footwear	373	(2.1)
Hardware, Paints and Glass in Specialised Stores	607	29.8
Furniture & Household Equipment	326	3.0
Electrical Household Appliances and Lighting Equipment in Specialised Stores	586	6.3
Books, Newspapers and Stationery in Specialised Stores	137	(7.9)
Recreational Goods	186	4.2
Pharmaceutical and Medical Goods, Cosmetic and Toilet	227	(11.2)

Articles in Specialized Stores

Watches & Jewellery	355	(11.1)
Others	659	(3.5)
Total	10,000	0.3

Source: Department of Economic Planning and Statistics

Table 6 : Number of Newly Registered Vehicles and Personal Loans for Vehicles (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023	Growth (%)
Newly Registered Vehicles (Unit)*	3,909	3,933	0.6
Fuel Consumption (Cubic Meter)***	166.0	171.8	3.5
Personal Loans for Vehicles (BND Million) **	4.9	8.4	71.4

Source: *Land Transport Department, Ministry of Transport and Info-Communication; and **Brunei Darussalam Central Bank

As for the Communication Subsector, its progress was in parallel with a rise in the number of mobile and internet subscribers (Table 7). Both prepaid and postpaid mobile subscribers registered an increase, while both mobile and fixed broadband subscribers also increased.

Table 7 : Number of Internet and Mobile Subscribers (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023	Growth (%)
Internet (Subscriptions)	623,710	638,070	2.3
Mobile (Subscriptions)	528,723	540,706	2.3

Source: Authority for Info-communications and Technology Industry, Ministry of Transport and Info-Communication

Elsewhere, the progress of the Transportation Subsector was fueled by the air transport activity. The improvement was associated with an increase in the number of air passengers (Table 8) and flight frequency (Table 9).

Table 8 : Air Arrivals and Departures (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023	Growth (%)
Arrivals (Persons)	99,360	120,675	21.5
Departures (Persons)	95,440	123,308	29.2

Source: Department of Immigration, Ministry of Home Affairs

Table 9 : Scheduled Aircraft Movements (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Scheduled Aircraft Movements (Unit)	2,027	2,586

Source: Department of Immigration, Ministry of Home Affairs

On the other hand, the Agriculture, Forestry and Fishery Subsector recorded negative growth, primarily due to decreased production in the Livestock and Poultry as well as Fishery subsectors. The Livestock and Poultry Subsector observed a downturn due to a decline in the production of buffaloes, cattle, broilers and chicken eggs (Table 10). The decline among others was in view of lower importation of live animals into the country. Meanwhile, the Fishery Subsector was marred by lower production in both capture and aquaculture industries (Table 11).

Table 10 : Production of Buffaloes, Cattle, Broilers and Chicken Eggs (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Buffaloes & Cattle (MT)	289.9	236.0
Broilers (MT)	8,138.5	6,604.2
Chicken Eggs (Million Unit)	44.1	43.3

Source: Ministry of Primary Resources and Tourism

Table 11 : Production of Capture and Aquaculture Industries (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Capture (MT)	3,760.1	3,684.0
Aquaculture (MT)	1,510.2	353.5

Source: Ministry of Primary Resources and Tourism

GDP by Expenditure

By expenditure approach, the increase in GDP growth in Q4 2023 was driven by a rise in the Net Exports of Goods and Services by 21.9 per cent, following a decline in the Imports of Goods and Services. This was accompanied by an increase in the Household Final Consumption Expenditure and Government Final Consumption Expenditure by 4.8 per cent and 2.6 per cent respectively. However, the Gross Capital Formation recorded a decrease of 10.4 per cent mainly due to a decline in private investment (Table 12).

Table 12 : GDP by Expenditure (Q4 2022 & Q4 2023)

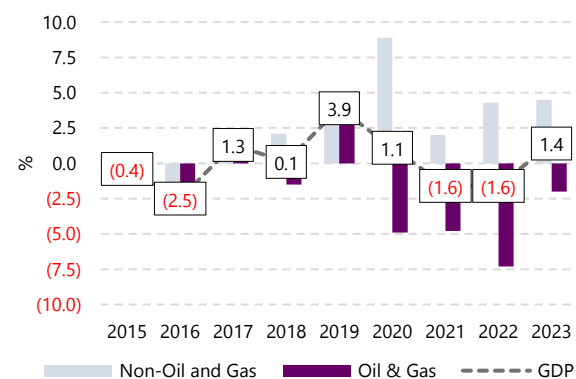
	Q4 2022 (BND Million)	Q4 2023 (BND Million)	% Growth (Q4 2022/Q4 2023)
Government Final Consumption Expenditure	1,202.6	1,233.4	2.6
Household Final Consumption Expenditure	1,406.0	1,473.6	4.8
Gross Capital Formation (Investment)	1,398.4	1,252.9	(10.4)
Net Exports of Goods and Services	938.2	1,143.7	21.9
Exports of Goods and Services	4,386.7	4,307.5	(1.8)
Imports of Goods and Services	3,448.5	3,163.8	(8.3)
GDP	4,901.7	5,236.2	6.8

Source: Department of Economic Planning and Statistics

Overall GDP Performance in 2023

For the overall year of 2023, the economy grew by 1.4 per cent. This was mainly driven by a sustained increase in the Non-Oil and Gas Sector by 4.5 per cent, counteracting the contraction in the Oil and Gas Sector by 2.0 per cent (Exhibit 2).

Exhibit 2 : GDP Growth (2015 – 2023)



Source: Department of Economic Planning and Statistics

The Non-Oil and Gas Sector was buoyed by an improvement in subsectors such as Finance, Transport and Logistics, Construction and Communication.

The Finance Subsector grew markedly by 37.4 per cent, following significant growth in first 6 months. This was

backed by an increase in income from banking and insurance activities. As such, the improvement in banking was primarily driven by higher interest income from placement and investments abroad amid a high global interest rate environment.

In 2023, the Transport and Logistics sector experienced a growth of 10.8 per cent. This growth was mainly driven by air transport activity, which saw a significant increase of about 200 per cent in the first 6 months, correspondence with an increase in the number of air passengers and flight frequency.

The Construction Subsector registered a growth rate of 7.5 per cent in 2023, buoyed by a consistently positive performance starting from Q2 2023. This growth was in tandem with an increase in development expenditure, nearing the end of the 11th National Development Plan (RKN).

Meanwhile, the Communication Subsector logged a 5.1 per cent growth in 2023, supported by an increase in the number of mobile and internet subscriptions. This growth was made possible due to a high growth in Q3 2023.

On the contrary, the Oil and Gas Sector experienced a contraction owing to a decline in the production of crude oil, natural gas and LNG (Table 13). This was mainly due to maintenance activities in the early 3 quarters of 2023.

Table 13 : Production of Crude Oil, Natural Gas and LNG (2022 & 2023)

	2022	2023
Crude Oil (Thousand barrels /day)	91.9	89.4
Natural Gas (Million m ³ /day)	28.12	28.10
LNG (MMBtu/day)	719,306	677,954

Source: Energy Department, Prime Minister's Office

By expenditure approach, the positive GDP growth in 2023 was primarily due to an increase in the Net Exports of Goods and Services by 26.4 per cent. This is followed by an increase in the Household Final Consumption Expenditure and Gross Capital Formation by 11.1 per cent and 0.2 per cent respectively. However, the Government Final Consumption Expenditure declined by 2.4 per cent (Table 14).

Table 14 : GDP by Expenditure (2022 & 2023)

	2022 (BND Million)	2023 (BND Million)	% Growth (2022/2023)
Government Final Consumption Expenditure	4,589.6	4,478.4	(2.4)
Household Final Consumption Expenditure	5,266.3	5,852.9	11.1
Gross Capital Formation (Investment)	5,794.0	5,806.4	0.2
Net Exports of Goods and Services	2,403.1	3,036.9	26.4
Exports of Goods and Services	14,800.0	14,469.2	(2.2)
Imports of Goods and Services	12,396.9	11,432.3	(7.8)
GDP	18,698.2	18,961.3	1.4

Source: Department of Economic Planning and Statistics

Regional GDP Developments

In Q4 2023, most countries in Southeast Asia showed resilience in growth (Table 15).

Table 15 : GDP Growth of Selected ASEAN Countries (Q4 and Annual 2023)

Countries	Q4 2023 (% y-o-y)	Annual 2023 (%)
Indonesia	5.0	5.1
Malaysia	3.0	3.7
Singapore	2.2	1.1
Philippines	5.6	5.6
Thailand	1.7	1.9
Vietnam	6.7	5.1

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

Indonesia's economy grew by 5.0 per cent in Q4 2023, with several subsectors reporting encouraging growth. Among others include Transportation and Storage by 10.3 per cent, mainly supported by the rising volume of passengers across all transport mode as well as more tourists and goods traded; and Manufacturing by 4.1 per cent, reflected in the increase in Prompt

Manufacturing Index (PMI) and higher production of cement. For the whole of 2023, the economy grew by 5.1 per cent¹.

In Q4 2023, Malaysia's economy grew by 3.0 per cent y-o-y. Among the contributors to the improvement include the services sector, which grew by 4.7 per cent, backed by wholesale & retail trade and business services subsectors; mining and quarrying sector, which was buoyed by the recovery in the natural gas subsector due to higher gas production; construction sector, largely influenced by the civil engineering and residential building subsectors; agriculture sector, driven by the oil palm, other agriculture and livestock, and rubber subsectors. For the whole of 2023, the economy grew by 3.7 per cent².

In Q4 2023, Singapore posted a 2.2 per cent y-o-y growth. Among others, the improvement stemmed mainly from the manufacturing sector, backed by output expansions in the electronics, transport engineering and chemical clusters; construction sector, which grew on the back of increasing public and private sector construction output; and wholesale trade sector, largely supported by the machinery, equipment & supplies segment, which expanded due to an increase in the wholesale sales of electronic components in volume terms. Other sectors reporting increase include transportation & storage, whereby the air transport activity has seen robust growth on the back of the continued recovery in air passengers; finance & insurance sector, whereby the banking segment saw a surge in net fees and commissions amidst higher wealth management income whilst the insurance and activities auxiliary to financial services (which include payment processing activities) segments also expanded; and the accommodation and other services sectors which continued to grow in parallel with the ongoing recovery in tourist arrivals. For the whole of 2023, the economy grew by 1.1 per cent³.

Brunei Darussalam Economic Outlook 2024

For the year 2024, Brunei Darussalam's economy is projected to grow in the range of 3.3 per cent to 4.0 per cent. The main contributor to the positive outlook is the Oil and Gas Sector, which is expected to post growth recovery between 2.5 per cent to 3.7 per cent

whilst the Non-Oil and Gas Sector is also anticipated to expand between 4.1 per cent and 4.4 per cent.

The recovery in the Oil and Gas Sector is expected to emerge from higher production of both crude oil and natural gas, buoyed by production from a new oil and gas field.

Meanwhile, the promising outlook of the Non-Oil & Gas Sector is in view of anticipated improvements in several subsectors as follows:-

- The Manufacture of Petroleum and Chemical Products Subsector is expected to grow, driven by higher production of petrochemical products, urea and methanol. In addition, the rosy outlook also takes into account the lower base in 2023, which was hampered by maintenance activities.
- The Agriculture, Forestry and Fishery industry is expected to gain strongly from higher production targets across the agriculture, fishery and livestock subsectors. In particular, growth in the Fishery Subsector is due to an expected increase in production from major producers in view of expansion of aquaculture sites as well as the country's efforts in increasing prawn seeds through importation of new broodstocks.
- The Manufacture of Food and Beverage Products Subsector is expected to grow among others, supported by increasing export demand for agrifood products from countries such as Singapore and Malaysia (Sabah). Additionally, the subsector is also expected to gain from higher production of fish and shrimp products from local producers.
- Turning to the Transport & Logistics Subsector, its growth is expected to increase on account of a projected increase in tourist volume compared to the prior year. Accordingly, an anticipated increase in travel activities is likely to provide tailwinds to both the Hotel and Wholesale and Retail Trade subsectors.

Nevertheless, the country's growth outlook for 2024 is susceptible to several domestic and external risks: -

¹ Indonesia's GDP Growth Rate in Q4-2023 was 5.04 percent (y-on-y) (February 5, 2023). *Badan Pusat Statistik Indonesia*.

² Malaysia's GDP Estimated At 3.4% In 4Q, Recorded Growth Of 3.8% In 2023: DOSM (January 19, 2024). *Business Today*.

³ Press Release – MTI Maintains 2024 GDP Growth Forecast at “1.0 to 3.0 Per Cent” (February 15, 2024). *Ministry of Trade and Industry Singapore*.

- On the domestic front, unanticipated disruptions (i.e. unscheduled maintenance and turnaround activities) may adversely affect oil and gas production. Elsewhere, delays in both scheduled completion and operation of planned projects are likely to derail growth prospects and slow down diversification momentum.
- On the external front, in view of Brunei Darussalam being an oil and gas exporting country, volatility and fluctuations in global oil and gas prices can substantially impact government revenues and have a dampening and trickling-down effect to other key growth components such as investment. In addition, geopolitical uncertainties may lead to slower global growth, in turn hampering demand for essential energy (i.e. oil and gas) and likely reducing government's revenue from the hydrocarbon sector.

Global Economic Outlook 2024

According to the International Monetary Fund (IMF), global growth, estimated at 3.1 per cent in 2023, is projected to remain at 3.1 per cent in 2024 (**Table 16**). The forecast however, is below the historical average of 3.8 per cent in the period 2000-2019, with elevated central bank policy rates to combat inflation, a removal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth⁴.

Table 16 : Growth Outlook of Selected Countries, Real GDP (%), 2023 & 2024

	<i>Estimate 2023</i>	<i>Outlook 2024</i>
Global Economy	3.1	3.1
Advanced Economies	1.6	1.5
United States	2.5	2.1
Euro Area	0.5	0.9
United Kingdom	0.5	0.6
Singapore*	1.1	1.0-3.0
Emerging and Developing Economies	4.1	4.1
China	5.2	4.6
India	6.7	6.5
Malaysia**	3.7	4.0-5.0
Indonesia***	5.1	5.2

Source: International Monetary Fund, *Ministry of Trade and Industry (Singapore); **Bank Negara Malaysia (Malaysia); and ***Badan Pusat Statistik (Indonesia).

The United States economy is projected to grow by 2.1 per cent in 2024. Although its growth is expected to ease in the first half of the year amidst continued tight financial conditions, it is however expected to pick up later in the year alongside a loosening of monetary policy, which will support a recovery in investment growth.

As for the Euro area, its growth is projected to register at 0.9 per cent in 2024, a modest increase from the 0.5 per cent posted in 2023. Its growth recovery expectation is on account of stronger household consumption as the effects of the shock to energy prices subside and inflation falls, supporting real income growth.

Among other advanced economies, growth in the United Kingdom is projected to rise slightly by 0.6 per cent in 2024, as the lagged negative effects of high energy prices wane and as disinflation allows an easing in financial conditions and allows real incomes to recover.

As for Singapore, its economy is expected to expand between 1.0 to 3.0 per cent in 2024. Among others, the manufacturing and trade-related sectors are expected to gradually pick up in growth in line with the turnaround in global electronics demand. In particular, the electronics and precision engineering clusters within the manufacturing sector are projected to recover, especially in light of the recovery in semiconductor sales globally and domestically having been stronger than expected. At the same time, the machinery, equipment & supplies segment of the wholesale trade sector will benefit from higher external demand for electronic components and telecommunications & computers. Meanwhile, the continued recovery in air travel and tourism demand will support growth in Singapore's tourism and aviation-related sectors, including aerospace, air transport and accommodation, as well as consumer-facing sectors such as retail trade and food & beverage services⁵.

In emerging market and developing economies, growth in 2024 is expected to remain similar to the previous year at 4.1 per cent. China's economy is projected to grow by 4.6 per cent in 2024 with consumer sentiments and global demand expected to pick up gradually throughout the year. Furthermore, increased government spending on capacity building

⁴ World Economic Outlook Update - The risks to global growth are broadly balanced and a soft landing is a possibility (January 2024). International Monetary Fund.

⁵ Economic Survey of Singapore 2023 (February 2024). Ministry of Trade and Industry Singapore.

against natural disasters is also expected to support growth.

On the other hand, India's growth is projected to remain strong at 6.5 per cent in 2024, backed by resilience in domestic demand.

Elsewhere, Malaysia's GDP is forecast to expand between 4.0 to 5.0 per cent in 2024 buoyed by sustained expansion in domestic demand alongside an upturn in external demand. This growth potential is anticipated to be fueled by resilient domestic expenditure, complemented by a projected recovery in exports. Moreover, the tourism sector is expected to witness further improvement, while the initiation and continuation of multi-year projects by both private and public sectors are poised to bolster investment activity⁶.

Moving to Indonesia, its economy is projected to grow by 5.2 per cent in 2024 driven by private consumption, with business investment and public spending also expected to increase due to reforms and new government projects⁷.

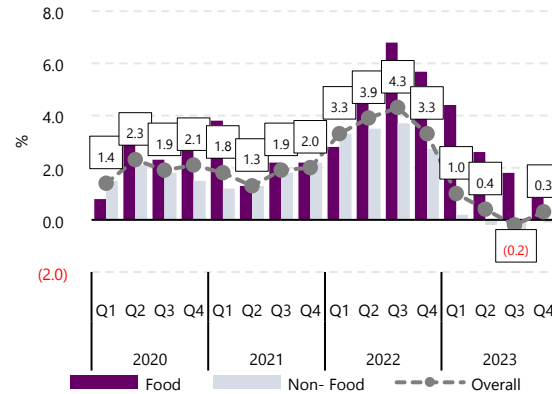
Nevertheless, the global economy remains susceptible to several key downside risks. Among others, geopolitical tension such as the ongoing conflict in the Middle East or war in Ukraine could disrupt global supply chains and commodity markets. Meanwhile, unanticipated and adverse weather events could prompt persistent underlying inflation and prolong tight financial conditions, thereby undermining the pace of economic recovery. Meanwhile, deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Consumer Price Index

Overview

Over the past few quarters, the Consumer Price Index (CPI) gradually stabilized and began to recover from the surge in inflation experienced during the pandemic COVID-19. In Q4 2023, the CPI registered a marginal increase of 0.3 per cent year-on-year due to an increase of 2.1 per cent in Food and Non-Alcoholic Beverages Index. Meanwhile, Non-Food Index registered a decrease of 0.1 per cent (**Exhibit 3**).

Exhibit 3 : Consumer Price Index (% Growth y-o-y), Q1 2020 – Q4 2023



Source: Department of Economic Planning and Statistics

Table 17 : Consumer Price Index (% Growth y-o-y), Q1-Q4 2023

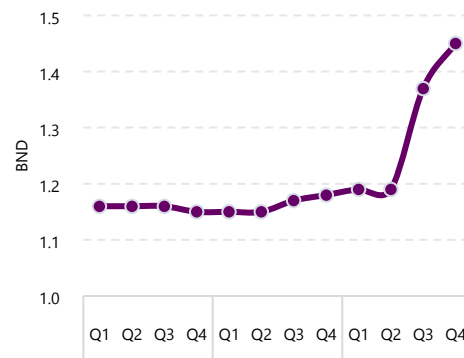
	2023			
	Q1	Q2	Q3	Q4
Overall CPI	1.0	0.4	(0.2)	0.3
Food	4.4	2.6	1.8	2.1
Non-Food	0.2	(0.2)	(0.8)	(0.1)

Source: Department of Economic Planning and Statistics

In Q4 2023, the increase in Food index was mainly driven by the rise in the following commodities:

- Non-Alcoholic Beverages prices increased by 11.3 per cent, mainly attributed by a continuous rise in soft drinks price following the amendments of excise duties for low-sugar drinks⁸.

Exhibit 4 : Average Prices of Soft Drinks (BND/ML), Q1 2021 – Q4 2023



Source: Department of Economic Planning and Statistics

⁶ Economic Outlook 2024, Belanjawan 2024 Malaysia Madani (October 13, 2023). Ministry of Finance Malaysia.

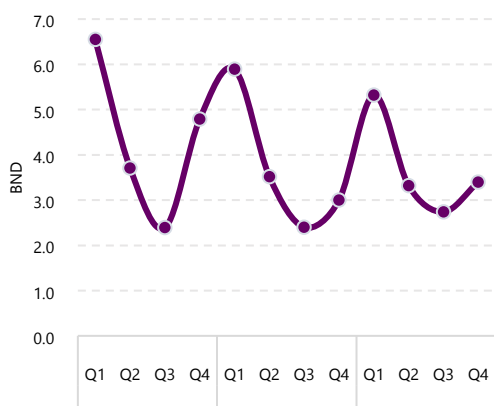
⁷ Indonesia's Economic Growth to Ease Slightly in 2024 as Commodity Prices Soften (December 13, 2023). The World Bank.

⁸ Amendments to the customs import and excise duties effective 17 May 2023, Royal Customs and Excise Department, Ministry of Finance and Economy

- Rice and Cereals prices increased by 2.3 per cent, primarily contributed by the rise in raw material prices for biscuits and cookies.
- Vegetables prices rose by 4.6 per cent, mainly contributed by an increase in fresh root type vegetable prices notably shallots, caused by the limited availability of supplies⁹ (Exhibit 5).

- Communication prices decreased by 3.1 per cent, primarily driven by a continuous fall in telephone and telefax services prices in line with the new upgraded internet plan since September 2023.
- Housing, Water, Electricity, Gas, and Other Fuels fell by 0.2 per cent, following the decrease in rentals for housing prices.

Exhibit 5 : Average Prices of Shallots (BND/KG), Q1 2021 – Q4 2023



Source: Department of Economic Planning and Statistics

This is also in line with the significant increase in the price of imported shallot from the country's top importing countries, such as India (Table 18) as a result of a constrained supply, due to the Indian Government's decision to extend the export ban until March 2024 to mitigate the issue of low domestic production¹⁰.

Table 18 : Imported Shallot Price (BND/KG), Q4 2022 & Q4 2023

	Retail Price (BND/KG)	
	Q4 2022	Q4 2023
Shallot (India)	2.80	3.32

Source: Department of Economic Planning and Statistics

Despite the increase, this was broadly moderated by a decrease in Non-Food Index, mainly associated with the fall in several commodities, notably:

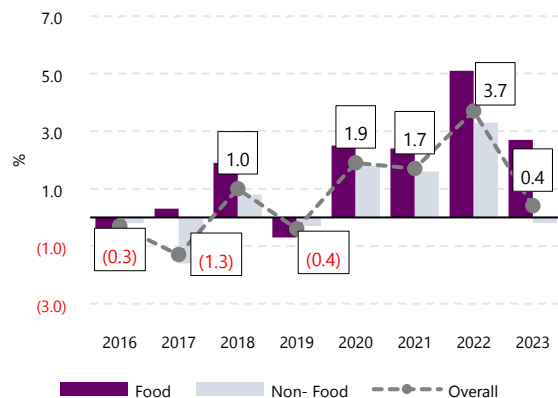
- Transport prices declined by 1.5 per cent, in line with a decrease in motor car prices for selected car models and brands.

Overall Inflation Performance in 2023

In 2023, the CPI registered a minimal increase of 0.4 per cent year-on-year, after a period of consistently high inflation rates over the past three (3) years with an average of 2.4 per cent (2020 - 2022).

The increase in the overall index was driven by the continuous increase in the Food and Non-Alcoholic Beverages Index by 2.7 per cent. Meanwhile, the Non-Food Index showed a marginal decrease of 0.2 per cent (Exhibit 6).

Exhibit 6 : Consumer Price Index (Annual % Growth), 2016 - 2023



Source: Department of Economic Planning and Statistics

Table 19 : Consumer Price Index (% Growth y-o-y), 2022 and 2023

	2022	2023
Overall CPI	3.7	0.4
Food	5.1	2.7
Non-Food	3.3	(0.2)

Source: Department of Economic Planning and Statistics

The surge in the Food Index was mainly attributed to a rise in the prices of the following commodities:

⁹ Ministry of Primary Resources and Tourism (MPRT)

¹⁰ Asia feels the sting of India's onion export ban (December 20, 2023). Reuters

- Rice and Cereals by 4.5 per cent, particularly cakes, pastries, and biscuits caused by an increase in raw material prices for biscuits and cookies.
- Non-Alcoholic Beverages by 6.4 per cent, in line with the amendments of the Customs Import and Excise Duties for less sweetened or flavoured beverages (ready-to-drink) items that have been effective in May 2023¹¹.
- Meat by 2.0 per cent, particularly the rise in meat preparation notably sausages / frankfurters prices, owing to the shortage of supply from producing countries¹².

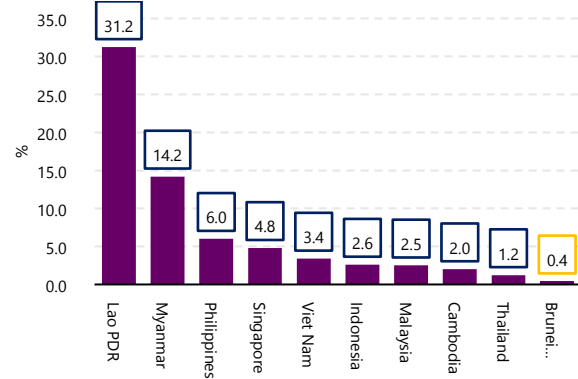
Meanwhile, the fall in the Non-Food Index was primarily associated with the decline of the following commodities:

- Transport by 2.6 per cent, following a significant fall in airfares prices, which are now returning to normal levels after previously being high during the COVID-19 pandemic due to increased operational costs; and also, the fall in motor car prices in line with the promotional activities carried out by the selected car dealerships throughout the seasonal period of Ramadhan and Eid Mubarak celebrations.
- Communication by 3.1 per cent, notably by the continuous decline in telephone and telefax services as the industry offers new upgraded plans for internet services.
- Clothing and Footwear by 0.4 per cent, following a decline in garments price.

Selected World Developments

For the year 2023, Brunei Darussalam recorded the lowest inflation rate among ASEAN countries, as shown in **Exhibit 7**. Several factors contributed to this, including the supply-chain improvement and lower global commodity prices.

Exhibit 7 : Consumer Price Index by ASEAN Countries, 2023



Sources: Countries CPI Data Statistics

In contrast, Lao PDR exhibited the highest inflation rate, as the weak kip is seen as one of the main factors driving inflation, while low domestic production capacity and high import values have increased pressure on the exchange rate¹³. The increase was mainly attributed to the rise in indices of Food and Non-Alcoholic Beverages Index; and Non-Food Index such as clothing, health care and medicine, and household appliances.

In 2023, Malaysia's inflation rate recorded at 2.5 per cent as compared to 3.3 per cent in 2022. The increase was mainly attributed to the surge in the Food and Non-Alcoholic Beverages Index by 4.8 per cent, following an increase in the prices of bakery products, meat, and seafood-related products. Meanwhile, the 1.6 per cent increase in the Non-Food Index was also in line with the rise in rental for housing, expenditure in restaurants and cafés, and personal care¹⁴.

Amid the persistent higher-than-expected external and domestic sources of inflation, Indonesia's inflation rate for 2023 stood at 2.6 per cent. The increase was due to a higher index of Food index by 6.2 per cent, mainly rice, broiler chicken meat, and red chilli, whereas for the Non-Food Index the rise was due to passenger transport services, food and beverage serving services, and gold Jewellery¹⁵.

Not to mention, the Singapore inflation rate recorded a significant increase of 4.8 per cent, mainly driven by an increase in both Food and Non-Alcoholic Beverages, which mainly contributed by flour, chicken meat, and other seafood, including shrimp and crabs. The rise in

¹¹ Amendments to the customs import and excise duties effective 17 May 2023, Royal Customs and Excise Department, Ministry of Finance and Economy
¹² Ministry of Primary Resources and Tourism (MPRT)

¹³ Inflation in Laos remains high in 2023 (January 02, 2024). Lao News Agency

¹⁴ Consumer Price Index (January 2024). Department of Statistics Malaysia.

¹⁵ Consumer Price Index (January 2024). Badan Pusat Statistik (BPS), Indonesia.

the Non-Food Index was in line with the increase in prices of accommodation, motor cars, and textbooks and study guides¹⁶.

Inflation Outlook

According to the International Monetary Fund (IMF), the global outlook remains optimistic. The inflation rate is expected to decline to a positive 5.8 per cent in 2024, which is a faster decrease than expected from its 2022 peak of 8.7 per cent¹⁷. This outlook is due to stringent monetary policies, a corresponding easing in labour markets, and the effects of previous and continuing reductions in relative energy prices.

In view of Brunei Darussalam, the ASEAN+3 Macroeconomic Research Office (AMRO) has estimated a moderate and stable inflation rate, expected to about 1.4 per cent¹⁸. However, this outlook could tilt towards the higher side due to impacts of El Niño, which could potentially increase food prices in the region.

International Merchandise Trade

Overview

Brunei Darussalam's total merchandise trade in Q4 2023 decreased by 4.4 per cent to BND7,430.1 million, from BND7,774.2 million in Q4 of the previous year. The decline was attributed to a decrease in exports and imports by 1.8 per cent and 8.2 per cent, respectively, driven by lower liquefied natural gas (LNG) exports mainly due to prices, and reduced imports of machinery and transport equipment. Overall, the country's trade balance remained in surplus, amounting to BND1,484.7 million in Q4 2023 (**Exhibit 8**).

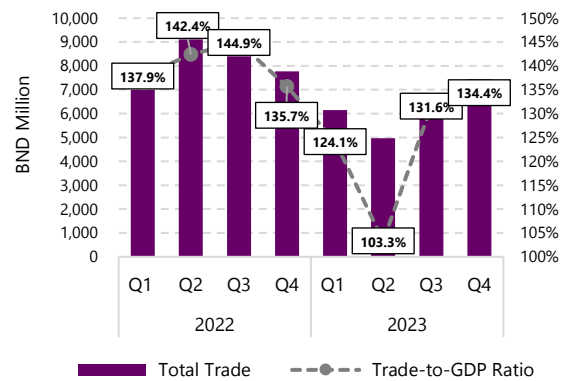
Exhibit 8 : Trade Statistics (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

Meanwhile, total trade as a percentage of GDP fell slightly to 134.4 per cent from 135.7 per cent in the same quarter of 2022¹⁹ (**Exhibit 9**). This was in line with lower trade performance that contributed less to the economic growth in this quarter.

Exhibit 9 : Trade-to-GDP Ratio (Q1 2022 – Q4 2023)



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

Exports Development

Brunei Darussalam's total exports in Q4 2023 amounted to BND4,457.4 million, decreasing from BND4,537.1 million in Q4 2022 (**Table 20**). This decline was largely caused by the fall in exports of oil and gas particularly LNG (**Table 21**).

¹⁶ Singapore Consumer Price Index (January 2024). Ministry of Trade and Industry.
¹⁷ World Economic Outlook (January 2024), International Monetary Fund (IMF)
¹⁸ ASEAN+3 Macroeconomic Research Office (AMRO)

¹⁹ The trade-to-GDP ratio indicates a country's openness or integration in the global economy. The ratio measures domestic producers' reliance on foreign markets (export) as well as domestic demand's reliance on foreign supply of goods and services (import).

Table 20 : Exports (Q4 2022, Q4 2023 & 2023)

	Q4 2022 (BND Million)	Q4 2023 (BND Million)	Change	
			Q4 2022 vs Q4 2023 (BND Million)	2023 (BND Million)
Domestic Exports	4,465.5	4,392.2	(73.3)	14,811.7
Re-Exports	71.6	65.3	(6.3)	285.4
Total Exports	4,537.1	4,457.4	(79.7)	15,097.1

Source: Department of Economic Planning and Statistics

Oil and gas commodities accounted for 37.0 per cent of the total exports, while non-oil and gas exports accounted for 63.0 per cent.

In Q4 2023, oil and gas exports decreased by 11.9 per cent, mainly due to the decline in LNG, which was attributed to price factors (Table 21, 22 & 23).

Table 21 : Exports Value of Crude Oil and LNG (Q4 2022 & Q4 2023)

	Q4 2022 (BND Million)	Q4 2023 (BND Million)	Change (BND Million)
Crude Oil	587.1	725.8	138.7
LNG	1,287.4	925.0	(362.4)
Total	1,874.5	1,650.8	(223.7)

Source: Energy Department, Prime Minister's Office

Table 22 : Exports Volume of Crude Oil and LNG (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Crude Oil (Thousand barrels per day)	48.8	66.7
LNG (MMBtu per day)	650,819	740,258

Source: Energy Department, Prime Minister's Office

Table 23 : Prices of Crude Oil and LNG (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023
Crude Oil (USD/barrel)	94.90	87.94
LNG (USD/MMBtu)	15.32	10.07

Source: Energy Department, Prime Minister's Office

The exports value from the downstream industry rose to BND2,732.8 million in Q4 2023 from BND2,555.1 million in Q4 2022 (Table 24), mainly attributed to the

increase in export value of petroleum products, methanol, and urea.

Meanwhile, other domestic exports value decreased to BND8.5 million in Q4 2023 compared to BND35.9 million in Q4 2022. This was mainly due to the fall in domestic exports of manufactured goods from BND13.2 million to BND5.1 million contributed mainly by the fall in exports of steel products to the USA, as well as domestic exports of foods from BND15.7 million to BND1.7 million, mainly driven by lowered production of aquaculture by 76.6 per cent.

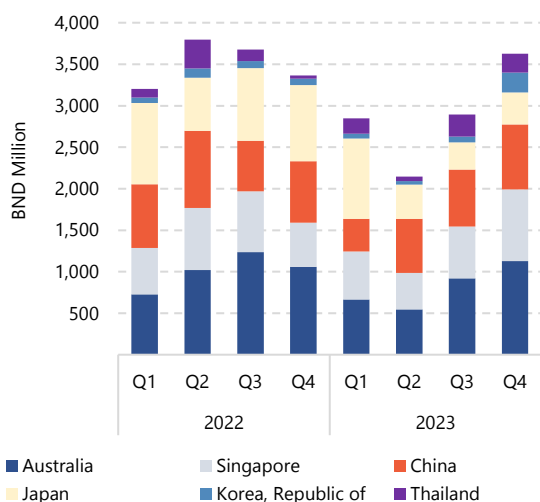
Table 24 : Domestic Exports (Q4 2022, Q4 2023 & 2023)

	Q4 2022 (BND Million)	Q4 2023 (BND Million)	Change	
			Q4 2022 vs Q4 2023 (BND Million)	2023 (BND Million)
Oil and Gas (Crude Oil & LNG)	1,874.5	1,650.8	(223.7)	5,949.4
Downstream (Petrochemical Products, Methanol, Urea & Polygel)	2,555.1	2,732.8	177.7	8,767.6
Others	35.9	8.5	(27.3)	95.3
Total	4,465.5	4,392.2	(73.3)	14,812.3

Source: Department of Economic Planning and Statistics

Australia remains the top destination for domestic exports this quarter, primarily consisting of automotive diesel fuels and crude oil (Exhibit 10). This was followed by Singapore consisting mainly of various mineral fuels including automotive fuels, light oils and crude oils. Additionally, exports of eggs to Singapore continue on a regular basis into the fourth quarter. China ranks third in exports, mainly consisting of downstream petrochemicals as well as LNG.

Exhibit 10 : Domestic Exports (Top 6 Destinations)
Q1 2022 – Q4 2023



Source: Department of Economic Planning and Statistics

Imports Development

Brunei Darussalam's total imports in Q4 2023 decreased to BND2,972.7 million from BND3,237.2 million in Q4 2022. The decline was primarily due to machinery and transport equipment, particularly various aircraft parts, as well as various motor vehicles. For this quarter, most import commodities showed a decline, except for animal and vegetable oils and fats, which grew minimally. (Table 25).

Table 25 : Imports by Commodity
(Q4 2022, Q4 2023 & 2023)

	Q4 2022 (BND Million)	Q4 2023 (BND Million)	Change Q4 2022 vs Q4 2023 (BND Million)	2023 (BND Million)
Mineral Fuels	2,167.1	2,143.7	(23.4)	6,409.1
Machinery & Transport Equipment	411.7	311.1	(100.6)	1,196.5
Food	202.8	172.2	(30.6)	735.1
Manufactured Goods	152.7	124.8	(27.9)	559.9
Chemicals	164.6	100.2	(64.3)	659.3
Miscellaneous Manufactured Articles	100.4	91.1	(9.4)	357.8
Beverages and Tobacco	16.2	12.7	(3.6)	61.3

Crude Materials, Inedible	11.6	8.1	(3.5)	32.1
Animal Vegetable Oils and Fats	5.6	5.6	0.0	26.7
Miscellaneous Transactions	4.4	3.2	1.3	14.4
Total	3,237.2	2,972.7	(262.0)	10,052.2

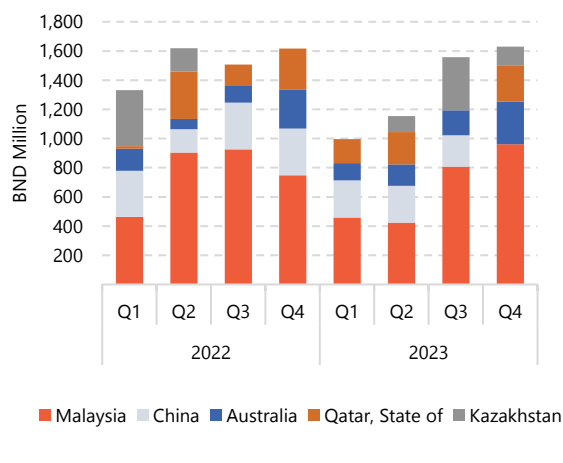
Source: Department of Economic Planning and Statistics

Imports from Malaysia remain the largest, amounting to BND961.1 million this quarter. The majority of our imports were mineral fuels (78.3 per cent), consisting mainly of crude oil for use by the petrochemical industry, as well as food items (9.1 per cent), including feedstocks, fruits, aquaculture, and other various food products.

Most of Brunei Darussalam's food imports continues to be sourced from Malaysia, accounting for 51.5 per cent of the total food imports in Q4 2023. Due to the perishable nature of food products, importing food from a nearby bordering country such as Malaysia offers advantages. As a result, a sizeable amount of food imports from Malaysia were transported by land comprising 52.5 per cent, while 46.7 per cent were transported by sea, and 0.8 per cent were transported by air.

Imports from the China were the second largest recorded at BND331.7 million, mostly comprising motor spirits imports. This was followed by imports from Australia, consisting mainly of crude oil. Crude oil imports serve as feedstock for the petrochemical industry (Exhibit 11).

Exhibit 11 : Import Origins (Q1 2022 – Q4 2023)



Source Department of Economic Planning and Statistics

Overall Trade Performance in 2023

In 2023, total trade decreased by 22.1 per cent compared to the prior year. This decline was attributed to a decrease in both total exports by 23.1 per cent and imports by 20.6 per cent. The trade balance also decreased compared to the previous year, from BND6.96 billion in 2022 to BND5.04 billion in 2023, although it remains in surplus.

The fall in exports was primarily due to a 23.8 per cent drop in oil and gas exports and a 22.6 per cent drop in non-oil and gas exports, as indicated in **Table 26**.

Table 26 : Exports Value by Oil & Gas & Non Oil & Gas (2022 & 2023)

	2022 (BND Million)	2023 (BND Million)	Change (BND Million)
Oil & Gas	7,804.6	5,949.4	(1,855.2)
Non-Oil & Gas	11,819.0	9,147.6	(2,671.4)
Total	19,623.6	15,097.1	(4,526.5)

Source: Department of Economic Planning and Statistics

The fall in the oil and gas exports was mainly attributed to lower prices of crude oil and LNG.

The decline in non-oil and gas exports was mainly due to a decrease in exports in the downstream petrochemical industry. Despite this, the export value of urea fertilizers increased mainly due to the rise in export volume, as in 2023, we began exporting to various new countries such as India, China and Malaysia. In addition, food exports also declined, mainly attributed to the decrease in fisheries exports, but the decline was moderated by the introduction of egg exports to Singapore. Furthermore, domestic exports of manufactured goods rose 14.0 per cent year on year, primarily due to the increase in metalware product exports to USA.

Imports in 2023 fell, largely due to a reduced demand for crude oil as feedstock from the downstream petrochemical industry. The value of food imports also fell, but the overall volume of food imports increased. This increase was particularly contributed by complete feeds, fruits, and meats. This trend indicates that the import prices for foods overall fell compared to the previous year.

Global Trade Developments

In the final quarter of 2023, most of our neighbouring countries such as Malaysia, Singapore and Indonesia, experienced declining total trade (**Table 27**).

Malaysia continued to record a decline in total trade in the fourth quarter of 2023. This decline was due to a decreased in exports, particularly electric and electronics products and a decrease in imports mainly petroleum products.

Similarly, Singapore recorded year-on-year decrease in total merchandise trade by 2.1 per cent. The decrease was mainly attributed to a reduction in total imports of encompassing both oil and non-oil commodities.

Indonesia also experienced a decrease in its total trade. This was mainly due to a decline in exports, particularly in the non-oil and gas commodities.

Table 27 : Total Trade Growth y-o-y and Trade to GDP Ratio in ASEAN Countries (Q4 2023)

Countries	Total Trade growth (%)	Q4 2023 Trade to GDP Ratio
Malaysia	(3.2)	169.7
Singapore	(2.1)	177.2
Indonesia	(8.2)	35.5

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

Global Trade Outlook

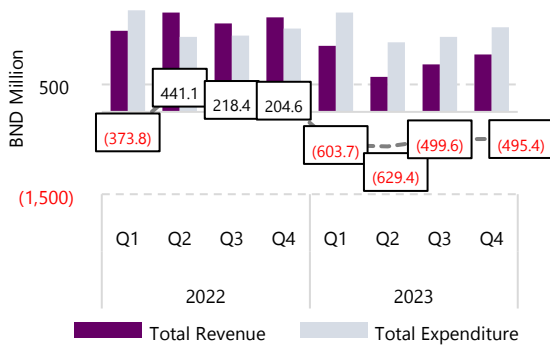
The World Trade Organization expects global trade to pick up in 2024 with a projected growth of 3.3 per cent, even after a more modest performance in 2023. The trade growth for 2024 is seen as a positive development, especially considering the challenges faced in the previous years, including the effects of tighter monetary policy, the COVID-19 pandemic, and geopolitical tensions. However, it's important to note that these projections are subject to change based on evolving global economic conditions and unforeseen events²⁰.

²⁰ World Trade Organization (WTO)

Fiscal

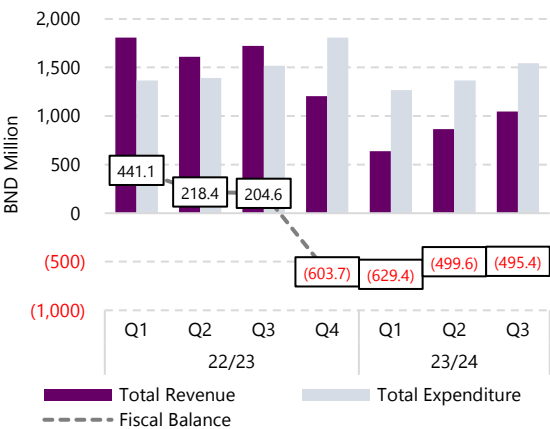
In Q4 2023, Brunei Darussalam recorded a fiscal deficit of BND495.4 million compared to a surplus of BND204.6 million in the same period last year (**Exhibit 12**). This was mainly due to a fall in the government revenue from BND1,721.5 million in Q4 2022 to BND1,047.5 million in Q4 2023 and an increase of expenditure from BND1,516.9 million in Q4 2022 to BND1,542.9 million in Q4 2023.

Exhibit 12 : Fiscal Balance (Q1 2022 – Q4 2023)



Source: Treasury Department, Ministry of Finance and Economy

Exhibit 13 : Fiscal Balance (FY2022/2023 - FY2023/2024)



Source: Treasury Department, Ministry of Finance and Economy

The decline in government revenue in Q4 2023 was mainly due to a decrease in oil and gas revenue in line with lower price of crude oil. As such, crude oil price fell from USD94.9 per barrel in Q4 2022 to USD87.9 per barrel in Q4 2023. The decrease in oil and gas revenue significantly impacted the overall government revenue, as it constitutes a substantial portion, representing 81.5 per cent of the total revenue in Q4 2023. Other than that, the decline in returns from investment and

savings, and excess revenue of statutory bodies also contributed to the decline in government revenue.

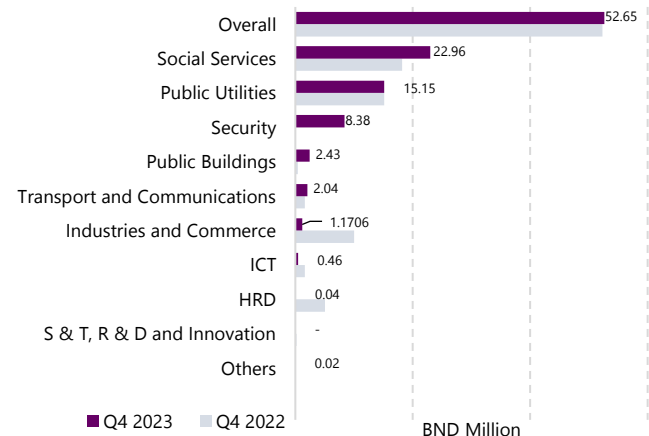
As for total government expenditure, the increase was primarily due to an increase in both ordinary and development expenditure, despite a drop in charged expenditure by 7.8 per cent, from BND364.3 million in Q4 2022 to BND335.9 million in Q4 2023. Ordinary expenditure increased by 4.9 per cent, from BND1,100.3 million in Q4 2022 to BND1,154.7 million in Q4 2023, driven by 14.0 per cent increase in other charges annual recurrent (OCAR) expenditure. Meanwhile, development expenditure amounted to BND52.3 million, which increased by 0.1 per cent in Q4 2023 compared to Q4 2022.

The increase in development expenditure was in line with a significant rise in project expenditure under the Security Sector by BND8.4 million; and Social Services Sector by BND4.8 million. Among these are Air Transport Project under the Security Sector and Kampong Tanah Jambu National Housing under the Social Services Sector.

The ongoing project of nine hundred and fifty units of terrace houses built under the Kampong Tanah Jambu National Housing Phase 7 is expected to be completed by January 2025. To date, a total of 30,296 housing units (including land lots) has been provided.

However, there were significant drop in project expenditure under Industries and Commerce Sector by BND8.9 million; and the Human Resource Development (HRD) Sector by BND5.0 million. This was in view of projects having neared or seen completion (**Exhibit 14**).

Exhibit 14 : Main National Development Plan Sectors Expenditure, Q4 2022 & Q4 2023

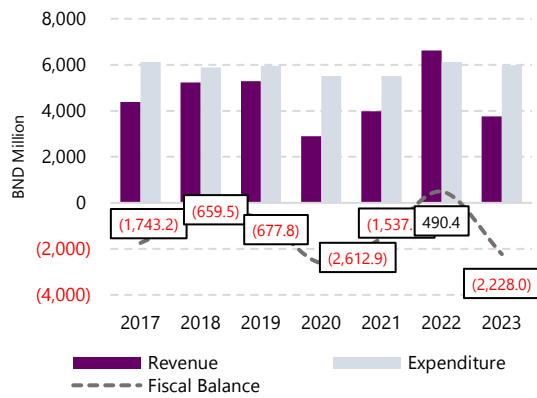


Source: Treasury Department, Ministry of Finance and Economy

Annual Government Fiscal

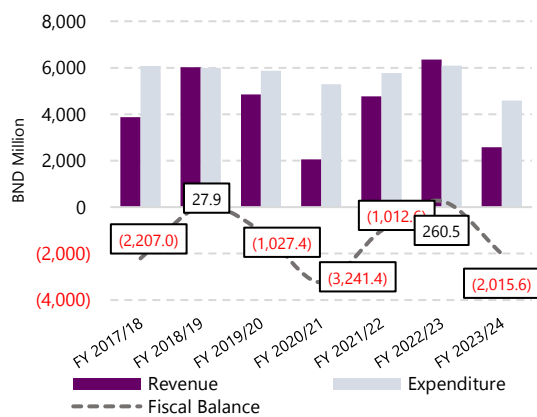
In 2023, the country experienced a fiscal deficit of BND2,228.0 million compared to the previous year's surplus of BND490.4 million. This was primarily due to a decrease in government revenue, from BND6,618.4 million in 2022 to BND3,756.3 million in 2023, despite a decrease in government expenditure from BND6,128.0 million in 2022 to BND5,984.3 million in 2023. The decline in government revenue was mainly due to a decrease in oil and gas revenue in line with lower price of crude oil.

Exhibit 15 : Fiscal Balance (2017-2023)



Source: Treasury Department, Ministry of Finance and Economy

Exhibit 16 : Fiscal Balance (FY2017/2018 – FY2023/2024)



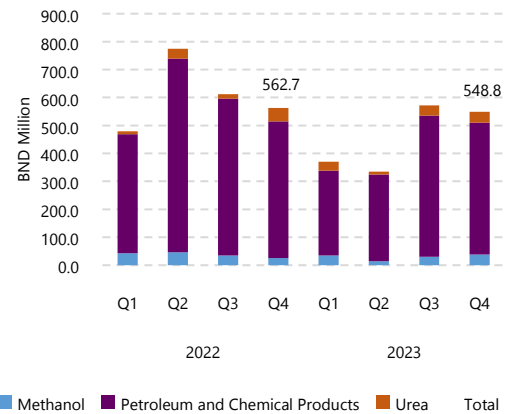
Source: Treasury Department, Ministry of Finance and Economy

Priority Sectors Development

Downstream Oil and Gas

In the fourth quarter (Q4) of 2023, the GDP value at current price of the Downstream Oil and Gas Sector declined from BND562.7 million in the same period of previous year to BND548.8 million (**Exhibit 17**). The decline was attributed to a decrease in the value of Petroleum and Chemical products, as well as Urea.

Exhibit 17 : Downstream Oil and Gas Sector GVA at Current Prices (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

PETROLEUM AND CHEMICAL PRODUCTS

In this quarter, Petroleum and Chemical Products experienced a decrease in value, dropping to BND471.5 million from BND489.2 million during the same period last year. The notable decrease in this subsector was primarily attributed to the fall in the value of LPG and Isobutane, in line with a decrease in both production and price (**Table 28 & Table 29**).

Table 28 : Selected Petroleum and Chemical Products, (Q4 2022 & Q4 2023)

Price		Q4 2022	Q4 2023	% Growth
		USD Per Tonne		
Price	LPG	676.7	623.9	(7.8)
	Isobutane	617.1	595.3	(3.5)

Source: Hengyi Industries Sdn Bhd

Table 29 : Selected Petroleum and Chemical Products, (Q4 2022 & Q4 2023)

		Q4 2022	Q4 2023	% Growth
	Million Tonnes			
Production	LPG	142.1	74.0	(3.8)
	Isobutane	88.6	10.7	(4.4)

Source: Hengyi Industries Sdn Bhd

UREA

The value of Urea also experienced a decline in this quarter, decreasing from BND48.3 million in Q4 of the previous year to BND38.7 million. The decline was mainly attributed to a notable decrease in the global price of urea (Table 30) in response to lower demand and declining prices of essential raw materials, including natural gas and ammonia.²¹

Table 30 : Production and Price of Urea, (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023	% Growth
	Metric Tonnes		
Production	234,274	315,766	34.8
	(USD/MT)		
Price	581.5	383.6	(34.0)

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

METHANOL

On a positive note, the decline in the Downstream Oil and Gas Sector was moderated by an increase in the value of methanol, which rose from BND25.2 million to BND38.6 million. The increase was primarily due to a significant increase in the production of methanol fueled by a higher gas supply (Table 31).

Table 31 : Production and Price of Methanol, (Q4 2022 & Q4 2023)

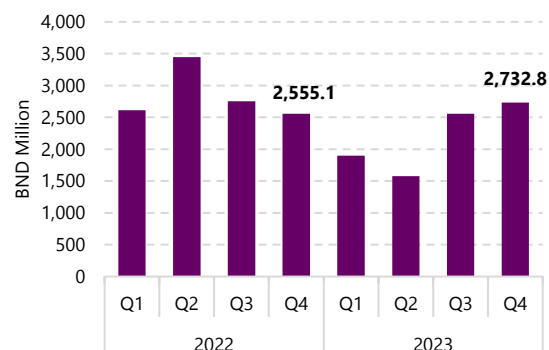
	Q4 2022	Q4 2023	% Growth
	Metric Tonnes		
Production	86,887	202,711	133.31
	(USD/MT)		
Price	310.33	261.93	(15.6)

Source: Energy Department, Prime Minister's Office

EXPORTS FROM DOWNSTREAM OIL AND GAS

In Q4 2023, there was an increase in the export value of the Downstream Oil and Gas Sector from BND2,555.1 million of Q4 2022 to BND2,732.8 million (Exhibit 18). The increase was attributed to a rise in the export volume of petroleum and chemical products, methanol and urea.

Exhibit 18 : Downstream Oil & Gas Exports, (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

OVERALL PERFORMANCE IN 2023

In 2023, the Downstream Oil and Gas Sector's GDP value at the current price saw a decrease from BND2,427.7 million in 2022 to BND1,825.4 million. The decline was primarily due to a drop in the value of petroleum and chemical products and methanol by 26.4 per cent and 20.4 per cent, respectively. The decline in petroleum and chemical products was primarily attributed to a decrease in the value of diesel and RON 90, driven by both lower production and prices. Meanwhile, the decrease in methanol was due to lower prices.

Despite these downturns, the value of urea increased by 4.8 per cent, driven by higher production compared to the previous year.

Table 32 : Selected Petroleum and Chemical Products, (2022 & 2023)

		2022	2023	% Growth
	USD Per Tonne			
Price	Diesel	1,040.2	807.4	(22.4)
	RON90	971.2	800.7	(17.6)

Source: Hengyi Industries Sdn Bhd

²¹ Global Urea Market Unveils Pessimism for December 2023, Dull Demand to Blame, Chemanalyst.news

Table 33 : Selected Petroleum and Chemical Products, (2022 & 2023)

		2022	2023	% Growth
		<i>Million Tonnes</i>		
Production	Diesel	2,982.0	2,976.1	(0.2)
	RON90	1,342.0	1,269.0	(5.4)

Source: Hengyi Industries Sdn Bhd

Table 34 : Production and Price of Methanol, (2022 & 2023)

		2022	2023	% Growth
		<i>Metric Tonnes</i>		
Production		557,442	593,771	6.5
		<i>(USD/MT)</i>		
Price		334.6	257.3	(23.1)

Source: Energy Department, Prime Minister's Office

Table 35 : Annual GDP at current price Downstream Oil and Gas, (2022 & 2023)

	2022	2023
	<i>BND Million</i>	
Downstream Oil and Gas	2,427.7	1,825.4
<i>Petroleum and Chemical Products</i>	2,168.7	1,591.3
<i>Methanol</i>	148.6	118.4
<i>Urea</i>	110.4	115.7

Source: Department of Economic Planning and Statistics

In terms of exports, the value of the downstream industry recorded a decrease of 22.9 per cent, dropping from BND11,369.7 million to BND8,767.6 million.

The decrease was mainly attributed to the fall in the export value of petroleum and chemical products, and methanol. On the other hand, urea exports recorded an increase by 40.8 per cent due to a significant increase in the export volume in line with increasing demand.

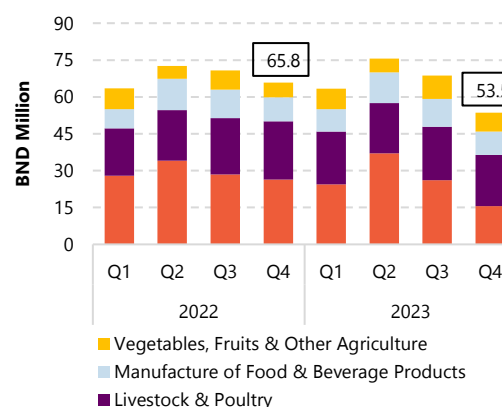
In an effort to achieve economic diversification, the Petroleum Authority of Brunei Darussalam and the Brunei Economic Development Board signed an agreement with Hengyi Industries Sdn Bhd for the Pulau Muara Besar Phase 2 Development Project on 9th

November 2023. This project is expected to create over 2,000 jobs, with half of them reserved for Bruneians starting in 2029. The facilities built will produce various refined petroleum products that are crucial for industries like textiles, agriculture, automobiles, and electronics²².

Food

In the fourth quarter of 2023, the Food Sector comprising of Vegetables, Fruits, and Other Agriculture; Livestock and Poultry; Fishery; and Manufacture of Food and Beverage Products contributed to BND53.5 million to GVA at current prices, which declined from BND65.8 million in the same quarter last year. (Exhibit 19).

Exhibit 19 : Food Sector GVA at Current Prices (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

VEGETABLES, FRUITS, AND OTHER AGRICULTURE

In this quarter, GVA contribution of Vegetables, Fruits, and Other Agriculture was valued at BND7.6 million at current prices, showing an increase from BND6.0 million in the same quarter of the previous year.

The significant increase was in line with the rise in vegetables and fruits production (Table 36) attributed by the availability of foreign labour, market matching initiatives between supplier and supermarket initiated by the Department of Agriculture and Agrifood as well as the increased production at pilot project areas²³.

²² Boost for Brunei's downstream oil and gas sector, Borneo Bulletin 9th November 2023

²³ Ministry of Primary Resources and Tourism

Table 36 : Agriculture Production

	Q4 2022 (Metric Tonnes)	Q4 2023 (Metric Tonnes)	% Growth
Paddy	447.4	394.4	(11.8)
Vegetables	1,754.3	1,878.2	7.1
Fruits	1,757.4	1,935.0	10.1
Miscellaneous Crops	426.6	447.1	4.8

Source: Ministry of Primary Resources and Tourism

LIVESTOCK AND POULTRY

Meanwhile, Livestock and Poultry was valued at BND20.8 million at current prices, slightly lower compared to previous year at BND23.6 million. The decrease was in line with the drop of production of buffaloes & cattles; broilers and eggs (Table 37)

Production of buffaloes and cattle recorded a decrease of 20.1 per cent due to low importation of the live buffaloes and cattle²⁴.

Broilers and eggs recorded a decrease of 20.7 per cent and 2.3 per cent respectively due to slight delayed in importation of day-old chick and lower production of eggs²⁵.

Table 37 : Livestock and Poultry Production

	Q4 2022 (Metric Tonnes)	Q4 2023 (Metric Tonnes)	% Growth
Buffaloes & Cattles	289.9	231.5	(20.1)
Goat & Sheep	8.3	9.1	9.6
Broilers	8,138.5	6,455.3	(20.7)
	(In millions)		
Eggs	44.1	43.1	(2.3)

Source: Ministry of Primary Resources and Tourism

FISHERY

This subsector was experiencing a decline in its contribution to GVA at current prices, with the amount decreasing from BND26.4 million in Q4 2022 to BND15.5 million this quarter.

This was mainly due to the decrease in production of aquaculture activities. The decrease in the production of Aquaculture Industries was heavily impacted by fall

in shrimp/prawn and fish in cages production by 78.7 per cent and 21.8 per cent respectively. This was majorly due to shrimp disease as well as insufficient of electricity and sea water supply in the industrial sites²⁶. (Table 38).

Table 38 : Aquaculture Industry Production

	Q4 2022 (Metric Tonnes)	Q4 2023 (Metric Tonnes)	% Growth
Fish in Cages	52.3	40.9	(21.8)
Shrimp/Prawn	1,454.6	310.0	(78.7)
Fresh Water Fish	3.4	3.1	(8.8)

Source: Ministry of Primary Resources and Tourism

On the other hand, capture industries recorded a positive performance with an increase of production most notably in commercial scale by 58.1 per cent. This was mainly due to the availability of an operational vessel (Table 39).

Table 39 : Capture Industry Production

	Q4 2022 (Metric Tonnes)	Q4 2023 (Metric Tonnes)	% Growth
Commercial Scale	433.0	684.5	58.1
Small Scale	3,327.1	2,999.5	(9.8)

Source: Ministry of Primary Resources and Tourism

MANUFACTURE OF FOOD & BEVERAGE PRODUCTS

The Manufacture of Food & Beverage Products has experienced a marginal decline in its contribution to GVA at current prices this quarter amounting to BND9.6 million in Q4 2023 compared to BND9.8 million in Q4 2022.

The decline was in line with the decrease in production of agrifood by 4.2 per cent mainly due to low demand in the market. Production of processed food-fisheries also dropped by 61.1 per cent which was attributed by the disease²⁷.

Table 40 : Manufacture of Food and Beverage Production

	Q4 2022 (Metric Tonnes)	Q4 2023 (Metric Tonnes)	% Growth
Agrifood	18,281.4	17,518.4	(4.2)
Processed Food-Fisheries	1,147.8	446.1	(61.1)

Source: Ministry of Primary Resources and Tourism

²⁴ Ministry of Primary Resources and Tourism

²⁵ Ministry of Primary Resources and Tourism

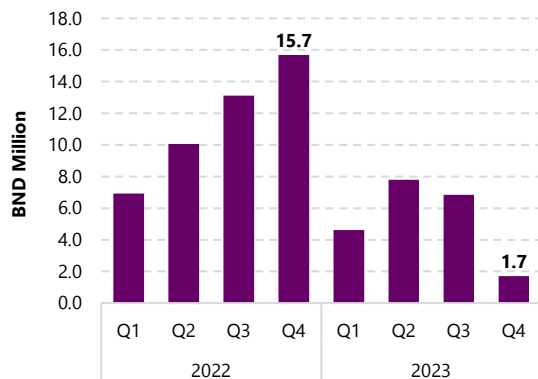
²⁶ Ministry of Primary Resources and Tourism

²⁷ Ministry of Primary Resources and Tourism

EXPORTS FROM FOOD SECTORS

Domestic exports of food drop drastically from BND15.7 million in Q4 2022 to BND1.7 million in Q4 2023. This is due to low export of shrimp and prawns mainly to China, Taiwan, Japan and Singapore which was in line with the decrease in the production due to the diseases.

Exhibit 20 : Food Exports, Q1 2022 – Q4 2023



Source: Department of Economic Planning & Statistics

OVERALL PERFORMANCE IN 2023

As for the whole year of 2023, the Food Sector contributed approximately BND261.2 million, decreasing from the BND272.7 million in 2022.

The decline was primarily due to a drop in the value of livestock & poultry and fishery due to low demand of live cattle and buffaloes as well as low production of aquaculture products.²⁸

Despite these downturns, Vegetables, Fruits, and Other Agriculture experienced a positive growth of 12.6 per cent, driven by higher production²⁹.

Table 41 : Annual GVA of Food Sector at current prices (2022 & 2023)

	2022	2023
	<i>BND Million</i>	
Food	272.7	261.2
<i>Vegetables, Fruits, and Other Agriculture</i>	27.4	30.9
<i>Livestock & Poultry</i>	86.4	84.5
<i>Fishery</i>	116.9	103.1

²⁸ Ministry of Primary Resources and Tourism

²⁹ Ministry of Primary Resources and Tourism

³⁰ Be competitive, farmers told. (February 15, 2024). *Borneo Bulletin*.

<i>Manufacture of food and beverages</i>	42.0	42.7
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Source: Department of Economic Planning and Statistics

Domestic exports of food, recorded a decrease from BND45.8 in 2022 million to BND20.9 million in 2023 due to the low production of aquaculture products mainly shrimp and prawns.

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

- During an opportunity farming workshop at the Post Harvest Training Room in Kampong Tungku Agricultural Development area, Legislative Council member and Brunei Association of Agriculture Farmers (PPPB) President said the agriculture industry’s contribution to the Sultanate’s gross domestic product (GDP), at 0.49 per cent, is relatively low. PPPB President believe Brunei can be competitive and to do so we have to support our farmers with knowledge and resources for them to leap forward. The workshop was attended by 60 participants representing sectors of the agriculture industry from crops, paddy, livestock and agrifood³⁰.
- The Ministry of Primary Resources and Tourism (MPRT) has been allocated a BND112.34 million budget during the 20th session of the Legislative Council meeting. The minister said there was a 9 per cent decline in agriculture, agrifood and fisheries industry production. Despite numerous challenges, the minister said Brunei still has 100 per cent self-sufficiency in poultry and eggs; 71 per cent for seafood; 72 per cent for vegetables; 42 per cent for fruits; and eight per cent for rice³¹.
- The Ministry of Primary Resources and Tourism (MPRT) is in discussion with banks to provide a source of finance for youth in agriculture. Currently 10 youth have been selected for the first phase of the programme.³²
- The Ministry of Primary Resources and Tourism (MPRT) will continue its efforts in conducting research on rice to identify varieties that carry high-yields to meet consumer demand. The initiatives aim to increase rice production at irrigated areas, from five to six tonnes per hectares

³¹ BND112.34M budget for MPRT (March 6, 2024), *Borneo Bulletin*

³² Financing for youth in agriculture in works, says minister (March 6, 2024), *Borneo Bulletin*

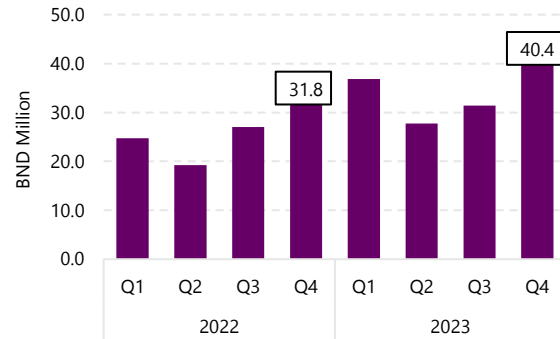
to seven to eight tonnes per hectare in a season. The minister also outlined achievements in farming and fisheries sectors including³³:

- The export of 300,000 eggs to Singapore on February 1, 2023, and as of February this year, around six million eggs valuing at BND1.1 million had been sold to the city state.
- As of February 2024, 2.5 metric tonnes of Cavendish banana were exported to Sarawak under an initiative that began in May 2023.
- For fisheries, the Sultanate exported shrimps, tuna and seabass fillets to Singapore in 2022.
- Barramundi Group Brunei Sdn Bhd exported 3.6 metric tonnes of frozen barramundi valued at BND0.06 million to Singapore.
- Processed food products have also penetrated Malaysian and Singaporean markets with approximate export value of BND0.36 million.
- To assist entrepreneurs and farmers, the MPRT has revitalised its 'Pasar Kitani' programme at Rimba Agribusiness Centre.
- The ministry also signed agreements with China's General Administration of Customs (GACC) to cexpand opportunity to export of 176 types of fishery products to the world's second largest economy.

Tourism

The Tourism Sector comprising activities of Hotels, Restaurants, Transportation and Other Services in Brunei Darussalam recorded another encouraging progress contributing about BND40.4 million to GVA at current prices in Q4 2023, higher than BND31.8 million recorded in the same period last year (**Exhibit 21**).

Exhibit 21 : Tourism GVA at Current Prices (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

TRANSPORTATION

The Transportation subsector recorded an increase in its GVA contribution from BND20.2 million in Q4 2022 to BND28.6 million in Q4 2023. The improvement in this subsector was supported primarily by the aviation sector in view of an increase in the number of air arrivals and departures totalled at 243,983 persons, marking a significant 25.2 per cent increase compared to the same period in the previous year (**Exhibit 22**).

Likewise, a steady growth was recorded in the number of international air arrivals observed at 51,521 visitors compared to 17,725 visitors in Q4 2022 (**Exhibit 23**). As such, this encouraging growth was attributed to an increase in the aircraft movement by 22.7 per cent (**Table 42**) and an increasing in flight frequency, mainly from the resumption of Royal Brunei Airline's direct flights to Beijing³⁴.

Table 42 : Aircraft Movements (Q4 2022 & Q4 2023)

	Q4 2022	Q4 2023	% Growth
Aircraft Movement (Excluding Military)	2,223	2,727	22.7

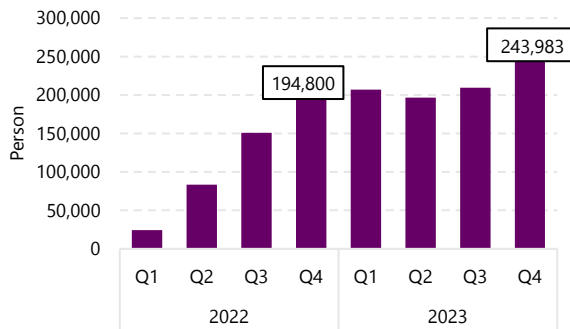
Source: Department of Economic Planning and Statistics

Furthermore, arrivals by land and sea (including via cruise ships) continued to build on the momentum of recovery in the fourth quarter of 2023, recording arrivals of 1,188,125 persons and 19,603 persons respectively.

³³ Ongoing research carried out to increase rice yields (March 6, 2024), *Borneo Bulletin*

³⁴ Direct flights to Beijing resume (July 03, 2023). *Borneo Bulletin*.

Exhibit 22 : Total Air Arrivals and Departures (Q1 2022 – Q4 2023)



Source: Department of Immigration, Ministry of Home Affairs

Exhibit 23 : International Air Arrivals (Q1 2022 – Q4 2023)



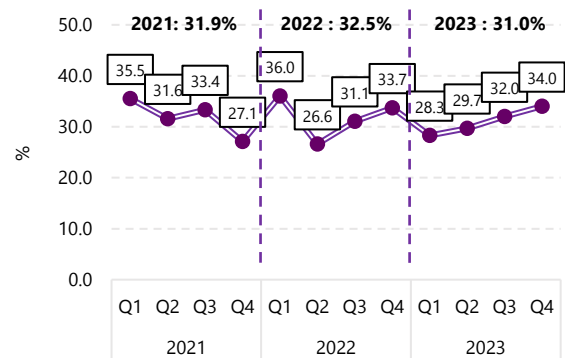
Source: Tourism Development Department, Ministry of Primary Resources and Tourism

HOTELS

With regards to the surge in the number of international tourist arrivals by air, the accommodation and hospitality activity has benefited with a slight increase in the contribution from BND0.9 million to BND1.0 million at the GVA current prices in Q4 2023. This is in line with the rise in hotel revenues by approximately 9.0 per cent from BND10.04 million in 2022 to BND10.92 million this year. Such improvement was due to the upgraded pricing packages for the holiday promotion towards the end of the year.

Correspondingly, the average occupancy rate marked a continuous increase in the fourth quarter of 2023 registered at 34.0 per cent compared to 33.7 per cent in the previous year in the same period. Such progress was supported by the attractive end year promotion packages, thus, increasing the demand for stays by the hotel occupants.

Exhibit 24 : Occupancy Rate of Hotels, Resorts, Apartments and Guest Houses (Q1 2022 – Q4 2023)



Source: Ministry of Primary Resources and Tourism

RESTAURANTS

Apart from aviation, commercial premises including restaurants, cafes, and food courts have been operating in full capacity which has been reflected to the Food and Beverages services, thus, an improvement of 4.0 per cent y-o-y recorded in Q4 2023 (Table 43). The increase in sales activities was in line with the positive growth in sales revenue for almost all food and beverages services activities such as Catering services, Beverage Serving activities, Other Food service activities and Restaurants.

Table 43 : Quarterly Food & Beverages Estimated Value of Sales by Activity (Q4 2023)

	Q4 2022 (BND Million)	Q4 2023 (BND Million)	% Growth
Restaurants	69.9	72.1	3.2
Fast-Food Outlets	21.0	20.3	(3.0)
Catering Service Activities	5.2	6.6	28.1
Other Food Service Activities	10.3	11.3	9.4
Beverage Serving Activities	2.4	2.8	14.5
Total	108.8	113.1	4.0

Source: Department of Economic Planning and Statistics

OVERALL PERFORMANCE IN 2023

In 2023, the tourism sector marked a substantial surge at GVA current prices amounting to BND136.4 million compared to BND102.8 million in 2022 contributed by the continued increase in the transportation subsector, mainly air transport. In line with an increase in the number of air arrivals and departures, air transport sector has recorded an increase of GVA at current

prices from BND36.2 million to BND55.4 million in 2023.

The surge in the number of air arrivals has been reflected in other subsectors including the Restaurants, Hotels and Other Services. Such remarkable improvement was attributed to the enhancement in the tourism promotion activities and the increase in flight frequencies through the resumption of flights.

Table 44 : Annual GVA Tourism at Current Prices (2022 & 2023)

	2022 <i>(BND Million)</i>	2023 <i>(BND Million)</i>
Hotels	16.9	18.2
Restaurants	26.7	29.4
Transportation	48.7	77.7
Other Services	10.4	11.1
Total	102.8	136.4

Source: Department of Economic Planning and Statistics

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

- Various training courses have been conducted such as the 'Basic Tourist Guide Course'³⁵ by the Business and Hospitality Management Department of Laksamana College of Business (LCB) and the 'Storytelling Workshop'³⁶ by the Tourism Development Department under the Ministry of Primary Resources and Tourism (MPRT); which aim to equip the nation's tourist guides with the right skillsets and knowledge in ensuring that the information provided are accurate that will further maintain the quality services. These trainings focus on improving the communication skills among tour guides by the technique of creating fascinating narratives to attract and inspire the tourists. With well-trained tour guides of the nation's storytellers, the industry growth can be contributed through enhancing the visitors' satisfactions by promoting joyful and unforgettable experiences to the travellers.

- Tourism Development Department continues to promote hospitality and tourism industry by hosting career talks to schools in effort to enlightens the students with knowledge and guidance for those who are planning to pursue their future careers in the industry. Seven schools have been visited since the beginning of 2024 and the department plans to continue in promoting awareness to other schools on hospitality and tourism industry, in which that this is also aligned with corrective measures stated under the MPRT's Strategic Plan 2016-2025: 'Improving Hospitality Courses and Programmes'³⁷.

- In collaboration with the Brunei History Centre and the Ministry of Culture, Youth and Sports (MCYS), the Darussalam Motorcycle Association (PEMODA) was hosting the '21st Borneo Island International Big Bike Festival 2023' (21st BIIBBF)³⁸ and selecting Brunei Darussalam as the host country for celebrating their sixth edition in December 2023. The 3-days event was located at the Yayasan Sultan Haji Hassanal Bolkiah Complex and further enlivened with several activities comprise of Green Heart of Borneo Ride, Road Safety Awareness Programme and various vendor booths. The main objectives of the event were:

- To support tourism industry and MSME entrepreneurs in Brunei, considering the bike festival to be the largest and most prestigious event in Borneo;
- To promote the Sultanate for the country's exposure through showcasing the Brunei tradition and culture as a Malay Islamic Monarchy (MIB) country (perhaps through the unique way of motor bike showcase) to the foreign participants where mostly came from Sabah, Sarawak, Kalimantan and Labuan. Moreover, the participants were given the opportunity to ride around the country; including the Sultan Haji Omar 'Ali Saifuddin Bridge;
- To share the historical information for the engagement between Brunei and Borneo communities, promoting active lifestyle and fostering heritage appreciation in our community and youths in particular.

³⁵ Tourist guides are nation's storytellers (October 12, 2023). Borneo Bulletin.

³⁶ Workshop equips tourist guides with storytelling, communication skills (October 26, 2023). Borneo Bulletin.

³⁷ Career talk promotes hospitality industry (February 15, 2024). Borneo Bulletin.

³⁸ Boost for tourism with upcoming bike festival (November 23, 2023). Borneo Bulletin.

- With the Brunei Darussalam’s growing significance in the cruise tourism, which the Sultanate is consistently welcoming more cruise ships since the lifting of COVID-19 restrictions. As such, in January 2024, ‘The Oceania Riviera’ marked the first cruise ship to arrive, for the year, in Brunei Darussalam which has departed from Abu Dhabi of the United Arab Emirates and carrying 1,200 international passengers. Brunei is looking forward to welcoming five more cruise ships to arrive in the near future, thus, continuously strengthened its position to become one of the renowned destinations on the global cruise map ever since the recovery in the cruise ships arrival in 2023³⁹.
- As part of the tourism targets to achieve pre-pandemic levels in 2024, budget allocation amounted BND7.32 million for tourism development projects, among others including the effort in a renovation of Pulau Selirong Forest Recreation Park in Temburong, and the restoration of the Kampong Ayer Culture and Tourism Gallery. For the enhancement of amenities, other project planning under the 12th National Development Plan will be the building of jetties for river cruise activities along the Brunei River, *Sungai Kedayan*, and *Sungai Menglait*⁴⁰.
- With regard to promoting tourism in Brunei Darussalam that was raised during the LegCo meeting early 2024:
 - There were 200 tourism packages introduced to attract foreign travellers including the promoting of medical tourism and education tourism as tourist destination⁴¹.
 - Promoting tourism through focusing among the senior citizens as these group of tourists have the interest staying in luxury suites accomodations. Moreover, attracting foreign investors to develop resorts near the Brunei Bay by infrastructure of islands surrounding it is a part to strengthen the tourism attraction in the Sultanate⁴².
 - ‘*Kenali Negara Kitani (KNK)*’ is one of the initiative programmes of raising awareness on featuring the local products expo in Brunei

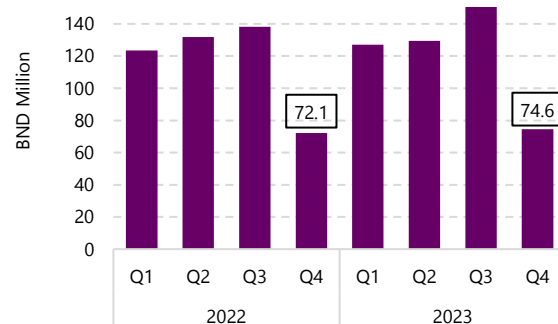
December Festival (BDF) event in order to encourage domestic spending during end of year season⁴³.

- Further in enhancing the tourist international market promotion, other initiatives offered through the active collaboration with travel agencies such as Expedia, Trip Advisor, Agoda, as well as social media influencer internationally⁴⁴.

Info-Communication & Technology (ICT)

In Q4 2023, the ICT Sector, which consists of Publishing, Motion Picture, Video, TV, and Radio; Telecommunication; and Computer Programming, Consultancy and Information Service activities contributed BND74.6 million to GVA at current prices, increasing slightly from BND72.1 million recorded in the same quarter of 2022 (**Exhibit 25**).

Exhibit 25 : ICT Sector GVA at Current Prices (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

The overall ICT Sector’s GVA at current prices performance was influenced by:

- Telecommunication activity, which increased from BND56.1 million to BND59.4 million in line with an increase in the number of mobile and internet subscribers.
- Computer Programming, Consultancy and Information Services, which decreased from BND6.9 million to BND5.9 million.

³⁹ First cruise ship of the year arrives in Muara (31 January, 2024). Borneo Bulletin.

⁴⁰ Brunei eyes tourism rebound to pre-pandemic levels (March 6, 2024). The Scoop.

⁴¹ Call to promote medical and education tourism (March 7, 2024). Borneo Bulletin.

⁴² Promote tourism with focus on senior citizens, says LegCo Speaker (March 7, 2024). Borneo Bulletin.

⁴³ Minister outlines efforts to grow tourism (March 6, 2024). Borneo Bulletin.

⁴⁴ Minister outlines efforts to grow tourism (March 6, 2024). Borneo Bulletin.

- Publishing, Motion Picture, Video, TV, and Radio, which rose slightly from BND9.2 million to BND9.3 million.

Exhibit 26 : ICT Sector GVA at Current Prices (Q4 2022 & Q4 2023)

BND Million	Q4 2022	Q4 2023
Telecommunication	56.1	59.4
Publishing, Motion Picture, Video, TV and Radio	9.2	9.3
Computer Programming, Consultancy and Information Service Activities	6.9	5.9
ICT	72.1	74.6

Source: Department of Economic Planning and Statistics

MOBILE AND INTERNET PERFORMANCE

In Q4 2023, the number of mobile and internet subscribers increased by 2.27 per cent and 2.30 per cent respectively. (Table 45).

Table 45 : Mobile and Internet Subscribers

Telecommunication	Q4 2022	Q4 2023	% Growth
Mobile Subscribers	528,723	540,706	2.27
Internet Subscribers	623,710	638,070	2.30

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

The number of mobile subscribers increased mainly for prepaid subscribers which is in line with the increase of tourist arrivals.⁴⁵ (Table 46).

Table 46 : Mobile Subscribers

Mobile subscribers	Q4 2022	Q4 2023	% Growth
Prepaid	401,422	411,478	2.51
Postpaid	127,301	129,228	1.51

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

Meanwhile, the number of internet subscribers increased, with both mobile broadband and fixed broadband internet subscribers showed an increase of 2.21 and 2.86 per cent respectively. This is in line with

the attractive promotions offered by telecommunication companies.⁴⁶ (Table 47).

Table 47 : Internet Subscribers

Internet subscribers	Q4 2022	Q4 2023	% Growth
Mobile Broadband	533,524	545,307	2.21
Fixed Broadband	90,186	92,763	2.86

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

The low-price-per-Mbps has attracted 3.35 per cent additional residential fixed broadband subscribers. Meanwhile, business/government broadband customers registered a decline which may be due to companies/Micro, Small, Medium Enterprises (MSMEs) moving towards mobile options.⁴⁷ (Table 48).

Table 48 : Fixed Broadband Subscribers

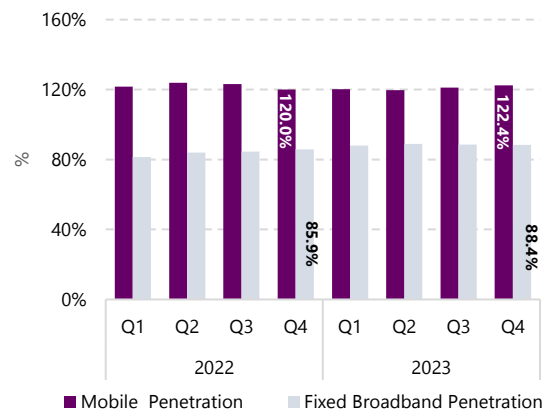
Fixed Broadband	Q4 2022	Q4 2023	% Growth
Residential	82,966	85,743	3.35
Business/Government	6,597	6,499	(1.49)
Leased Lines	623	521	(16.37)

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

MOBILE AND FIXED BROADBAND PENETRATION RATE

Due to increase in mobile and fixed broadband, the penetration rate shows an increase from 121.06 per cent to 122.43 per cent for mobile broadband and an increase of 85.89 per cent to 88.35 per cent for fixed broadband (Exhibit 27).

Exhibit 27 : Mobile and Fixed Broadband Penetration (Q1 2022 – Q4 2023)



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

⁴⁵ Authority for Info-communications Technology Industry (Aiti)
⁴⁶ Authority for Info-communications Technology Industry (Aiti)

⁴⁷ Authority for Info-communications Technology Industry (Aiti)

OVERALL PERFORMANCE IN 2023

For the whole year of 2023, the ICT Sector contributed BND484.8 million to GVA at current prices, an increase from the BND465.6 million recorded in 2022 (**Table 49**) which is mainly contributed by Telecommunication subsector in line with the growth of mobile and internet subscribers.

Table 49 : Annual GDP ICT (2022 & 2023)

BND Million	2022	2023
Publishing, Motion Picture, Video, TV and Radio	28.5	30.5
Telecommunication	341.5	354.6
Computer Programming, Consultancy and Information Service Activities	95.6	99.7
ICT	465.6	484.8

SECTOR DEVELOPMENT

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

- Unified National Networks Sdn Bhd (UNN) was recognised as one of the three global finalists who have architected impactful and secure networks to deliver exceptional services and user experiences in the 5G Leadership category at the 2023 Elevate Awards in Sunnyvale California, United States (US) on November 30⁴⁸.
- The theme for the 2023-2024 financial year, 'Building a Prosperous Future Together', has been extended to the 2024-2025 and 2025-2026 financial years, ensuring the continuity, alignment and assessment in the medium term towards the expenditure's policy and objectives, enabling the government to carry out initiatives and projects planned or currently being implemented. The government will continue to prioritise digital transformation initiatives by improving service efficiency, performance and productivity to ensure

the people receive accessible and high-quality services.⁴⁹

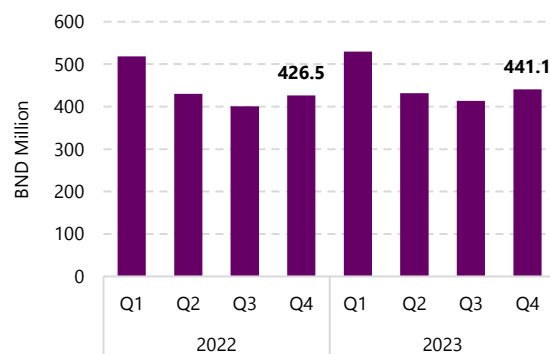
- Progresif eSIM is now available for both new and existing subscribers across both Prepaid and Postpaid users. Existing subscribers will enjoy a complimentary six-month period to change to eSIM at no cost. Following the promotional period, a BND10 fee will be applicable for existing customers who opt to switch from a physical SIM to an eSIM.⁵⁰
- Brunei Darussalam has the second highest level of digital connectivity and access among ASEAN member states in 2023, according to an Information and Communication Technology (ICT) Development Index (IDI) report released by the International Telecommunication Union (ITU), which assessed 169 economies based on the principles of universal and meaningful connectivity.⁵¹

Services

The Services Sector is comprised of selected economic sectors, notably Wholesale & Retail Trade, Business Services, and Transport & Logistics.

In Q4 2023, the sector continued to register a year-on-year increase of BND441.1 million to GVA, as compared to BND426.5 million in Q4 2022. (**Exhibit 27**).

Exhibit 28 : Services Sector GVA at Current Prices (Q1 2022 – Q4 2023)



Source: Department of Economic Planning and Statistics

By sector, Wholesale and Retail Trade Sector valued at BND251.8 million, an increase from BND244.4 million in Q4 2022.

⁴⁸ UNN named finalist for coveted global awards (December 20, 2023)

⁴⁹ National expenditure theme expanded for continuity, (March 1, 2024)

⁵⁰ Telco launches eSim technology (January 20, 2024)

⁵¹ Brunei has second highest level of digital connectivity, says report (January 1, 2024)

The increase in this sector was in line with the increase in overall retail sales performance which recorded a 0.8 per cent increase (Table 50). The main contributors to the increase are hardware, paints and glass in specialized stores (31.2 per cent); petrol station (7.0 per cent); and electrical household appliances and lighting equipment in specialized stores (6.6 per cent).

Table 50 : Quarterly Retail Estimated Value of Sales and Growth Rate by Activity (Q4 2023)

	Q4 2022 (BND million)	Q4 2023 (BND million)	% Growth
Department Store	118.7	113.7	(4.2)
Supermarket	77.2	75.4	(2.3)
Mini Mart	14.5	14.4	(0.9)
Food and Beverages in Specialised Stores	7.1	7.5	6.4
Petrol Station	41.5	44.4	7.0
Computer & Telecommunications Equipment	27.6	28.1	2.0
Textiles, Wearing Apparel & Footwear	15.0	14.6	(2.2)
Hardware, Paints and Glass in Specialised Stores	26.3	34.6	31.2
Furniture & Household Equipment	11.6	12.1	4.0
Electrical Household Appliances and Lighting Equipment in Specialised Stores	25.1	26.7	6.6
Books, Newspapers and Stationery in Specialised Stores	7.2	6.6	(8.6)
Recreational Goods	9.8	10.2	3.7
Pharmaceutical and Medical Goods, Cosmetic and Toilet Articles in Specialized Stores	11.5	10.3	(10.0)
Watches & Jewellery	16.3	15.2	(6.9)
Others	31.5	30.3	(3.7)
Total	440.9	444.2	0.8

Source: Department of Economic Planning and Statistics

Transport and Logistics Sector recorded an increase in its contribution to BND91.9 million in Q4 2023 from BND91.1 million in Q4 2022. This was in line with the

performance of cargo throughput by the country's national port.

The country's national port has seen a significant rise of 23.3 per cent in seaborne cargo throughput (Table 51), primarily due to increase in total cargo throughput to and from Thailand, Australia, Vietnam, Philippines and China.

Table 51 : Seaborne Volume Cargo Throughput

	Q4 2022 (Tonnes)	Q4 2023 (Tonnes)	% Growth
Discharged	223,028	275,518	23.5
Loaded	166,582	204,786	22.9
Total	389,610	480,304	23.3

Source: Ministry of Transport and Info-Communications

Air freight cargo throughput (Table 52) on the other hand, recorded a negative growth of 20.7 per cent which mainly due to reduction in chartered flight.⁵²

Table 52 : Air Freight Cargo Throughput

	Q4 2022 (Tonnes)	Q4 2023 (Tonnes)	% Growth
Import	1,525.5	1,031.9	(32.4)
Export	127.1	199.5	57.0
Transit	712.0	644.9	(9.4)
Total	2,364.6	1,876.3	(20.7)

Source: Brunei International Airport Cargo Centre (BIACC)

In terms of trade value, all mode of transport experienced a negative trade performance. Total trade via sea recorded a decline by 3.8 per cent which was due to lower total trade in Crude Materials Inedible, Manufactured Goods and Machinery and Transport Equipment.

Table 53 : Trade via Sea

	Q4 2022 (BND million)	Q4 2023 (BND million)	% Growth
Export	4,504.5	4,421.2	(1.9)
Import	2,829.5	2,636.3	(6.8)
Total	7,334.1	7,057.5	(3.8)

Source: Department of Economic Planning and Statistics

⁵² Brunei International Airport Cargo Centre (BIACC)

In addition, the decline in total trade via air by 17.6 per cent was caused by Food, Crude Materials Inedible, and Miscellaneous Manufactured Articles.

Table 54 : Trade via air

	Q4 2022 (BND million)	Q4 2023 (BND million)	% Growth
Export	27.8	30.5	9.8
Import	318.9	255.3	(19.9)
Total	346.7	285.8	(17.6)

Source: Department of Economic Planning and Statistics

As for total trade via land, the main commodities for the drop were Food, Mineral Fuels and Animal & Vegetable Oils & Fats.

Table 55 : Trade via land

	Q4 2022 (BND million)	Q4 2023 (BND million)	% Growth
Export	4.8	5.8	22.1
Import	88.7	81.1	(8.6)
Total	93.5	86.9	(7.1)

Source: Department of Economic Planning and Statistics

In terms of the main trading commodities by mode of transport (Table 56), export by air freight in Q4 2023 were mainly facial products such as makeup preparations and the main import items by air were laboratory equipment and medicaments.

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

For land freight, the exports consisted of diverse manufactured goods such as cement and metallic goods, while imports included crude materials inedible such as gravel and stones; various manufactured goods; animal feed and various fruits.

Table 56 : Main Exports and Imports in weight/volume by Transport Medium (Q4 2023)

	Main Exports	Main Imports
Air	Facial products	Laboratory equipment Medicaments

Sea	Mineral Fuels and Chemicals	Mineral Fuels; Various Manufactured Goods
Land	Various Manufactured Goods	Gravel and stones Various Manufactured Goods; Animal Feed Fruits

Source: Department of Economic Planning and Statistics

OVERALL PERFORMANCE IN 2023

The services sector GVA was valued at BND1,810.6 million in 2023, an increase from BND1,776.0 million in 2022. The increase of this sector was mainly driven by Wholesale and Retail Trade and Business Services which was in line with the increase in tourist arrivals and domestic demand.

Transport and Logistics sector, on the other hand, recorded a marginal fall primarily due to the water transport sub-sector which was in line with the decrease in the value of total trade via sea.

Table 57 : Annual GVA of Services Sector at current prices (2022 & 2023)

	2022	2023
BND Million		
Services Sector	1,776.0	1,810.6
<i>Wholesale and Retail Trade</i>	1,149.7	1,164.1
<i>Transport and Logistics</i>	257.8	256.9
<i>Business Services</i>	368.5	389.6

Source: Department of Economic Planning and Statistics

The following initiatives and plans will help to grow our service sectors:

- A contract was officially signed between Anson International Sdn Bhd and Petrofac South East Asia (B) Sdn Bhd, which covers the provision of project management services for the construction of the marine maintenance yard and decommissioning yard on Pulau Muara Besar. With a total allocated area of 11 hectares, the yard will provide a safe and self-sustaining world-class facility addressing the marine and decommissioning needs of Brunei and the wider Asia-Pacific region.⁵³

⁵³ Contract inked on Marine maintenance, decommissioning yard (May 20, 2023), Borneo Bulletin

- The first departure of the initial container journey from Muara Port, Brunei Darussalam to Beibu Gulf Port, China, marked a new economic opening, enhancing the bond between the Sultanate and China. The launch of the new shipping route will bring economic advantages to both nations in accordance with the goals of the Brunei-Guangxi Economic Corridor initiative. The initial container journey started on April 27, 2023 and left from Muara to Hong Kong and then to Qinzhou before coming back to Muara via Bintulu. The establishment of the container route will draw the cargo from China to Brunei and East Malaysia regions to Qinzhou Port for transshipment⁵⁴.

- Royal Brunei Airlines (RB) and Keisei Electric Railway have announced a special partnership that will provide RB passengers arriving at Narita Airport, Japan, from March 16 to April 30 with discounted rates for Keisei Skyliner one-way express and boarding tickets. As part of the partnership, travellers on RB are eligible to buy one-way tickets at a discounted price from Narita Airport to Aoto, Nippori, or Keisei Ueno⁵⁵.

- Gallop Air Sdn Bhd and AeroAsia Holdings Corporation have applied to establish an alternative local airline with a Sultanate base. The Ministry of Transport and Infocommunications (MTIC) is reviewing the application, which is now in the pre-application stage. The Department of Civil Aviation, via MTIC, is evaluating the proposal to enhance the number of flights, passenger movement, and cargo in order to optimise the capacity of Brunei International Airport currently, as well as its extension, if necessary. Their application was covered by the local media.⁵⁶

⁵⁴ *Maiden container voyage marks new economic gateway* (July 9, 2023), Borneo Bulletin

⁵⁵ *Airlines announces special collaboration* (March 9, 2024), Borneo Bulletin

⁵⁶ *Application for alternative local airline mulled* (March 21, 2024), Borneo Bulletin