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THE EDITOR
BRUNEI ECONOMIC BULLETIN (BEB)
JPKE (DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT)
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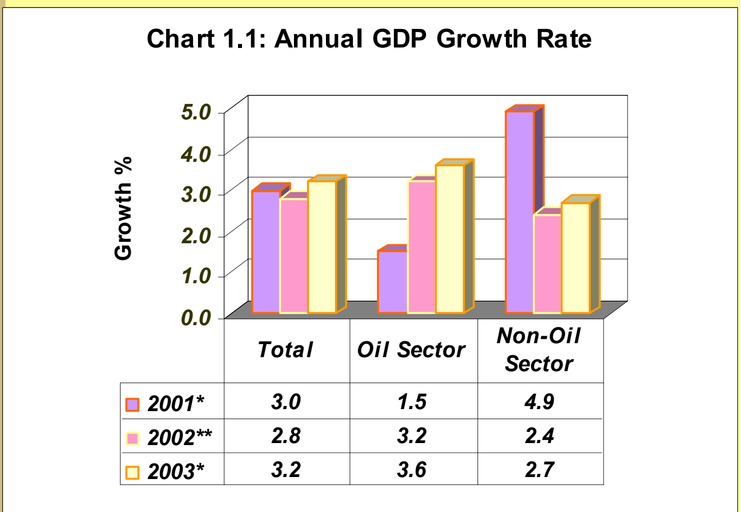
BRUNEI DARUSSALAM FOURTH QUARTER 2003 ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

Gross Domestic Product

Brunei Darussalam's economy in 2003 is estimated to have expanded by 3.2 per cent in real terms (**Chart 1.1**). This is within the 3-4 per cent range forecasted earlier. The growth was fuelled by pickup in both the oil & gas and non-oil & gas sector.

The **oil & gas sector** expanded by 3.6 per cent in 2003. This growth was higher than the 3.2 per cent growth in 2002 (**Chart 1.1**). The average weighted oil production increased by 2.1 per cent from 203,021 barrels per day in 2002 to 207,240 barrels per day in 2003 (**Table 1.1**).



Note: * Estimates

** Revised Estimate

Meanwhile, the average weighted LNG production increased by 7.2 per cent from 978,804 million btu per day in 2002 to 1,049,143 million btu per day in 2003 (**Table 1.2**). On the whole, the oil and gas production index (OGPI) increased by 3.6 per cent from 104.7 in 2002 to 108.5 in 2003 (**Table 1.3**).

The oil & gas sector's contribution to Gross Domestic Product (GDP) in nominal terms increased from 37.1 per cent in 2002 to 39.8 per cent in 2003 attributed to higher prices of both crude oil and LNG. Price of crude oil averaged out at US$30.17 per barrel in 2003 compared to US$25.33 per barrel in 2002. Meanwhile, price of LNG averaged out at US$4.54 per million btu in 2003 compared to US$4.17 per million btu in 2002.

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Inside this issue:

Statistical Data (2003)

- **GDP Growth (Provisional Estimate) :** ***3.2 %***
- **Change in CPI :** ***0.3%***
- **Total Exports :** ***BND 7,704.3 million***
- **Total Import (c.i.f):** ***BND 2,311.8 million***
- **Government Revenue :** ***BND 4,925.1 million***
- **Government Expenditure :** ***BND 2,787.1 million***

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ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

Table 1.1 Oil Production

Unit - Barrel/Day

	2000	2001	2002	2003
JAN	205,681	207,290	215,020	207,785
FEB	217,272	191,472	204,550	199,502
MAC	216,297	197,709	201,230	206,610
APR	211,948	179,623	186,880	210,221
MAY	203,764	169,771	193,561	205,183
JUN	146,835	186,537	203,188	214,122
JUL	164,901	194,308	204,150	205,119
AUG	179,867	193,504	216,474	203,128
SEP	176,673	193,351	192,335	210,727
OCT	178,751	188,568	199,427	197,564
NOV	205,389	213,154	211,479	214,029
DEC	210,380	224,901	207,524	212,788
Crude Oil Production for the Year	193,101	195,065	203,021	207,240
Average Crude Oil Production Q1	212,991	199,069	207,013	204,803
Average Crude Oil Production Q2	187,694	178,546	194,532	209,790
Average Crude Oil Production Q3	173,783	193,725	204,450	206,277
Average Crude Oil Production Q4	198,095	208,828	206,085	208,063
Average Crude Oil Production 1H	200,343	188,751	200,738	207,311
Average Crude Oil Production 2H	185,939	201,276	205,268	207,170

Source: Petroleum Unit, Prime Minister's Office

Table 1.2 LNG Production

Unit - MMbtu/Day

	2000	2001	2002	2003
JAN	1,106,160.0	1,033,542.9	1,046,388.0	1,118,431.0
FEB	1,080,486.9	962,006.0	1,095,799.0	1,112,133.0
MAC	1,075,867.1	1,141,934.0	990,443.0	1,165,771.0
APR	848,097.7	864,858.0	750,836.0	1,037,552.0
MAY	783,538.7	682,869.0	687,569.0	1,002,617.0
JUN	712,241.0	960,671.0	915,497.0	1,088,005.0
JUL	1,053,055.2	838,649.0	1,061,756.0	1,050,631.0
AUG	895,911.6	936,035.0	1,061,236.0	948,691.0
SEP	866,616.7	1,023,296.0	980,426.0	970,991.7
OCT	849,102.3	1,048,142.0	1,062,589.0	992,310.7
NOV	1,024,072.7	976,540.0	1,037,404.0	1,038,770.0
DEC	1,031,082.9	1,146,837.0	1,059,582.0	1,062,209.0
LNG Production for the Year	943,992.4	968,124.0	978,804.0	1,049,143.0
Average LNG Production Q1	1,087,658.9	1,048,621.7	1,042,490.4	1,132,777.6
Average LNG Production Q2	781,317.2	834,448.5	783,567.4	1,042,283.9
Average LNG Production Q3	939,309.5	931,674.8	1,035,060.1	990,426.5
Average LNG Production Q4	967,477.4	1,058,049.4	1,053,363.3	1,031,013.2
Average LNG Production 1H	934,488.0	940,943.4	912,243.8	1,087,280.5
Average LNG Production 2H	953,393.5	994,862.1	1,044,211.7	1,011,005.5

Source: Petroleum Unit, Prime Minister's Office

Table 1.3 : Oil and Gas Production Index

	2000	2001	2002	2003
JAN	109.7	108.0	111.2	110.9
FEB	113.1	100.0	109.0	107.7
MAC	112.6	108.0	104.4	112.0
APR	103.7	92.6	91.6	109.2
MAY	98.7	83.2	92.0	106.2
JUN	75.9	98.2	102.7	112.2
JUL	93.3	97.1	107.8	107.8
AUG	93.7	99.9	112.2	103.8
SEP	91.6	102.6	100.9	107.2
OCT	91.8	101.7	106.1	103.2
NOV	107.0	108.3	109.6	110.6
DEC	109.0	118.0	108.9	110.9
Average Index for the Year	100.0	101.5	104.7	108.5
Average Index for Q1	111.8	105.5	108.2	110.3
Average Index for Q2	92.8	91.2	95.4	109.2
Average Index for Q3	92.9	99.8	107.0	106.2
Average Index for Q4	102.6	109.3	108.2	108.2
Average Index for 1H	102.3	98.3	101.7	109.7
Average Index for 2H	97.7	104.6	107.6	107.2

Base year 2000=100

Table 1.4: Forestry Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Round Timber ('000 Cubic Metres)	107.2	104.7	-2.4	101.1	-3.4
Bakau Poles (Thousands Pieces)	67.3	87.3	29.8	89.9	2.9

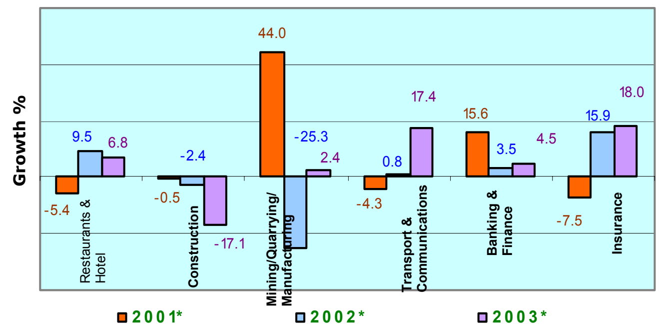
Source: Forestry Department

The **non-oil and gas sector** expanded by 2.7 per cent in 2003. This is higher than the 2.4 per cent increase in the previous year. This was mainly due to, among others, improved performance in the transport & communications and insurance sector. This sector's contributions to GDP in nominal terms, however, dropped from 62.9 per cent in 2002 to 60.2 per cent in 2003.

Activity in the **forestry sector** grew at a slower estimated rate of 0.3 per cent in 2003, compared to the 14.3 per cent expansion in 2002. This was due to a drop in the output of round timber and small increase in the production of bakau poles (**Table 1.4**).

The **fishery sector** also grew at a slower estimated rate of 9.3 per cent growth in 2003, compared to the 43.4 per cent expansion in 2002. The drop in the output of small-scale fishermen bore the brunt of the slowdown (**Table 1.5**).

Chart 1.2: Gross Domestic Product of Selected Non-Oil Sector



Note: * Estimates

Chart 1.3: Value of Garment Export

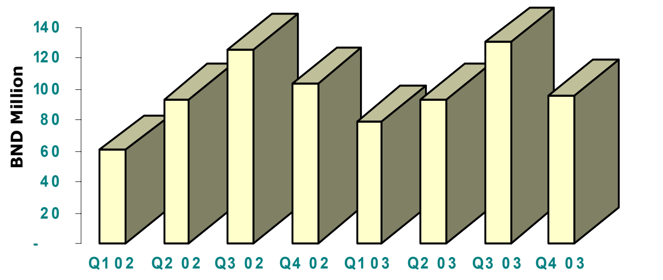


Table 1.5: Fishery Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Capture Industry (Metric Tonnes)	10,343.0	13,833.7	33.7	14,546.4	5.2
Commercial	3,500.0	3,306.0	(5.5)	3,180.9	(3.8)
Small Scale Fishermen	6,843.0	10,527.7	53.8	11,365.5	8.0
Aquaculture Industry (Metric Tonnes)	339.4	407.5	20.1	583.3	43.2
Fish	39.6	50.4	27.2	74.6	48.2
Prawn	271.0	304.5	12.4	419.2	37.6
Fresh Water Fish	28.8	52.6	82.5	89.5	70.3
Total Production	10,682.4	14,241.2	33.3	15,129.7	6.2

Source: Fishery Department

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Table 1.6: Mining/Quarrying/Manufacturing Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Garment Export (BNDMillion)	564.7	383.3	(32.1)	397.7	3.8
Cement Production (Tonnes)	227,363.0	231,696.0	1.9	216,063.0	(6.7)
Sawn Timber Production (Thousands cubic metre)	39.7	54.2	36.4	50.9	(6.0)
Fish processing Production (Tonnes)	273.0	367.1	34.5	515.4	40.4
Charcoals Production (Thousands kg)	24.6	24.6	0.1	28.4	15.5
Cable Production (kg)	871,198.5	984,096.6	13.0	785,593.3	(20.2)
Roofing Production (Tonnes)	3,436.0	2,918.0	(15.1)	2,512.5	(13.9)
Switchboard Production (unit)	1,371.0	1,714.0	25.0	2,871.0	67.5

Source: Department of Economic Planning & Development

The **non-oil mining, quarrying and manufacturing sector** turned around from the 25.3 per cent contraction in 2002 to grow at an estimated 2.4 per cent in 2003, buoyed by strong growth in the production of switchboards and processed fish (**Table 1.6, Chart 1.2** and **Chart 1.3**).

Activity in the **construction sector** remained weak. The sector shrank further by an estimated 17.1 per cent in 2003, on the heels of a 2.4 per cent decline in 2002 (**Table 1.7, Chart 1.2, Chart 1.4** and **Chart 1.5**).

Chart 1.4: Revenue Collection on Calibration of Construction Related Activities

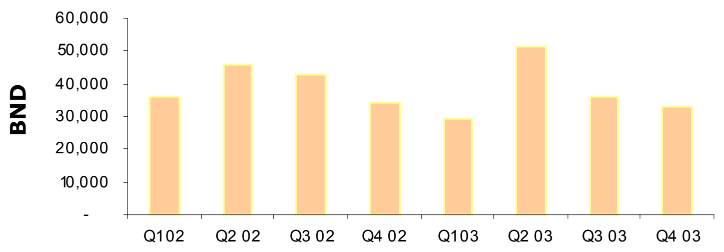

Chart 1.5: Sales of Local Cement

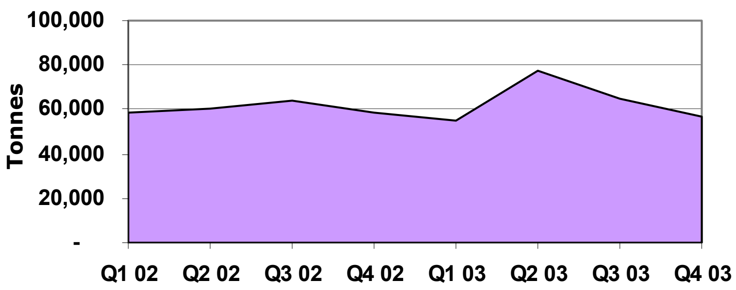

Table 1.7: Construction Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Govn't Development Expenditure (BNDMillion)	209.5	416.5	98.8	260.05	(37.6)
Revenue Collection on Calibration of Construction Related Activities	146,187.5	158,937.0	8.7	149,774.8	(5.8)
Bank Lending to Construction (BNDMillion)	509	453	(11.0)	460	1.5
Import of Sand (Tonnes)	562.9	932.9	65.7	798.9	(14.4)
Import of Stone (Tonnes)	193,754.1	182,735.3	(5.7)	170,358.0	(6.8)
Import of Cement (Tonnes)	189,486.0	187,264.3	(1.2)	117,909.8	(37.0)
Import of Bricks blocks tiles (Tonnes)	6,234.0	5,228.9	(16.1)	3,901.4	(25.4)
Import of Iron & Steel (Tonnes)	1,332,033.5	1,433,645.4	7.6	870,596.2	(39.3)
Sales of local cement (Tonnes)	234,351.0	241,638.0	3.1	54,559.5	5.3

Source: Department of Economic Planning & Development

The **restaurant and hotel sector** was estimated to have grown by 6.8 per cent in 2003. Economic growth of the hotel sector during the first half of 2003 had been dampened by the SARS outbreak whereby the occupancy rate for the period dropped from 34.9 per cent during the second half of 2002 to 32.0 per cent during the first half of 2003 (**Table 1.8** and **Chart 1.6**). Growth momentum, however, turned up strongly during the second half of 2003 with an increase of occupancy rate to 37.0 per cent.

Table 1.8: Restaurant and Hotel Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Import of Food (BNDMillion)	280.0	319.6	14.1	349.6	9.4
Import of Beverages (BNDMillion)	20.0	19.7	-1.2	18.1	(8.3)
Hotel Occupancy Rate (%)	31.0	32.8	5.8	34.5	5.2

Source: Department of Economic Planning & Development

Chart 1.6: Hotel Occupancy Rate

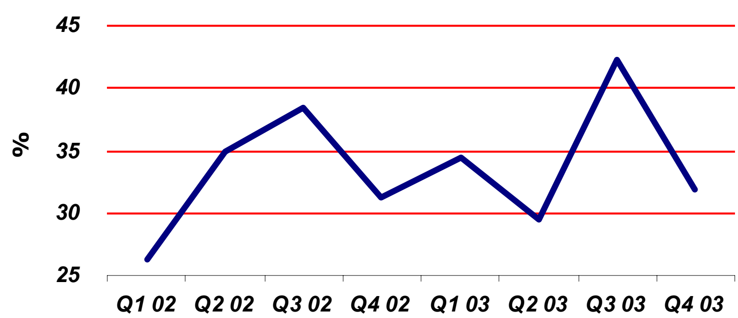

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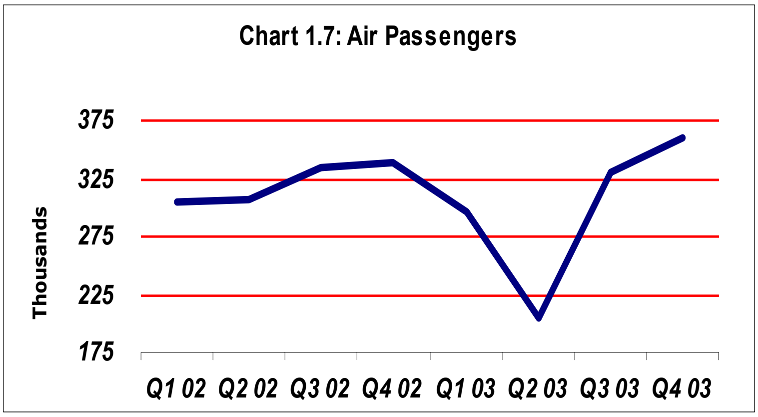
Table 1.9: Transport and Communications Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Registered Non-government land vehicles (Units)	213,942	225,650	5.5	238,061	5.5
Aircraft movements (Thousands)	21.6	23.7	9.7	22.2	(6.2)
Airpassenger Movements (Thousands)	1,274.5	1,285.0	0.8	1,193.2	(7.1)
Airfreight Movements (Thousands kg)	24,309.2	28,892.3	18.9	27,354.3	(5.3)
Airmail Movements (Thousands kg)	260.2	240.9	(7.4)	564.1	134.1
Number of Passenger Boats Licenced (Units)	125.0	108.0	(13.6)	96.0	(11.1)
Volume of Seaborne Cargo Handled (Tonnes)	963,400	1,392,730	44.6	1,388,054	(0.3)
Number of Direct Exchange Line (Thousands)	82.6	81.2	(1.7)	81.9	0.9
Number of BruNet Services Subscribers	13,250	12,892	(2.7)	9,894	(23.3)
Number of Mobile Phone Subscribers	139,700	146,399	4.8	177,372	21.2
International Call Duration (Million Minutes)	27.2	18.2	(33.1)	35.3	93.7
Volume of Postal Articles Handled (Thousands)	14,995.0	10,496.0	(30.0)	9,444.1	(10.0)

Source: Department of Land Transport, Civil Aviation, Ports, Marine, Postal Services and Communications, Ministry of Communications

The **transport and communications sector** grew at an estimated 17.4 per cent in 2003 compared to 0.8 per cent growth in 2002. In the air transport sub sector, the improved growth was mainly attributed to better performance registered during the second half of 2003 compared to the first half. The SARS outbreak during the first half of 2003 had slowed down the air transport sub sector during that period whereby air passengers were down by 30.4 per cent in Q2 2003 compared to Q1 2003 before registering a 61.0 and 8.6 per cent growth in Q3 2003 and Q4 2003, respectively (**Table 1.9** and **Chart 1.7**). Meanwhile, air cargo was down by 4.4 per cent in Q2 2003 before registering a 7.3 and 4.9 per cent growth during the same period, respectively.



The sea transport sub sector, however, registered a slowdown in 2003. The volume of cargo handled contracted by 0.3 per cent in 2003 compared to the year 2002 (**Chart 1.8**). The number of passenger boats licensed also dropped by 11.1 per cent during the same period (**Table 1.9**). Meanwhile, the number of registered non-government vehicles in the land transport sub sector continued to register a growth of 5.5 per cent in 2003 compared to the previous year.

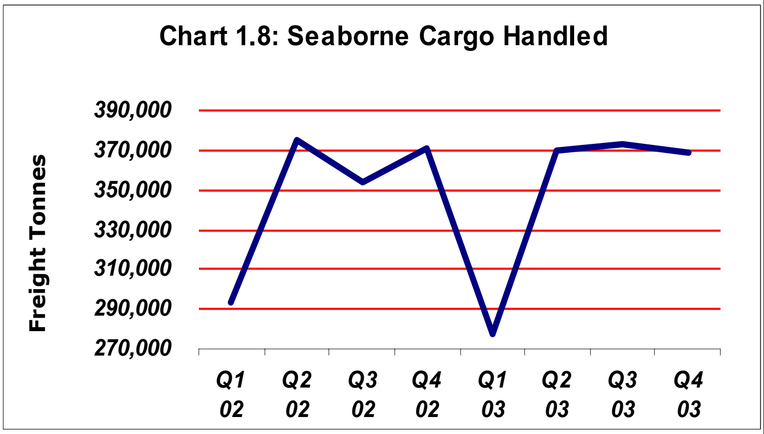


Table 1.10: Banking and Finance Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Total Bank Loans (BNDMillion)	4,281	4,310	0.7	5,386	25.0
Interest Income from Loan and Advances (BNDMillion)	430.8	446.0	3.5	466.0	4.5

Source: Financial Institution Division, Ministry of Finance and all banks in Brunei Darussalam

The communications sub sector showed mixed signals in 2003 compared to the previous year. Internet services subscribers and volume of postal articles handled registered a 6.7 and 10.0 per cent contraction, respectively. On the other hand, mobile phone subscribers continued to increase every year (**Table 1.9**). International call duration also showed strong growth of 93.7 per cent in 2003 compared to the previous year.

The **banking & finance sector** expanded by an estimated 4.5 per cent in 2003. This growth is higher than the 3.5 per cent increase in the

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previous year. This reflected the strengthening activities in the services of this sector. Banks' lending picked up by 25.0 per cent in 2003 compared to the previous year (**Chart 1.9**). Likewise, total interest income from loan and advances also showed an improvement where it stood at BND466.0 million compared to BND446.0 million during the same period (**Table 1.10**).

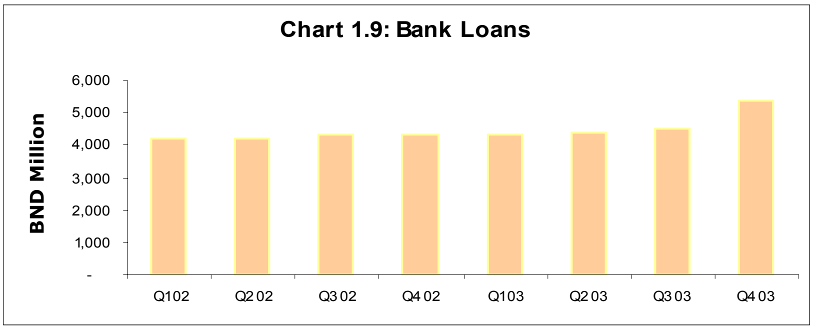

Chart 1.9: Bank Loans

The **insurance sector** also performed better by registering an estimated 17.9 per cent growth in 2003 compared to 15.9 per cent growth in 2002. Total gross premium collection by Islamic insurance (Takaful) companies posted a stronger year-on-year growth of 26.8 per cent in 2003, meanwhile, those collected by conventional insurance companies posted a growth of 12.9 per cent during the same period (**Table 1.11** and **Chart 1.10**).

Table 1.11: Insurance Sector

	2001	2002	growth (%) 2001-2002	2003	growth (%) 2002-2003
Gross Premium Collected by Conventional Insurance Companies (BNDThousands)	51,021	48,361	(5.2)	54,615	12.9
Gross Premium Collected by Islamic Insurance (Takaful) Companies (BNDThousands)	65,303	75,696	15.9	34,664	(54.2)

Source: Financial Institution Division, Ministry of Finance

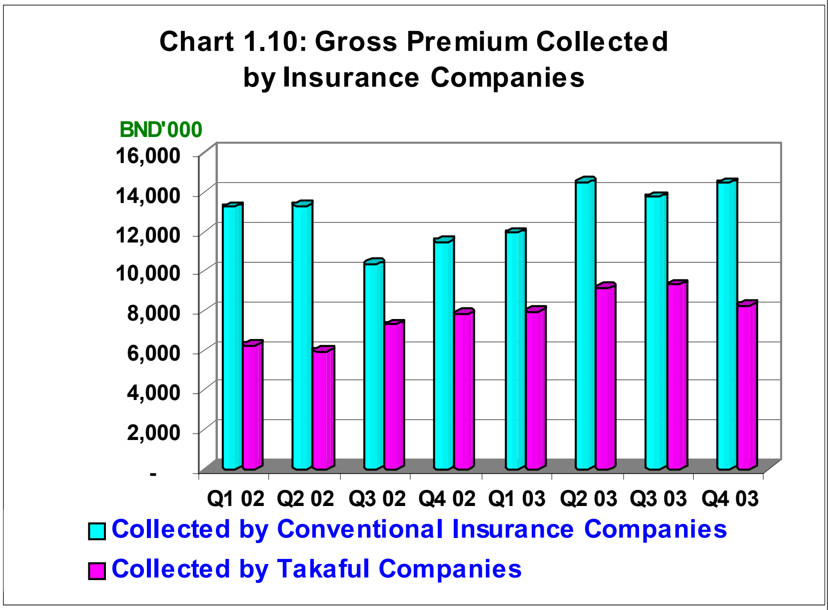

Chart 1.10: Gross Premium Collected by Insurance Companies

Inflation

The Consumer Price Index (CPI) for Q4 2003 recorded a marginal decrease of 0.1 per cent from 100.03 in Q3 2003 to 99.96 in Q4 2003. The CPI in December 2003 recorded an increase of 0.9 per cent to 100.7, relative to the CPI of 99.8 in the previous month. The CPI in November recorded an increase of 0.4 per cent from 99.4 in October 2003.

Monthly CPI Changes for the Period October 2003-November 2003

The CPI for October is 99.4 with Major Group Indices as stated in **Table 2.1**.

Table 2.1: Consumer Price Index for October-December 2003

Commodity Group	Weight	2003 October	November	December
All Items	10,000	99.4	99.8	100.7
I. Food & Non-Alcoholic Beverages	2,877	98.7	99.0	99.5
II. Clothing & Footwear	561	91.4	91.1	99.7
III. Housing, Water, Electricity & Maintenance	884	98.1	98.1	98.1
IV. Household Goods & Operations	860	95.5	95.1	96.1
V. Transport	2,251	104.4	104.4	105.2
VI. Communications	548	94.9	94.5	94.1
VII. Education	471	99.4	99.5	99.9
VIII Medical & Health	98	98.4	98.4	98.4
IX. Recreation & Entertainment	814	100.9	106.3	105.0
X. Miscellaneous Goods & Services	636	100.4	100.4	101.3

Source: Dept of Economic Planning and Development

Compared to that of the previous month, the CPI for November 2003 increased by 0.4 per cent from 99.4 to 99.8. In spite of the Brunei Grand Sale held nationwide from 26th September to 25th November, 2003, there was still an increase in prices which was mainly caused by the rise in the Major Group

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Indices of Recreation & Entertainment (5.4 per cent); Food and Non-Alcoholic Beverages (0.3 per cent); and Education (0.1 per cent). However such increases were moderated by the decrease in Major Group Indices of Clothing and Footwear (0.3 per cent); Household goods, services and operation (0.4 per cent); and Communication (0.4 per cent) while others remain unchanged.

Food Items

The Major Group Index of Food and Non-Alcoholic Beverages increased slightly by 0.3 per cent from the previous month. This was due to higher Sub-Group Indices of Dairy Products and Eggs (2.9 per cent); Seafood and Seafood Products (2.1 per cent); Cooking Oils and Fats (0.5 per cent); Fruits (0.4 per cent); and Food/Drink Away From Home (0.3 per cent). Meanwhile there were decreases in Sub-Group Indices of Rice and Cereal Products (0.2 percent); Meat and Meat Products (0.4 percent); Vegetables (0.5 per cent); Sugar, Sugar Preserves and Confectionery (0.4 percent); Coffee, Tea and Cocoa (0.2 per cent); Other Foods (0.2 per cent); and Non-Alcoholic Beverages (1.5 percent).

Non-Food Items

The Major Group Index of Clothing and Footwear contracted by 0.3 per cent due to decreases in Sub-Group indices of Ready-Made Clothing & Accessories by 0.4 per cent; and Footwear 1.9 per cent. However, the Sub-Group index of Materials for Male/Female increased by 0.6 per cent while the other remaining sub-group indices remained constant.

The Major Group Index of Household Goods, Services and Operation fell by 0.4 per cent as a result of lower indices of Audio, Video Equipment, Musical Instrument by 1.5 per cent; Household Equipment & Electrical Appliances by 2.0 per cent; Kitchen Appliances & Utensils by 1.8 per cent; Crockery & Cutlery by 0.7 per cent; and Household Operations by 0.1 per cent. The Sub-Group Index of Furniture increased by 1.3 per cent while the other remaining indices remained the same.

The Major Group Index of Communication declined by 0.4 per cent due to the fall in the index of Instrument Including Accessories by 1.8 per cent while the other remaining indices remained unchanged.

The Major Group Index of Education increased slightly by 0.1 per cent as a result of higher indices of School Textbooks & Stationery by 0.3 per cent and Newspaper, Magazine & Other Books by 0.7 per cent. The other remaining indices remained constant.

The Major Group Index of Recreation and Entertainment increased by 5.4 per cent. This was due to higher prices of umrah package under the Sub-Group Index of Hobbies & Other Miscellaneous Expenditure which increase by 6.5 per cent while the Recreation Index fell by 0.6 per cent.

Monthly CPI Changes for the Period November 2003-December 2003

The CPI for the month of December 2003 increased by 0.9 per cent from 99.8 to 100.7. The increase was brought about by the rise in some of the Major Group indices such as Food and Non-Alcoholic Beverages (0.5 per cent); Clothing and Footwear (9.4 per cent); Household Goods, Services and Operation (1.1 per cent); Transport (0.8 per cent); Education (0.4 per cent); and Miscellaneous Goods & Services (0.9 per cent). The increases were due to the winding up of Brunei Grand Sale (26th September to 25th November, 2003) season where prices were tendered to their original levels. However, the increases were moderated by the decreases in the Major Group Indi-

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ces of Communication (0.4 per cent); and Recreation & Entertainment (1.2 per cent) while the other two remaining Major Group Indices remained the same.

Food Items

The Major Group Index of Food and Non-Alcoholic Beverages increased slightly by 0.5 per cent from the previous month. This was due to higher Sub-Group indices of Rice & Cereal Products (0.1 per cent); Meat & Meat Products (2.2 per cent); Dairy Products & Eggs (1.3 per cent); Cooking Oils & Fats (1.5 per cent); Vegetables (1.0 per cent); Fruits (1.9 per cent); Sugar, Sugar Preserves & Confectionery (0.5 per cent); and Coffee, Tea & Cocoa (0.1 per cent). Meanwhile the Sub-Group indices of Seafood & Seafood Products; and Non-Alcoholic Beverages decreased by 0.7 per cent and 0.1 per cent respectively. The other remaining Sub-Group indices remained constant.

Non-Food Items

The Major Group Index of Clothing and Footwear rose by 9.4 per cent due to the increases in Sub-Group indices of Ready-Made Clothing & Accessories by 6.3 per cent; Materials for Male/Female by 12.0 per cent; Tailoring Charges by 1.9 per cent and Footwear by 33.9 per cent. However, the Sub-Group Index of Haberdasheries fell by 4.4 per cent while the Wedding Dress, Accessories & Rental remained constant.

The Major Group Index of Household Goods, Services and Operation increased by 1.1 per cent as a result of higher Section indices of Floor Covering (11.8 per cent); Household Furnishings (1.0 per cent); Audio, Video Equipment, Musical Instrument (0.3 per cent); Household Equipment & Electrical Appliances (1.0 per cent); Kitchen Appliances & Utensils (0.8 per cent); Crockery & Cutlery (2.2 per cent); and Household Operations (0.8 per cent).

The Major Group Index of Transport went up by 0.8 per cent due to the rise in Sub-Group indices of Private Road Transport by 0.4 per cent and Air Transport by 4.4 per cent.

The Major Group Index of Communication declined by 0.4 per cent due to the fall in Instrument Including Accessories by 1.9 per cent while others remained unchanged.

The Major Group Index of Education increased slightly by 0.4 per cent as a result of higher indices of Computer & Accessories (4.4 per cent); and School Textbooks & Stationery (0.7 per cent) while Newspaper, Magazine & Other Books fell by 1.7 per cent.

The Major Group Index of Recreation and Entertainment fell by 1.2 per cent due to lower Sub-Group indices of Recreation by 0.7 per cent and Hobbies & Other Miscellaneous Expenditure by 1.3 per cent.

The Major Group Index of Miscellaneous Goods and Services increased by 0.9 per cent due to higher Sub-Group indices of Personal Care (0.8 per cent); and Personal Effects & Other Personal Goods (4.4 per cent).

CPI Changes for the Q4 2003 relative to Q3 2003

The CPI for Q4 2003 decreased by 0.1 per cent compared to Q3 2003 (**Table 2.2**).

Table 2.2 : Consumer Price Index Q3 and Q4 2003

	Commodity Group	Weight	2003 Q3	2003 Q4
	All	**10,000**	**100.0**	**100.0**
I.	Food & Non-Alcoholic Beverages	2877	98.7	99.1
II.	Clothing & Footwear	561	96.8	94.0
III.	Housing, Water, Electricity & Maintenance	884	98.7	98.1
IV.	Household Goods & Operations	860	98.3	95.6
V.	Transport	2251	104.7	104.7
VI.	Communications	548	95.5	94.5
VII.	Education	471	99.2	99.6
VIII.	Medical & Health	98	97.8	98.4
IX.	Recreation & Entertainment	814	100.7	104.1
X.	Miscellaneous Goods & Services	636	100.9	100.7

Source: Dept of Economic Planning and Development

The Major Group Index of Food & Non-Alcoholic Beverages increased by 0.4 per cent as a result of higher indices of Meat & Meat Products (1.6 per cent); Seafood and Seafood Products (0.9 per cent); Dairy Products and Eggs (1.7 per cent); Cooking Oils and Fats (1.4 per cent); Fruits (1.3 per cent); Sugar, Sugar Preserves and Confectionery (0.7 per cent); and Coffee, Tea and Cocoa (0.2 per cent).

The Major Group Index of Clothing and Footwear decreased by 2.9 per cent as a result of lower indices of Ready-made Clothing and Accessories (2.3 per cent); Materials for Male/Female (3.9 per cent); Tailoring Charges (1.2 per

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cent); Haberdasheries (1.5 per cent); and Footwear (6.3 per cent). The Sub-Group index of Wedding Dress, Accessories and Rental increased by 2.3 per cent

The Major Group Index of Housing, Water, Electricity and Maintenance decreased by 0.6 per cent as a result of lower index of Accommodation (1.4 per cent). The Sub-Group index of Fuel, Water and Electricity remained unchanged.

The Major Group Index of Household Goods, Services and Operation decreased by 2.7 per cent due to lower prices of Furniture (8.9 per cent); Audio, Video Equipments, Musical Instruments (3.3 per cent); Household Equipment and Electrical Appliances (3.5 per cent); Kitchen Appliances and Utensils (4.2 per cent); Crockery and Cutlery (1.6 per cent); and Household Operation (0.3 per cent), while Floor Covering and Household Furnishings increased by 2.4 per cent and 4.3 per cent respectively.

The Major Group Index of Transport remained unchanged.

The Major Group Index of Communication decreased by 1.0 per cent due to lower index of Instrument Including Accessories (4.1 per cent).

The Major Group Index of Education increased by 0.4 per cent as a result of higher indices of Computer and Accessories (1.9 per cent); School Textbooks and Stationery (0.6 per cent); and Newspaper, Magazine & other Books (0.9 per cent) .

The Major Group Index of Medical and Health increased by 0.6 per cent as a result of higher indices of Medical Treatment (1.0 per cent); Dental Treatment (4.2 per cent); and Proprietary Medicines and Supplies (0.4 per cent).

The Major Group Index of Recreation and Entertainment increased by 3.4 per cent as a result of an increase in sub-group index of Hobbies and Other Miscellaneous Expenditure (4.5 per cent).

The Major Group Index of Miscellaneous Goods and Services decreased by 0.2 per cent as a result of a decrease in sub-group index of Personal Care (0.7 per cent); and Personal Effects and Personal Goods (0.1 per cent).

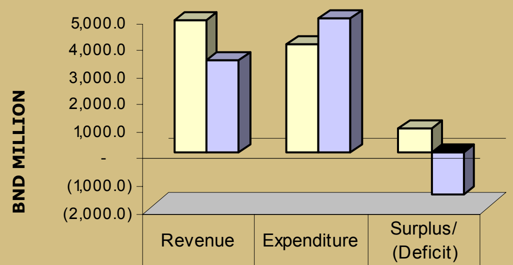
As a whole the CPI for 2003 is 100.3, an increase of 0.3 per cent compared to that of 100.0 in 2002. The calculation of CPI was recently rebased using 2002 as the base year with changes in the Major Groups items. There are now 10 Major Groups instead of 5 Major Groups. These are Food and Non-alcoholic Beverages; Clothing and Footwear; Housing, Water, Electricity and Maintenance; Household Goods, Services and Operation; Transport; Communication; Education; Medical and Health; Recreation and Entertainment; and Miscellaneous Goods and Services.

Fiscal Sector

Fiscal Position

In 2003, Brunei Darussalam recorded a budget surplus of BND 917.2 million. The actual revenue collected in 2003 was BND 4,925.1 million, which was 44.9 percent higher than the budgeted revenue of BND 3,397.8 million at the beginning of the year. On the other hand, the actual expenditure was BND 4,008.0 million, which was 19.0 percent lower than the budgeted expenditure of BND 4,949.5 million. (**Chart 3.1)**

Chart 3.1: ACTUAL & BUDGETED GOVERNMENT FINANCE, 2003



	Revenue	Expenditure	Surplus/ (Deficit)
ACTUAL	4,925.1	4,008.0	917.2
BUDGET	3,397.8	4,949.5	(1,551.8)

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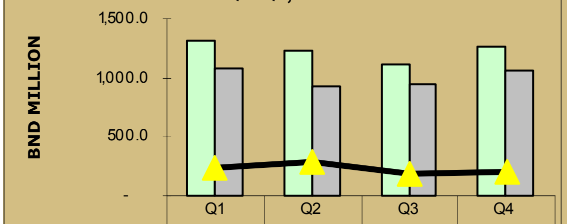
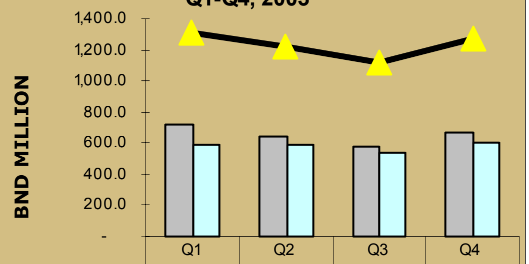
Chart 3.2: GOVERNMENT FINANCE, Q1-Q4, 2003



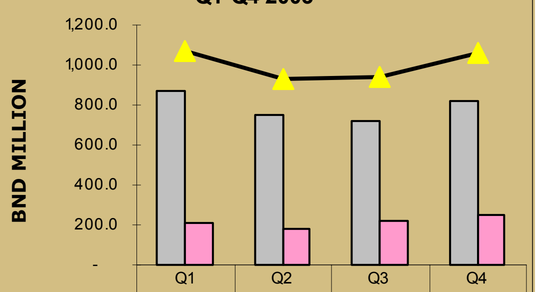
	Q1	Q2	Q3	Q4
Revenue	1,311.1	1,225.3	1,120.2	1,268.6
Expenditure	1,074.6	931.6	939.8	1,062.0
Surplus/ (Deficit)	236.5	293.7	180.4	206.6

Chart 3.3: GOVERNMENT REVENUE, Q1-Q4, 2003



	Q1	Q2	Q3	Q4
Tax Revenue	717.7	640.7	580.0	667.9
Non-Tax Revenue	593.4	584.6	540.2	600.7
Total Revenue	1,311.1	1,225.3	1,120.2	1,268.6

Chart 3.4: GOVERNMENT EXPENDITURE, Q1-Q4 2003



	Q1	Q2	Q3	Q4
Current Expenditure	865.7	748.2	716.7	816.0
Capital Expenditure	208.9	183.4	223.0	246.0
Total Expenditure	1,074.6	931.6	939.8	1,062.0

The budget surplus in 2003 was the highest surplus ever recorded since 2000. Brunei Darussalam recorded a budget deficit of BND 378.5 million in 2002.

In Q4 2003, Brunei Darussalam experienced another budget surplus of BND 206.6 million. This was due to the increase in the revenue from corporate tax derived from the oil and gas production from BND 524.9 million in Q3 2003 to BND 622.2 million in Q4 2003 (**Table 3.1 and Chart 3.2).**

Government Revenue

The total revenue in Q4 2003 was BND 1,268.6 million, which was 13.2 percent (BND 148.4 million) higher than the revenue collected in Q3 2003 at BND 1,120.2 million. The revenue in Q4 2003 was 14.1 percent (BND 156.3 million) higher than the revenue collected in Q4 2002. In Q4 2003, 87.4 percent of government revenue was from the oil and gas sector.

The revenue collected from tax, which consists of taxes on net income and profits, taxes on international trade, and taxes on goods and services, rose by 15.2 percent, from BND 580.0 million in Q3 2003 to BND 667.9 million in Q4 2003 (**Chart 3.3).** The tax revenue in Q4 2003 was BND 11.4 million lower than that of Q4 2002. However, tax revenue collected in 2003 was 11.8 percent higher than that of 2002.

The non-tax revenue, which comprises property income, administrative fees and charges on sales of goods and fines including telecommunication and utilities, and others, likewise, registered an increase of BND 60.5 million from BND 540.2 million in Q3 2003 to BND 600.7 million in Q4 2003.

In 2003, the non-tax revenue collected recorded an increase of BND 382.8 million (19.8 percent) from BND 1,936.1 million in 2002. It was mainly attributed to the increase in income generated from the oil sector, which rose from BND 1,581.6 million in 2002 to BND 1,909.2 million in 2003.

Government Expenditure

In Q4 2003, Government Expenditure (GE), which comprises current and capital expenditures, recorded an increase of 13.0 percent (BND 122.2 million) from BND 939.8 million in Q3 2003 to BND 1,062.0 million in Q4 2003. The increase was largely attributed to the increase in capital expenditure (Chart 3.4). Compared to Q4 2002, it fell by 20.7 percent (BND 277.3 million) from BND 1,339.3 million (Table 3.1).

Total GE has recorded a decrease of 13.7 percent (BND 638.3 million) from BND 4,646.3 million in 2002 to BND 4,008.0 million in 2003.

Current Expenditure (CE), which includes Personnel Emoluments, Other Charges Annually Recurrent and Charged Expenditure, rose by 13.9 percent (BND 99.3 million) from BND 716.7 million in Q3 2003 to BND 816.0 million in Q4 2003. However, CE in Q4 2003 was 21.4 percent (BND 221.9 million) lower than that of Q4 2002.

In 2003, CE was BND 3,146.6 million, which was 14.5 percent (BND 532.2 million) lower than the 2002 expenditure of BND 3,678.8 million.

Capital Expenditure (CAPEX), which includes Other Charges Special Expenditure and Development Expenditure (DE), rose by 10.3 percent (BND 23.0 million) from BND 223.0 million in Q3 2003 to BND 246.0 million in Q4 2003. During the period, DE, which comprises expenditure on development projects, has shown an increase of 63.4 percent from BND 56.3 million to BND 92.0 million. Compared to Q4 2002, CAPEX in Q4 2003 fell by 18.4 percent (BND 55.4 million).

Overall, CAPEX registered a reduction of 11.0 percent (BND 106.1 million) from BND 967.5 million in 2002 to BND 861.4 million in 2003.

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TABLE 3.1: GOVERNMENT BUDGET Q4 2003

	Q1/2003	Q2/2003	Q3/2003	Q4/2003	Q4/2002
Total Revenue	**1,311.1**	**1,225.3**	**1,120.2**	**1,268.6**	**1,199.7**
Tax	**717.7**	**640.7**	**580.0**	**667.9**	**679.3**
Taxes on net income & profits					
Corporate tax	**692.0**	**612.1**	**549.3**	**630.6**	**638.0**
Oil & gas	691.2	560.5	524.9	622.2	629.0
Other companies	5.80	50.5	23.5	8.4	9.0
Individuals	0.2	0.4	0.02	0.5	0.1
Stamps	0.7	0.7	0.9	0.8	0.7
Taxes on international trade					
Import duties	**22.8**	**25.9**	**27.9**	**26.3**	**36.4**
Motor vehicles tax	12.5	14.2	15.2	14.4	16.4
Tobacco	4.7	5.2	5.2	4.6	4.0
Others	5.7	6.5	7.5	7.4	16.0
Taxes on goods and services					
Licences	**2.9**	**2.7**	**2.8**	**9.7**	**4.0**
Financial companies	0.01	0.01	0.01	1.1	1.1
Others	2.9	2.7	2.8	8.6	2.9
Non-Tax	**593.4**	**584.6**	**540.2**	**600.7**	**520.4**
Property income					
Oil sector	**524.5**	**513.3**	**463.4**	**444.7**	**425.1**
Oil royalties	130.4	106.3	114.8	117.4	110.9
Dividend paid by oil co.	385.3	379.1	348.7	327.3	314.2
Other	**8.8**	**27.9**	**8.2**	**89.3**	**16.3**
Other royalties	0.7	0.4	0.3	0.3	0.8
Rent & interest	3.9	5.1	3.3	3.3	5.9
Others	4.2	22.4	4.6	85.7	9.6
Administrative fees & charges on sales of goods & fines **Telecoms & utilities** **Others**	**68.2**	**70.7**	**67.8**	**65.8**	**78.2**
Other non-tax revenue	**0.8**	**0.7**	**0.8**	**0.9**	**0.9**
Total Expenditure	**1,074.6**	**931.6**	**939.8**	**1,062.0**	**1,339.3**
Current	**865.7**	**748.2**	**716.7**	**816.0**	**1,037.9**
Wages & salaries	399.4	313.2	313.8	316.0	333.4
OCAR	341.2	256.9	250.7	265.0	350.0
Charged	125.1	178.1	152.5	235.0	354.6
Capital	**208.9**	**183.4**	**233.0**	**246.0**	**301.4**
OCSE	177.1	103.4	166.7	154.0	115.0
Development expenditure	31.8	80.0	56.3	92.0	153.3
Investment in public enterprise	-	-	-	-	33.1
Budget Surplus/ Deficit	**236.5**	**293.7**	**180.4**	**206.6**	**-139.6**

Source: Treasury Department, Ministry of Finance

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Chart 4.1 Money Supply

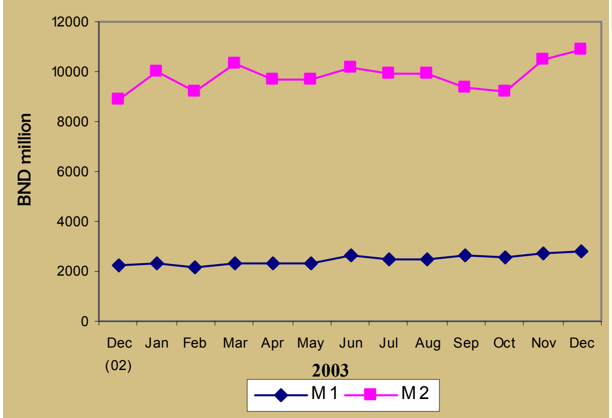


Chart 4.2 : Asset and Liabilities

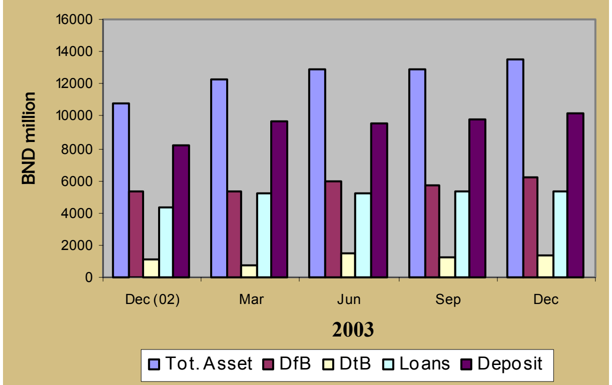


Chart 4.3 : Loans

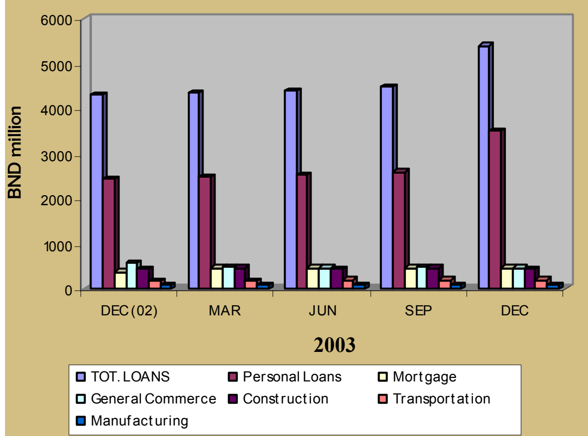
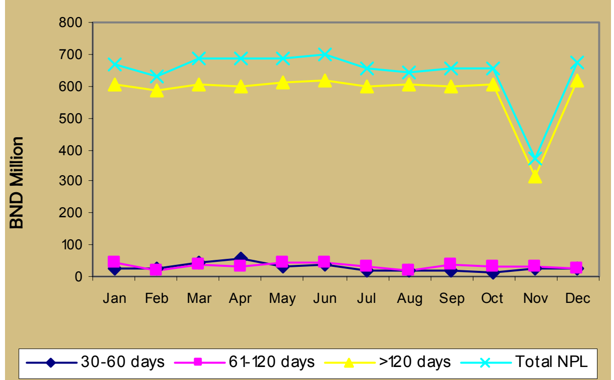


Chart 4.4 Non-Performing Loans



Monetary Sector

Money Supply

The domestic narrow money (M1) expansions increased by 22.6 percent from BND2,272.6 million in December 2002 to BND2,787.1 million in December 2003. The sharp increase was due to adjustment to accounts in the banking system. The currency in circulation decreased by 2.6 percent from BND654.8 million to BND637.8 million while demand deposits increased by 32.9 percent from BND1,617.8 million to BND2,149.3 million. Broad money (M2) consists of M1 and quasi money. Overall, M2 increased by 22.2 percent from BND8,874.6 million to BND10,843.4 million as an increase in quasi money in which fixed deposits increased by 4.7 percent from BND5,214 million to BND5,457.1 million and saving and others (current deposits and call money) increased by 87.3 percent from BND1,388 million to BND2,599.2 million (**Chart 4.1**).

Assets and Liabilities

The commercial banks' total assets and liabilities increased by 24.7 percent from BND10,818 million in December 2002 to BND13,495 million in December 2003. This was mainly due to an increase in domestic and foreign deposits with banks by 17.6 percent from BND5,277 million to BND6,204 million and an increase in loans and advances by 25.0 percent from BND4,311 million to BND5,387 million during the same period. An increase in liabilities such as deposits by 24.1 percent from BND8,220 million to BND10,205 million was a result of increases in its components, namely demand deposits, time deposits and savings **(Chart 4.2)**.

Demand deposits increased by 32.8 percent from BND1,618 million to BND2,149 million, time deposits increased by 4.7 percent from BND5,214 million to BND5,457 million and savings by 87.2 percent from BND1,388 million to BND2,599 million.

Other assets and liabilities also increased by 13.9 percent from BND829 million to BND944 million and by 27.2 percent from BND1,490 million to BND1,896 million respectively.

Lending

Lending aggregates rose by 25.0 percent from BND4,310 million in December 2002 to BND5,386 million in December 2003. The major sectoral contributors to the increase were increases in transportation by 3.6 percent from BND194 million to BND201 million, personal loans by 43.6 percent from BND2,450 million to BND3,517 million, mortgage by 22.4 percent from BND393 million to BND481 million and manufacturing by 2.3 percent from BND88 million to BND90 million, credit and finance by 43.8 percent from BND16 million to BND23 million and construction by 1.5 percent from BND453 million to BND460 million. However, there were also decreases in lending in several sectors in which agriculture decreased by 2.9 percent from BND34 million to BND33 million, general commerce by 15.9 percent from BND572 million to BND481 million and professional services by 9.1 percent from BND110 million to BND100 million **(Chart 4.3)**.

The highest percentage of the total lending exposures is still dominated by the personal loans with a percentage lending of 65.3 percent and in the production activities such as in agriculture and manufacturing both shared 2.3 percent of the lending aggregates.

Non-Performing Loans

Non-performing loans aggregates increased by 1.4 percent from BND663 million in December 2002 to BND672.3 million in December 2003 **(Chart 4.4)**.

Year-on-year measure on the risk exposure ratios to loan aggregates decreased by 2.9 percent from 15.4 percent in December 2002 to 12.5

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Chart 4.5 Deposit Rates

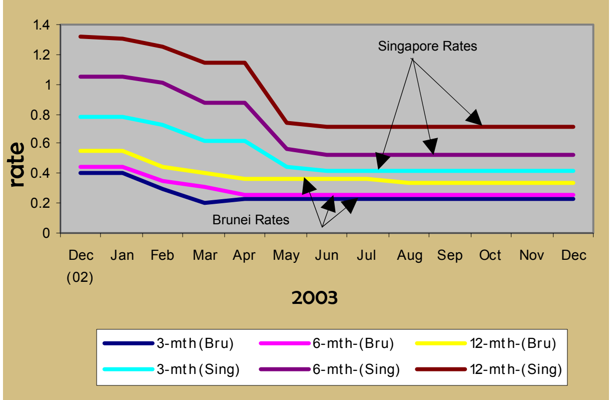

Chart 4.6 Exchange Rate at EoP

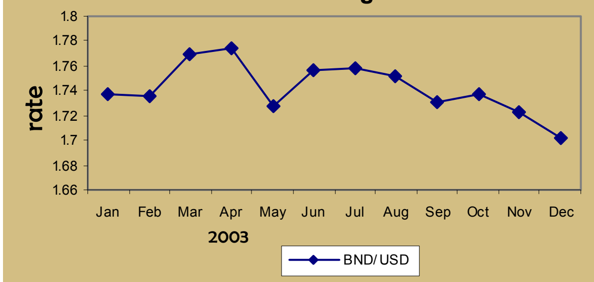

CHART 5.1: BRUNEI DARUSSALAM EXPORT, IMPORT & BALANCE OF TRADE Q4 OF 2002 & (Q3-Q4) OF 2003

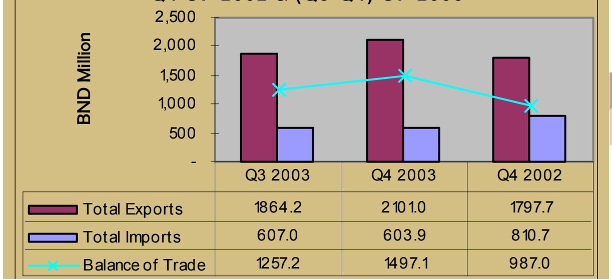

CHART 5.2: EXPORT MARKET IN Q4 OF 2003

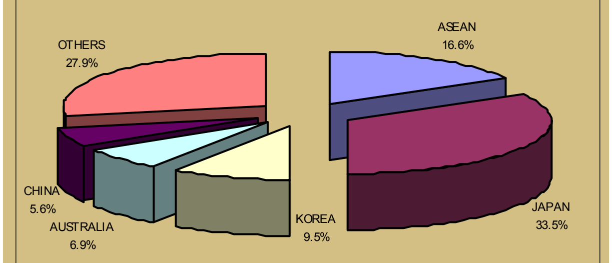

TABLE 5.1: EXPORTS BY MAJOR COMMODITY, Q4 2002 AND (Q4&Q3) 2003

	BND Million					% Change		
	2002	2003	Q3 2003	Q4 2003	Q4 2002	03 & 02	Q4 '03 & Q3 2003	Q4 2002 & Q4 2003
Oil and Gas	5,834.9	6,752.9	1,650.7	1,746.5	1648.3	15.7	5.8	6.0
Petroleum	3,231.5	3,788.4	931.3	1,031.2	904.4	17.2	10.7	14.0
LNG	2,603.5	2,964.5	719.4	715.3	743.9	13.9	(0.6)	(3.8)
Non-Oil & Gas	793.8	951.4	213.5	354.5	149.4	19.9	66.0	137.3
Garment	383.3	398.4	130.2	96.2	104.1	3.9	(26.1)	(7.6)
Others	410.5	553.1	83.3	258.3	45.3	34.7	210.1	470.2
Total Exports	**6,628.7**	**7,704.3**	**1,864.2**	**2,101.0**	**1,797.7**	16.2	12.7	16.9

percent in December 2003. The increase in the NPL aggregates basically was a negative sign to the banking system and the economy.

On a positive note, the financial strength of the domestic banking system as a whole is still adequate to provide liquidity to finance real output expansions.

Interest and Exchange Rates

Domestic foreign banks' rates remained low compared to rates offered by commercial banks in the region. The prime lending rate remained at 5.5 percent per annum since September 2000 whilst deposits rates are being lowered continuously which are less attractive for long term investments. The 3, 6, and 12 months deposit rates on year-on-year adjusted lower where from December 2002 to December 2003 were down by 43 percent from 0.4 to 0.225, by 44 percent from 0.45 to 0.25 and down by 38 percent from 0.55 to 0.3375, respectively. As a comparison, Singapore's lending rates were continuously adjusted and lowered to 5.30 percent in December 2003 from 5.35 percent in December 2002. In December 2003, Singapore banks' deposits were higher than in Brunei at 0.42 percent for the 3-month deposits, 0.53 percent for the 6-month deposits and 0.71 percent for the 12-month deposits **(Chart 4.5)**.

In December 2003, the US dollar depreciated against Brunei Dollar from 1.7354 to 1.7117 on average and 1.7375 to 1.7025 at end of period. The decline has been driven by concerns over US economic imbalances. However, the dollar will remain vulnerable if there are prolonged political issues which will give rise to sentiments among investors which in turn can pull down the stock prices and affects the US economy **(Chart 4.6)**.

External Sector

Total and Balance of Trade

In 2003, the total trade was BND **10,016.1** million, an increase of 6.4 per cent from BND 9,415.2 million in 2002. The trade surplus in 2003 increased by 40.3 per cent from BND 3,842 million in 2002 to BND 5,392.5 million.

In Q4 2003, the total trade was BND **2,704.9** million which was an increase of **9.5** per cent from BND 2,471.2 million in Q3 2003 and by **3.7** per cent from BND 2,608.5 million in Q4 2002.

A trade surplus of BND **1,497.1** million was recorded in Q4 2003 which was **19.1** per cent higher than the Q3 2003 figure of BND 1,257.2 million and **51.7** per cent higher than the Q4 2002 figure of BND 987 million. The higher trade surplus in Q4 2003 was due to the decrease in imports **(Chart 5.1)**.

Exports

The total exports in 2003 increased by 16.2 per cent from BND 6,628.7 million in 2002 to BND **7,704.3** million. Exports for both Oil and Gas and Non-Oil & Gas sectors in 2003 were BND 6,752.9 million and BND **951.4** million, respectively. The value of Non-Oil and Gas exports increased by **19.9** per cent from BND 793.8 million to BND **951.4** million. The LNG exports increased by 13.9 per cent, from BND 2,603.5 million in 2002 to BND 2,964.5 million in 2003. Meanwhile, the petroleum exports increased by **17.2** per cent from BND 3,231.5 million in 2002 to BND **3,788.4** million in 2003.

In Q4 2003, total exports were BND **2,101** million. This was an increase of **12.7** per cent from BND 1,864.2 million in Q3 2003; and **16.9** per cent from BND 1,797.7 million in Q4 2002. Exports were still dominated by

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TABLE 5.2: IMPORTS BY COMMODITY, Q4 2002 and (Q3 & Q4) 2003

	BND Million					% Change		
	2002	2003	Q3 2003	Q4 2003	Q4 2002	2002 & 2003	Q4 '03 & Q3 '03	Q4 '02 & Q4 '03
Food & live animals	319.6	348.0	88.7	99.7	88.6	8.9	12.4	12.6
Beverages & tobacco	43.0	42.5	11.2	11.8	13.2	(1.2)	5.2	(10.7)
Crude material inedible	22.9	23.9	5.1	4.3	5.6	4.5	(14.9)	(23.0)
Mineral fuels	6.5	19.7	5.7	5.3	2.3	204.0	(7.5)	131.1
Animal & vegetable oils and fats	10.3	15.0	2.8	2.8	2.8	46.0	-	1.1
Chemicals	169.5	175.9	44.8	41.6	44.0	3.7	(7.2)	(5.4)
Manufactured goods	668.0	597.5	160.9	145.5	153.4	(10.6)	(9.6)	(5.2)
Machinery & transport equipments	1,278.0	815.2	213.7	214.4	419.5	(36.2)	0.3	(48.9)
Miscellaneous manufac-tured articles	261.2	264.0	71.1	76.0	79.0	1.1	6.9	(3.7)
Miscellaneous transactions and commodities, n.e.cmanufactured articles	7.6	10.1	3.0	2.5	2.2	33.4	(17.3)	14.4
Total imports (c.i.f)	**2,786.6**	**2,311.8**	**607.0**	**603.9**	**810.7**	(17.0)	(0.5)	(25.5)

CHART 5.3 : MAJOR COMMODITY IMPORTS IN Q4 2003

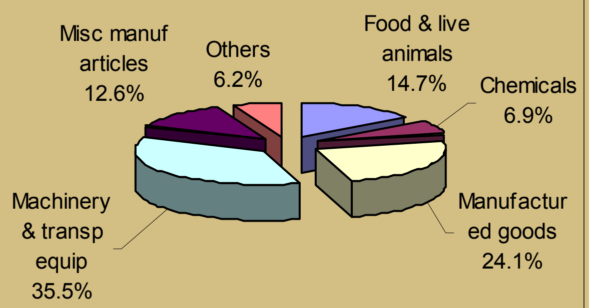
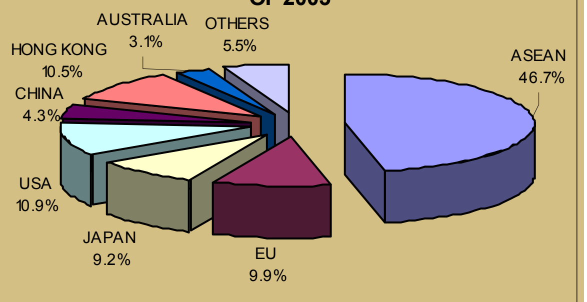


CHART 5.4: ORIGIN OF IMPORTS IN Q4 OF 2003



oil and gas which contributed **83** per cent of total exports.

Oil and Gas exports in Q4 2003 were BND 1,746.5 million. This was an increase of 5.8 per cent from BND 1,650.7 million in Q3 2003; and 6.0 per cent from BND 1,648.3 million in Q4 2002. Petroleum exports (crude and condensate) increased by **10.7** per cent in Q4 2003 on a quarter-quarter basis; it also increased by **14** per cent from the same quarter of 2002. The increase was due to higher oil price which recorded average oil price per barrel of US$32 in Q4 2003 compared to US$29.9 in Q3 2003 and US$28 in Q4 2002.

The LNG exports in Q4 2003 were BND 715.3 million. This was a decrease of 0.6 per cent compared to BND 719.4 million in Q3 2003; and a decrease of 3.8 per cent compared to BND 743.9 million in Q4 2002. The average LNG price for Q4 2003 remained the same as Q3 2003 at US$4.5 per MMBtu.

The Non-Oil and Gas exports in Q4 2003 were BND **354.5** million. This was an increase of **66** per cent from BND 213.5 million in Q3 2003; and **137.3** per cent from BND 149.4 million in Q4 2002.

For 2003, Japan remained the dominant exports market which accounted for 41 per cent of total exports, followed by ASEAN (20.2 per cent), Korea (11.2 per cent), Australia (8.4 per cent) and China (6.7 per cent).

In Q4 2003, Japan also remained the dominant exports market which accounted for 33.5 per cent of total exports. This was followed by ASEAN (16.6 per cent), Korea (9.5 per cent), Australia (6.9 per cent) and China (5.6 per cent). Compared to Q3 2003, Brunei's Q4 2003 exports to Korea, China and Japan increased by 80 per cent, 57.2 per cent and 13.4 per cent respectively. Exports to Australia and ASEAN countries decreased by 11.6 per cent and 25.1 per cent respectively. When compared to Q4 2002, Brunei's exports to Korea and China increased by 26.3 per cent and 0.6 per cent respectively. Exports to ASEAN, Australia and Japan decreased by 30.9 per cent, 31.7 per cent and 13.4 per cent respectively.

Imports

In 2003, the total imports decreased by 17 per cent to BND 2,311.8 million from BND 2,786.6 million in 2002. The drop was due to the decline in imports of machinery and transport equipment, manufactured goods and beverages & tobacco.

In Q4 2003, total imports were BND 603.9 million, which was a decrease by 0.5 per cent compared to Q3 2003 imports of BND 607 million. The slight decrease in imports was due to the reduction in the imports of Miscellaneous transactions and commodities by 17.3 per cent, Crude Material Inedible (14.9 per cent), Mineral fuels (7.5 per cent), Chemicals (7.2 per cent) and Manufactured Goods (9.6 per cent). Such decreases were moderated by the increases in Food & Live Animals by 12.4 per cent, Miscellaneous Manufactured Articles (6.9 per cent), Beverages & Tobacco (5.2 per cent) and Machinery & Transport equipment (0.3 per cent) **(Table 5.2)**.

Compared to Q4 2002 imports of BND 810.7 million, the Q4 2003 imports were 25.5 per cent lower. The significant reduction in imports were due to decreases in the imports of Machinery & Transport Equipment by 48.9 per cent, Crude Material Inedible (23 per cent), Beverages & Tobacco (10.7 per cent), Chemicals (5.4 per cent), Manufactured Goods (5.2 per cent) and Miscellaneous Manufactured Articles (3.7 per cent). However there were increases in Mineral Fuels by 131.1 per cent , Miscellaneous Transactions and Commodities (14.4 per cent), Food & Live Animals (12.6 per cent) and Animal & Vegetables Oils & Fats (1.1 per cent).

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Chart 6.1 : Brunei Darussalam Average Weighted Crude Oil Prices

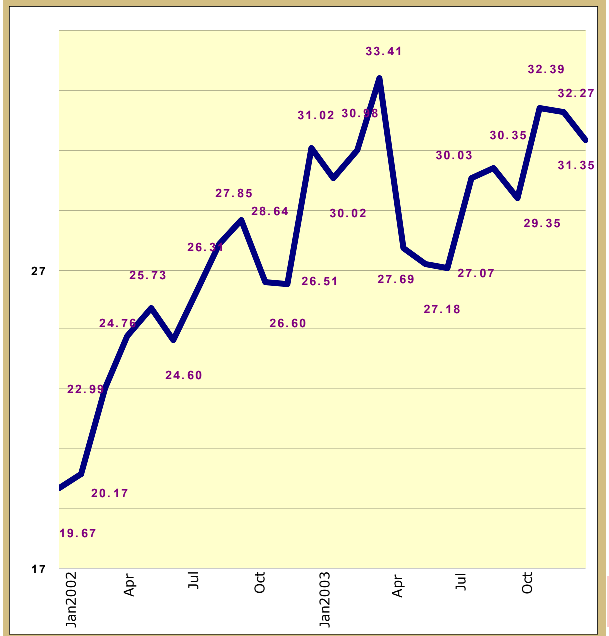

Table 6.1 : Average Weighted Price of Crude Oil
Unit - US$/Barrel

	2000	2001	2002	2003
JAN	25.15	26.24	19.67	30.02
FEB	27.36	27.27	20.17	30.98
MAC	28.48	26.79	22.99	33.41
APR	25.83	27.75	24.76	27.69
MAY	29.41	28.99	25.73	27.18
JUN	31.22	28.05	24.60	27.07
JUL	31.42	25.99	26.31	30.03
AUG	31.71	24.91	27.85	30.35
SEP	35.36	24.96	28.64	29.35
OCT	33.11	20.19	26.60	32.39
NOV	32.85	18.79	26.51	32.27
DEC	27.84	18.60	31.02	31.35
Average W.Crude Oil Price for the	**29.71**	**24.6**	**25.33**	**30.17**
Average W.Crude Oil Price Q1	**26.98**	**26.7**	**20.87**	**31.53**
Average W.Crude Oil Price Q2	**28.47**	**28.2**	**25.03**	**27.30**
Average W.Crude Oil Price Q3	**32.77**	**25.2**	**27.59**	**29.33**
Average W.Crude Oil Price Q4	**31.14**	**19.1**	**28.02**	**32.00**
Average W.Crude Oil Price 1H	**27.66**	**27.4**	**22.95**	**30.33**
Average W.Crude Oil Price 2H	**29.19**	**23.1**	**27.51**	**30.71**

Average Weighted Crude Oil Price Index

	2000	2001	2002	2003
JAN	84.7	88.3	66.2	101.0
FEB	92.1	91.8	67.9	104.3
MAC	95.9	90.2	77.4	112.5
APR	86.9	93.4	83.3	93.2
MAY	99.0	97.6	86.6	91.5
JUN	105.1	94.4	82.8	91.1
JUL	105.8	87.5	88.6	101.1
AUG	106.7	83.8	93.7	102.2
SEP	119.0	84.0	96.4	98.8
OCT	111.4	68.0	89.5	109.0
NOV	110.6	63.2	89.2	108.6
DEC	93.7	62.6	104.4	105.5
Average Index for the Year	**100.0**	**83.0**	**85.3**	**101.5**
Average Index for Q1	**90.8**	**90.0**	**70.2**	**106.1**
Average Index for Q2	**95.8**	**95.0**	**84.2**	**91.9**
Average Index for Q3	**110.3**	**85.1**	**92.9**	**98.7**
Average Index for Q4	**104.8**	**64.6**	**94.3**	**107.7**
Average Index for 1H	**93.1**	**92.4**	**77.2**	**102.1**
Average Index for 2H	**98.2**	**78.1**	**92.6**	**103.4**

Base year 2000=100

Source: Petroleum Unit, Prime Minister's Office

In Q4 2003, Machinery and Transport Equipment constituted 35.5 per cent of total imports. This was followed by Manufactured Goods (24.1 per cent), Food & live animals (14.7 per cent), Miscellaneous Manufactured Articles (12.6 per cent) and Chemicals (6.2 per cent).

With respect to the origin of imports, in 2003, 47.4 per cent of total imports were from ASEAN countries. This was followed by the USA (11.5 per cent), European Union (10.8 per cent), Japan (10 per cent), Hong Kong (6.6 per cent), China(4.9 per cent) and Australia (3 per cent).

In Q4 2003, 46.7 per cent of total imports were also from ASEAN countries. This was followed by the USA (10.9 per cent), Hong Kong (10.5 per cent), European Union (9.9 per cent),Japan (9.2 per cent) , China (4.3 per cent) and Australia (3.1 per cent) **(Chart 5.4)**.

Compared to Q3 2003, Brunei Darussalam's imports in Q4 2003 from Hong Kong increased significantly by 100.2 per cent, followed by Australia and Japan by 23.2 per cent and 4.7 per cent respectively. However there were reduction in imports from USA by 22.9 per cent followed by China (22.4 per cent) and European Union (18.3 per cent).

In comparison to Q4 2002, Brunei Darussalam's imports in Q4 2003 from Hong Kong also increased significantly by 116.3 per cent. However, there were reduction in imports from European Union by 63 per cent, followed by USA (60.8 per cent), Japan (17.6 per cent), Australia (12.1 per cent), China (6 per cent) and ASEAN (3.7 per cent).

Average Weighted Crude Oil Price Index

The average weighted Crude Oil Price Index (COPI) for the fourth quarter of 2003 increased by 9.1 per cent from 98.7 in Q3 03 to 107.7. Compared to the same period last year, the COPI for Q4 03 increased by 14.2 per cent from 94.3. For 2003 as a whole, the COPI increased by 19.0 per cent from 85.3 in 2002 to 101.5 **(Table 6.1)**.

Brunei Darussalam's average weighted crude oil price rose by 10.4 per cent from US$29.35 per barrel in September 2003 to US$32.39 per barrel in October 2003. It however dropped slightly by 0.4 per cent to US$32.27 in November 2003. It dropped further by 2.9 per cent to US$31.35 per barrel in December 2003. The average weighted crude oil price stood at US$32.00 per barrel in Q4 2003 compared to US$29.33 per barrel in Q3 2003 and US$28.02 per barrel during the same period last year. As a whole, average weighted crude oil price rose to US$30.17 per barrel, an increase of 19.1 per cent compared to US$25.33 per barrel in the previous year.

World oil prices were traded around US$29.70 per barrel at the end of the third quarter of 2003. During the first week of October 2003, prices climbed to US$30.40 a barrel as there was a growing perception in the oil market that Saudi Arabia was determined to rein in production to keep prices high. An Israeli attack on Syria that raised fears of heightened conflict in the Middle East as well as worries that a general strike in Nigeria could also cut global production also contributed to the rise in oil prices. The next few days saw oil prices dipped after weekly US statistics showed a bigger-than-expected rise in stockpiles of crude oil as the market shrugged off worries over a general strike in Nigeria.

On October 14, oil prices surged again to around US$33.00 a barrel on OPEC's move to fresh output cut. The price surge was also fuelled by concerns over energy supplies for the coming winter in the northern hemisphere, and the low oil reserves of the major industrial consumers, which could be vulnerable in case of terrorist attacks and other emergencies. October 21 then saw oil prices fell to around US$30.00 a barrel on talk of extra OPEC crude. The final week of October eventually saw oil prices fell to around US$31.38 a barrel due to deteriorating security situation in Iraq **(Chart 6.1)**.

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Oil prices fell again during the first week of November 2003 to around US$30.79 a barrel as Russia called on OPEC to lift output. Prices rose again on November 10 to around US$31.65 a barrel following a suicide bombing in Saudi Arabia. Prices then remained stable before falling continuously until the end of November to around US$30.30 due to speculative selling and comments from Kuwait's energy minister opposing an output increase by OPEC to cool the oil market.

On December 2, oil prices fell to around US$30.00 as OPEC signalled no supply cut. Prices remained stable during the first and second week of December 2003. Oil prices then surged to around US$32.65 a barrel on December 22 as colder-than-normal weather was experienced in the US. Northeast, the world's biggest consumer of heating oil, reduced fuel inventories. Prices closed at the end of 2003 at around US$32.15 a barrel.

Outlook For 2004

2004 will be another year of positive economic growth. Real GDP is forecasted to grow between 3-4 per cent in 2004. The oil and gas sector will continue to be a major partner contributor to the GDP growth together with the non-oil sector.

The oil and gas sector is expected to post growth of between 2-3 per cent in 2004, especially for the oil sector whose production could capitalise on the strength of the world market price[1]. Towards the end of 2003, the world's oil market price was anchored on a higher side of the price range of US$22-28 per barrel. The market demand for the commodities is also expected to move positively with regional economies' favourable growth forecasts, especially that of Japan, China and South Korea. These three countries, together, absorb more than half of the total exports (oil and gas) of Brunei Darussalam in 2003. Currently, Brunei Liquefied Natural Gas (BLNG) is in the process of replacing its Main Cryogenic Heat Exchanger to enhance reliability and availability of LNG production in 2004-2005. However, this project will incur minimal disruption to the current level of production of LNG.

The non-oil sector, which comprises the government and private sector, is also projected to post continued growth of between 4-5 per cent in 2004. The government, in particular, will still be a significant contributor to the economy's growth and development. The government finance was in good shape in 2003 as it had posted a large budget balance and this may induce greater spending in 2004. Furthermore, its annual commitment to the 8th National Development Plan is anticipated to improve as more projects are expected to be ready for implementation during the second half of the national five-year plan period.

The non-oil private sector is also likely to post positive economic growth, barring unexpected significant events that may affect the economy adversely. The construction and related manufacturing industries, wholesale and retail trades, transport and communication and finance and insurance are among economic sectors that are projected to support the economic growth. The growth in these sectors will be largely channelled through fiscal and consumption linkages.

External trade will continue to be the main income earner for Brunei Darussalam. In particular, oil and LNG exports are projected to grow in view of the favourable price mentioned above and optimistic economic growth prospects of Brunei Darussalam's import trading partners. The non-oil exports which, to a large extent comprise of garments exports are also anticipated to grow further. In 2003, non-oil exports grew by 21.1 percent.

[1]Brunei Shell Petroleum has projected oil production for 2004 to be around 215,000 barrels per day. Its decision to increase or decrease output also depends on plant capacity, and therefore even if price is low, it may decide to increase production in order to increase revenue.

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The growing economy of Brunei Darussalam is expected to stimulate moderately the growth of monetary variables in 2004. Broad Money Supply M2 (Narrow Money Supply M1 + Quasi Money) has been growing steadily in 2003, although within a narrow band and this trend is expected to continue in 2004. Personal loans are a major part of the direction of loans. This and other major categories such as construction-related loans, general commercial loans and mortgages are expected to increase further in 2004. Furthermore, an optimistic sign of the growing economy could also be related to the declining non-performing loans in 2003 (12.5 percent in December 2003 compared to 15.5 percent in January 2003) and this trend is expected to continue in 2004.

Relative price stability is a feature of the Brunei Darussalam economy for the past few decades, with generally low rates of inflation[2]. In 2003, between January and December, the Consumer Price Index hovered between 99.4 and 100.7 and averaged 100.3 for the year. Compared to 2002, the growth in CPI for 2003 was 0.3 percent. The general price level in 2004 is expected to grow modestly.

Brunei Darussalam continues to accommodate foreign labour by employing them in various occupational categories in the private sector. Between 2002 and 2003, employment as a whole grew by about 2 percent, contributed by approximately 2.3 percent growth of employment in the private sector. The moderate growth in the economy and the corresponding growth of employment is insufficient to positively influence the number of local job seekers which has increased by 5.9 percent during the same period. With the prospect of a growing non-oil private sector in 2004, employment growth is expected to follow.

2. With the exception of 1993 (+4.3 per cent), 1995 (+6.0 per cent) and 2002 (-2.3 per cent).

8th NATIONAL DEVELOPMENT PLAN

Chart 1: SPENDING BY SECTORS IN Q1,Q2 , Q3 AND Q4 OF 2003

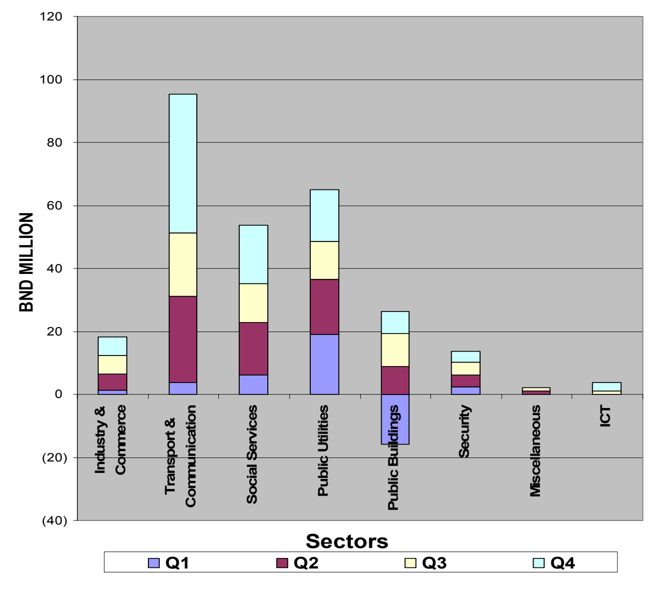


TABLE 1: STATUS OF PROJECTS – Q4 2003

Status	Number of Projects	2003 Allocation BND million
Completed	90	113
Under Implementation	181	539
Tender Awarded	5	8
Awaiting Tender	33	66
Tendering Process	28	95
Concept formulation Design, appointment of consultants and KIV	205	179
Total	**542**	**1,000**

Q4 Project Implementation Review

A total of BND 1 billion was allocated to implement some 542 projects of the third year of the 8th National Development Plan. Projects are broadly categorised according to major sectors, namely **Industry and Commerce, Transport and Communication, Social Services, Public Utilities, Public Buildings, Security, Miscellaneous and ICT.**

Chart 1 illustrates the comparison in expenditure between Q1, Q2, Q3 and Q4 of 2003 for each major sector.

The Transport and Communication Sector recorded the highest expenditure, especially during Q4 2003 compared to the rest of the major sectors. Up to Q4, this sector spent BND 95 million (81 per cent) against approved warrants worth BND 118 million.

As a whole, Q4 2003 expenditure registered BND 98 million, which was higher than Q3 2003 with BND 67 million.

Spending in the **ICT sector** was low with total cumulative expenditure of only BND 3.9 million in 2003. However, expenditure in this sector showed a steady increase from no spending in Q1 2003 to BND 2.7 millions in Q4 2003. Q4 2003 expenditure of this sector was 129 per cent more than the expenditure in both Q1 2003 and Q3 2003, combined.

Q4 2003 IMPLEMENTATION ACHIEVEMENT: PHYSICAL STATUS

A. Projects

Up to Q4 2003, out of 542 projects, a total of 90 projects were completed, involving a budget allocation of BND 113 million. **Table 1** summarizes various status of projects until the end of Q4 2003.

B. Appointment of Consultants

During Q4 2003, 26 consultants were appointed, as shown in **Table 2**.

TABLE 2: PROJECTS WITH APPROVED CONSULTANTS - Q4 2003

No	VOTE NO	PROJECT DESCRIPTION	DATE OF APPOINTMENT
1	801-010	Agricultural Food Security Schemes - Development of Veterinary Diagnostics Laboratory and Veterinary laboratory	2-Oct-03
2	801-009	Development Schemes for Agricultural Research and Development	2-Oct-03
3	801-001	Development Schemes for Broiler Industry – Phase 2	2-Oct-03
4	822-010	Drainage and Water Supply Study	11-Nov-03
5	819-039	ISD Complex	11-Nov-03
6	819-048	New Fire Station at Brunei International Airport	15-Nov-03
7	824-001-002	Development Programme for Science & technology Development (R&D Infra)	20-Nov-03
8	822-009	Master Plan and Local Plan	24-Nov-03
9	822-011-004	Road Study: Labi - Kuala Balai, Belait District, 17 km	24-Nov-03
10	822-015	Review of Brunei Darussalam Master Plan	25-Nov-03
11	822-031	Construction of Labi-Kuala Balai Road Kuala Belait	25-Nov-03
12	820-036	Mengkabau Resettlement and Housing Scheme	4-Dec-03
13	819-053	1 Block of 5 Storey Building for Government Department, Tutong District	16-Dec-03
14	822-020	Review of Brunei Darussalam Drainage Masterplan Studies	17-Dec-03
15	822-022	Integrated Drainage Catchment Planning Studies Phase 2 - Jerudong, Kedayan dan mengsalut Catchments	17-Dec-03
16	822-024	Sungai Tutong Flood Plain Management Study	17-Dec-03
17	817-010	Demand Management and Supply Enhancement	18-Dec-03
18	822-028	Water Demand and Resources Study	18-Dec-03
19	822-029	Temburong Water Transfer Scheme - Feasibility Study	18-Dec-03
20	822-035	Construction of New 1600mm OD Pipeline Along Jalan lamunin to Jalan Gadong	18-Dec-03
21	804-015	Preparation of Industrial Sites (Phase 3)	18-Dec-03
22	817-004-006	BSB/Muara/Tutong Water Supply Scheme Stage V1: (Improvement and Enhancement of Water Quality Control System)	18-Dec-03
23	828-002	Third Battalion – Phase 2 - MT Complex	23-Dec-03
24	828-002	Third Battalion – Phase 2 - Ammunition Storage	22-Dec-03
25	804-016-003	Tourism (Cultural and Tourism Centre, Kampong Ayer)	23-Dec-03
26	819-049	Renovation of Ministry of Finance Building for the Use of Ministry of Home Affairs	23-Dec-03

8th NATIONAL DEVELOPMENT PLAN

Q3 2003 IMPLEMENTATION ACHIEVEMENT: FINANCIAL STATUS

Warrants Issued

The breakdown of financial warrants issued between January 2003 to December 2003, by major sectors is as shown in **Table 3**. A total of about BND 350 million worth of warrants for all major sectors were approved. The **Transport and Communication Sector** received the highest amount of about BND 118 million, accounting for 34 per cent of the total worth of warrants issued.

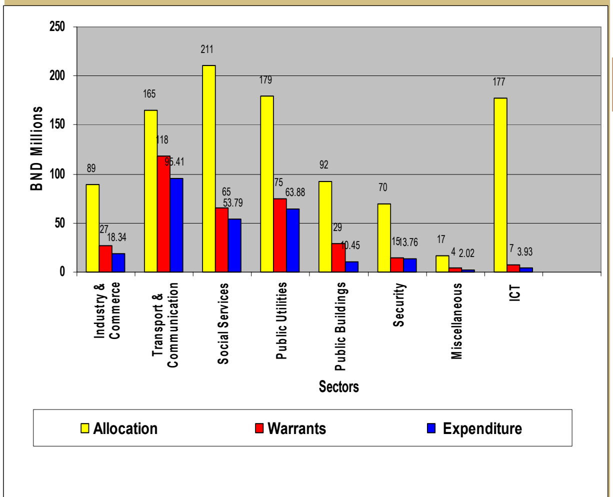
Table 3: 2003 ALLOCATION, WARRANT AND EXPENDITURE

		2003 Allocation (BND)	Warrants Issued (BND and %)[1]	EXPENDITURE (BND)				
				Jan – Mar 2003	Apr - Jun 2003	Jul - Sept 2003	Oct – Dec 2003	Cumulative (BND and %)[2]
1	Industry and Commerce	89,571,500	36,871,844 **(10.52%)**	1,381,789	5,088,961	6,015,670	5,861,689	18,348,109 **(20.51%)**
2	Transport and Communication	175,001,659	118,155,684 **(33.72%)**	3,750,354	27,517,427	19,937,857	44,208,737	95,414,375 **(32.58%)**
3	Social Services	216,460,593	65,002,049 **(18.55%)**	6,298,148	16,484,375	12,481,116	18,531,607	53,795,246 **(45.22%)**
4	Public Utilities	177,710,200	75,148,043 **(21.45%)**	18,190,212	17,314,068	12,070,198	16,307,997	63,882,475 **(35.79%)**
5	Public Building	92,401,400	29,244,020 **(8.35%)**	-15,785,375	8,759,649	10,572,042	6,912,160	10,458,476 **(11.38%)**
6	Security	65,104,217	15,015,950 **(4.29%)**	2,315,000	3,791,573	4,142,248	3,515,210	13,764,031 **(19.64%)**
7	Miscellaneous	16,600,820	3,627,819 **(1.04%)**	0	1,083,154	946,150	0	2,029,304 **(12.01%)**
8	ICT	167,149,611	7,352,416 **(2.10%)**	0	1,582	1,185,876	2,716,483	3,903,941 **(2.21%)**
	Total	**1,000,000,000**	**350,417,825**	**16,150,128**	**80,040,789**	**67,351,157**	**98,053,883**	**261,595,957 (26.16%)**

Source: ***JPKE, except information on Expenditure from Department of Financial Services, Ministry of Finance***

[1] % warrants issued against total warrants
[2] % of expenditure against allocations

CHART 2: NDP Major Sectors - Allocation, Warrants, Expenditure for 2003



Expenditure

From **Table 3 and Chart 2** above, expenditure is shown by sectors. The cumulative total of expenditure charged to NDP's vote as recorded by the Department of Financial Services, Ministry of Finance in December 2003 was around BND 262 million. Expenditure charged in 2003 is also shown above. Q4 2003 showed an increase in spending by 46 **per cent** of Q3 2003. Up to Q4 2003, the total cumulative expenditure recorded was 74.7 per cent of the total cumulative warrants issued, but 26.2 per cent of total allocations for 2003.

ANALYSIS OF ACHIEVEMENTS FOR Q4 OF 2003

Up to Q4 2003, expenditure was BND 262 million against BND 350 million worth of warrants issued. Q4 2003 recorded **BND 98** million worth of expenditure which was higher compared to Q3 2003 with BND 67 million expended.

Expenditure during Q4 2003 (**BND 98 million**) was **29 per cent lower**, compared to expenditure during Q4 (**BND 138 millions**).

However, for 2003, the last quarter of the year recorded an increase in expenditure performance, and development in the physical status of projects had correspondingly improved. Out of 542 projects (with allocation of BND 1 billion), 90 projects (with allocation of BND 113 million) were completed, which was about 23 per cent higher than Q3 2003.

In Q4 2003, 181 projects (as compared to 184 projects in Q3 2003) were implemented, while the remaining 271 projects (as compared to 285 projects in Q3 2003) were in various stages of development. These will be implemented in 2004.

Overall, expenditure in 2003 was 37 per cent lower than that of 2002.

8th NATIONAL DEVELOPMENT PLAN

IMPLEMENTATION PROJECTION

Based on recent trends in Q3 and Q4 2003, as the financial performance of projects increased, the physical implementation of NDP projects have equally improved in the last quarter, compared to Q3 of 2003.

Performance in Q1 2004, and specifically Q2 2004, are also expected to improve. Three sectors namely **the Social Sector, the Public Utilities Sector and the Transport and Communication Sector** - are expected to continuously achieve higher spending of the annual allocation in the next quarter. Other sectors, such as **ICT, Public Buildings and Industry and Commerce sectors** will soon be picking up performance as the NDP enters the fourth year of its implementation. This is also based on the fact that out of 542 total projects with annual allocation of BND 1 billion, 181 projects with a total allocation of BND 539 million have commenced implementation in Q3 2003. A total of 61 projects with BND 90.5 million allocation, are currently in various processes of 'awaiting tender approvals'. Some of these projects are expected to commence implementation in 2004.

TABLE 4. BUDGET ALLOCATION ACCORDING TO MAIN SECTORS

	MAIN SECTOR	Scheme Value 2004/2005	Allocation 2003	Allocation 2004 - 2005 and Percentage Change
1	INDUSTRY AND COMMERCE	1,403,506,400	89,451,500	91,048,000
2	SOCIAL SERVICES	1,734,533,399	211,017,000	207,116,000
3	TRANSPORT AND COMMUNICATION	839,309,600	165,132,100	167,642,000
4	PUBLIC UTILITIES	1,171,830,000	178,500,000	166,490,000
5	PUBLIC BUILDINGS	571,016,000	91,901,400	85,525,000
6	SECURITY	316,475,000	70,098,000	93,150,000
7	MISCELLANEOUS	143,983,601	16,899,000	25,029,000
8	ICT	1,119,346,000	177,001,000	64,000,000
	TOTAL	7,300,000,000	1,000,000,00	900,000,000

BUGET ALLOCATION FOR 2004 – 2005

- For the Fiscal Year 2004-2005, the Government has allocated BND 900 million to implement a total of 480 projects under the 8th National Development Plan (NDP) with a Scheme Value of BND 5,487 million.
- The breakdown is that BND 526 million (58 per cent) will be used to implement 210 on-going project and the rest, BND 374 million (42 per cent) will be used to implement 270 new projects. The allocation according to Main Sectors is as shown in Table 4.
- The Industry and Commerce Sector consisting of agriculture, forestry, fishery, industrial development, commercial and entrepreneurial development, and Pulau Muara Besar Project is given BND 91 million to finance 67 projects, of which BND 16 million is allocated to implement 24 new projects with a scheme value of BND 425 million.
- The Social Services Sector which comprises of education, medical and health, government housing, national housing, religious affairs, public facilities and environment projects is given the highest allocation of BND 207 million or 23 per cent of the total development budget to implement 172 projects. BND 112 million from BND 207 million allocated for the sector, is to implement 116 new projects with the total scheme value of BND 831 million.
- The Transport and Communication Sector, which comprises of roads, civil aviation, marine and ports, telecommunications, radio and television, and postal services is given BND 168 million to implement 58 projects. BND 67 million from BND 168 million is allocated for 24 new projects with a scheme value of BND 281 million.
- BND 166 million is allocated to implement 83 projects under Public Utilities Sector, which comprises of electricity, sanitation, water supply and drainage. BND 76 million from BND 166 million allocated, is for 44 new projects with a scheme value of BND 308 million.
- BND 85 million is allocated to fund 49 projects under the Public Buildings Sector. Out of BND 85 million allocated, BND 23 million is to implement 28 new projects with a scheme value of BND 245 million.
- The Security Sector which includes RBAF Bolkiah, RBAF Penanjong, RBAF Muara, RBAF Miscellaneous Project and Police is given BND 93 million to implement 10 projects, out of which, 6 are new projects with a scheme value of BND 117 million, and the allocation is BND 28 million.
- The Miscellaneous Sector comprising feasibility studies and contingency is allotted BND 25 million.
- The Info-Communication Technology Sector, which was introduced in 2002 is allocated BND 64 million. This Sector undertakes 15 E-government projects. Out of BND 64 million allocated for the sector, BND 42 million is allocated to implement 12 new projects with a scheme value of BND 603 million.

SHORT TERM ECONOMIC RECOVERY

Table 1: Implementation Status of Housing Development Scheme Phase 1 (PWD)

Site	Package Number	No. Of Houses	Types of Houses	Status
PROJECTS RETENDERED				
Kg. Katok A	1	24	E	RE-TENDERED
	2	26	E	ON GOING
Sub Total	2	50	E	
PROJECTS COMPLETED				
	3	22	E	COMPLETED
	4	25	E	COMPLETED
	5	24	E	COMPLETED
	6	21	D	COMPLETED
	7	23	D	COMPLETED
	8	23	C	COMPLETED
	9	24	C	COMPLETED
	10	19	C	COMPLETED
Kg Katok B	11	29	D	COMPLETED
	12	20	C	COMPLETED
	13	20	C	COMPLETED
Sub Total	11	250	C/D/E	
TOTAL	13	300	C/D/E	

As of 31 December 2003
Source: Department of Implementation and Monitoring, JPKE

Table 2: Implementation Status of Housing Development Scheme Phase 1 (HDD)

Site	Contract Number	No. of Houses	Types of Houses	Status	Completion Date/ (Revised)
PROJECTS RETENDERED					
Kg. Pandan	H10B	22	TERRACE	AWARDED	31/10/2004
Kg. Rimba	H23B	13	D	AWAITING FOR AWARDED	
	H29A	20	D	AWAITING FOR AWARDED	
Sub Total : To Be Retendered	3	55	TERRACE/ D		
PROJECTS COMPLETED					
Lambak Kanan	H35A	19	D	COMPLETED	
Kg Pandan	H10A	5	D	COMPLETED	
	H10C	22	TERRACE	COMPLETED	
	H10D	22	TERRACE	COMPLETED	
Kg Rimba	H23A	12	D	COMPLETED	
	H29B	32	D	COMPLETED	
	H29C	17	D	COMPLETED	
	H29D	27	D	COMPLETED	
Sub Total : Completed	9	156	D,TERRACE		
TOTAL	11	211	D,TERRACE		

As of 31 December 2003
Source: Department of Implementation and Monitoring, JPKE

Table 3: Implementation Status of Infrastructure Phase 1 – (PWD)

Site	Project	Status
Kg Katok A	1. Improvement of Jalan Tungku	DELAYED
Kg Katok B	2. Supply & Laying Water Pipe	DELAYED

As of 31 December 2003

Source : Department of Implementation and Monitoring, JPKE

Table 4: Implementation Status of Housing Development Scheme -Phase 2 – (PWD)

Site	Package Number	No. of Houses	Types of Houses	Status
Kg Katok B	14	15	D & E	AWAITING FOR AWARDED
	15	15	E	ON GOING
Kg Katok A	16	14	D	DELAYED
Kg Sungai Buloh	17	22	D	ON GOING
	18	22	D	AWARDED
	19	28	D	ON GOING
	20	24	D	ON GOING
	21	24	D	ON GOING
	22	24	D	ON GOING
	23	23	E	ON GOING
	24	24	E	ON GOING
	25	15	E	ON GOING
Total	12	250		

as of 31 December 2003
Source : Department of Implementation and Monitoring, JPKE

PUBLIC HOUSING DEVELOPMENT SCHEME

First Phase

Two retendered were awarded during Q4 2003. Three other contracts are expected to be awarded soon. One contract scheduled to be retendered in early 2004 was still at the stage of preparing tender documents.

To date, a sum of BND 31,398,832 was spent under Phase 1, of which BND 20,690,191 was for projects implemented by PWD and BND 10,708,641 implemented by HDD.

Construction of 300 houses by Public Works Department (PWD)

During Q4 2003, the contract for Package 2, retendered and awarded in July 2003 was progressing on time and expected to be completed by January 2004. The retendering of Package 1 involving 24 houses was still being prepared. The tender is expected to be out by 2004. The others 11 packages involving 250 houses in Kg Katok A and Kg Katok B had been completed. **(Table 1)**.

Out of 250 houses , 111 houses completed houses in Kg Katok A and Kg Katok B had been handed over to successful applicants. The remaining other 139 houses are expected to be handed over in early 2004.

Construction of 211 houses by Housing Development Department (HDD)

In Q4 2003, one retended contract (H10B) was awarded in October 2003. Two other similar contracts, (H23B) and (H29A) were expected to be awarded soon. The others 9 contracts involving 156 houses in Kg Rimba, Lambak Kanan and Kg Pandan had been completed. **(Table 2)**

Infrastructure Works

Two infrastructure works involving road and water works at Kg Katok A were still delayed; First, the Improvement Works on Tungku Road was delayed due to the reallocation of existing services such as telecommunication, water, electrical and drainage works. Second, the Construction of Water Reticulation System at Kg. Katok B was also delayed for 3 months **(Table 3)**.

Second Phase

Construction of 250 houses by PWD

Based on revised schedules, 14 houses located at Kg. Katok A were delayed mainly due to additional infrastructure works. This contract would require extension of time and expected to be completed by the end of January 2004. A total of 15 houses at Kg. Katok B would be completed on time by the end of January 2004 **(Table 4)**.

One retendered contract for houses involving 22 houses at Kg. Sungai Buloh retendered during Q4 2003 was awarded in October 2003. Another contract involving 22 houses at Kg. Katok B would soon be awarded. Eight contracts for 184 houses at Kg Sungai Buloh were progressing well.

Infrastructure Works

By the end of Q4 2003, 5 contracts on infrastructure works, involving electrical, telecommunication and water supply works at Kg Katok A and Kg Katok B were going well on schedule. While another 5 contracts involving electrical, telecommunication and road works in Kg Sungai Buloh were behind schedule.

A total of BND 5,120,164 was spent in the second phase.

SHORT TERM ECONOMIC RECOVERY

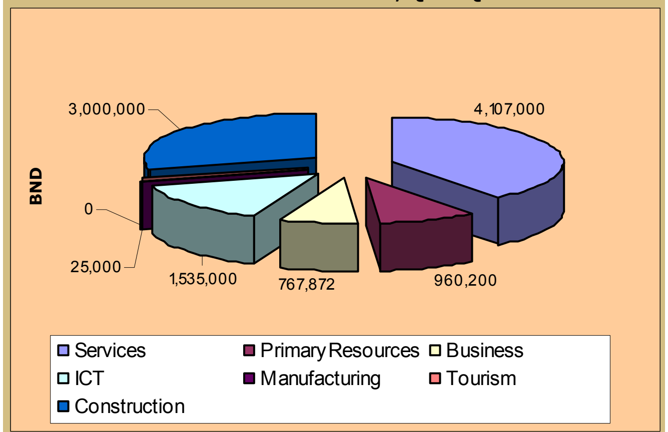
Table 5. Loans Approved by Banks According To Economic Sectors, October - December 2003

SECTORS	NUMBER OF LOANS APPROVED	LOAN AMOUNTS APPROVED THROUGH BANKS (No. of Loans in bracket) BAIDURI (BND)	HSBC (BND)	IBB (BND)	IDBB (BND)	TOTAL (BND)
SERVICES	7	30,000 (1)	115,000 (2)	96,000 (3)	170,000 (1)	411,000
BUSINESS	1	357,872 (1)				357,872
CONSTRUCTION	1			200,000 (1)		200,000
ICT	2		1,500,000 (1)	35,000 (1)		1,535,000
PRIMARY RESOURCES	1			500,000 (1)		500,000
TOTAL	12	387,872	1,615,000	831,000	170,000	3,003,872

Table 6: Loans Approved in the Working Capital Credit Fund, Year 2001 – 2003

Sectors	Year 2001 No	Value BND	Year 2002 No	Value BND	Year 2003 No	Value BND	Total No	Value BND
Services	16	2,805,000	23	3,911,000	32	4,107,000	71	10,823,000
Primary Resources	5	2,963,000	6	1,173,613	5	960,200	16	5,096,813
Business	6	820,000	12	1,721,000	9	767,872	27	3,308,872
ICT	10	4,963,604	6	3,016,000	2	1,535,000	18	9,514,604
Manufacturing	0	0	3	329,000	1	25,000	4	354,000
Tourism	0	0	2	555,000	0	0	2	555,000
Construction	9	2,288,906	10	4,026,372	8	3,000,000	27	9,315,278
Total	46	13,840,510	62	14,731,985	57	10,395,072	165	38,967,567

CHART1: LOAN APPROVALS IN 2003, Q 1 - Q4



Maintenance of Government Buildings, Compounds and Assets
Table 7: Distribution of Works, Number of Works & Number of Successful Companies

PHASE	TOTAL NO. OF WORKS	NUMBER OF WORKS AWARDED	NUMBER OF SUCCESSFUL COMPANIES
1	51	50	31
2	134	128	82
3	139	132	68
4	66	55	31
5	22	22	17
TOTAL	**412**	**387**	**229**

** As of 30th September 2003*

WORKING CAPITAL CREDIT FUND SCHEME

In Q 4 of 2003, 12 loan applications with a total value of BND 3,003,872.00 were approved **(Table 5)**. These loans were for financing projects in the sectors ICT (53.8 per cent), services (13.7 per cent), primary resources (16.7 per cent), business (11.2 per cent) and constructions (4.6 per cent).

With these figures for Q 4, the total amount of loans approved in the year 2003 is BND 10,395,072.00 **(Chart 1)**. This brings the total number of loans approved in the last 3 years since the introduction of the scheme in January 2001 to 165, and the overall value BND 38,967,568.00 **(Table 6).** Although the loan amount for 2003 was lower than in 2001 and 2002, the value at almost BND 10.4 M indicates that the scheme continues to receive strong response from the local entrepreneurs.

MAINTENANCE OF GOVERNMENT BUILDINGS, COMPOUNDS AND ASSETS

The maintenance of government buildings, compounds and assets under the Short-Term Economic Recovery Plan continues to be implemented by the Department of Planning and Estate Management, Ministry of Education and Department of Building Services, Public Works Department.

The project was implemented in 5 stages beginning March 2002 in which the first 2 phases were awarded in 2002. The third phase and the fourth phase of the project were awarded in the first and second quarter of 2003, respectively. The fifth phase was awarded in late December 2003.

There are five phases where the overall number of works was 412 works where 387 works were awarded and given to 229 successful companies **(Table 7)**.

Under Phase 1, the total number of works was 51 and only 50 were awarded to 31 companies. For Phase 2, the total number of works were 134 where only 128 works were awarded to 82 companies. Under Phase 3, the total number of works was 139 and only 132 were awarded to 68 companies. A total of 66 works were under Phase 4, where only 55 works were awarded to 31 companies. Under Phase 5, a total of 22 works were awarded to 17 companies **(Table 7).**

Out of the total 50 contracts under Phase 1, as of 31st December 2003, 41 contracts have been completed, 5 contracts are still under final measurement stage, and 2 contracts are delayed whilst 2 contracts have been terminated due to failure of the awarded contractors to complete the contracts. Payments made for this phase totaled BND 923, 356.79.

Under Phase 2, 82 contractors were given a total of 128 contracts amounting to BND 4,550,951.09. As of 31st December 2003, 103 contracts have been completed whilst 5 contracts are still under final measurement stage. 1 contract is still under implementation and 2 contracts are delayed. A total of 17 contracts were terminated due to failure of the awarded contractors to complete the contracts. Payment made for this phase totaled BND 3,687,431.10

For Phase 3, 68 contractors were awarded a total of 132 contracts amounting to BND 10,384,660.11. By the end of Q4 2003, 83 contracts have been completed, 7 contracts are still under final measurement stage, and 3 contracts are delayed. The remaining 34 contracts are still under implementation. 5 contracts have been terminated. Payments made for this phase totaled BND 3,667,847.47

Under phase 4, 33 contractors were awarded a total of 55 contracts with total value of BND 4,311,024.86. As of Q4 2003, 11 contracts have been completed whilst the remaining contracts are still under implementation.

SMALL MEDIUM ENTERPRISES IN BRUNEI DARUSSALAM

Small medium enterprises (SMEs) are known to play a very important role in the development of a large number of economies around the world. SMEs have been identified as a 'seedbed' for larger enterprises and act as a 'cushion' to rapid changes and major global, often unexpected events. In the Asia Pacific economies alone, there are about 49 million SMEs which make up over 98 per cent of all enterprises, provide over 60 per cent of the private sector jobs and generate about 30 per cent of direct exports and 10 per cent of FDI value[1]. In Brunei Darussalam, SMEs are viewed as having a significant role on economic development. This article looks at the achievements of the SME sector in Brunei Darussalam and identifies factors important to the SMEs development. It will also look at the government's roles and assistance in developing the SMEs.

SMEs have a potential dynamic role as engines of growth through which long-term objectives of economic diversification can be achieved. SMEs development has been an important economic agenda of the country and ingrained in the National Development Plans. The Ministry of Industry and Primary Resources was established in 1989, with key responsibility to oversee and assist SMEs.

In the context of Brunei Darussalam, SMEs can be defined as business establishments that employ not more than 100 people or have fixed asset of not more than BND5 million. Enterprises employing not more than 10 people are categorised as small enterprises, while those employing between 11 to 100 people are medium enterprises.

The relative importance of SMEs in the economic structure is reflected in their numbers. In 2002, out of a total of 6,817 establishments in Brunei Darussalam, 97 per cent were SMEs (Table 1). Small enterprises made up 72.9 per cent (4,972) while 25.5 per cent (1,739) were medium enterprises. Wholesale and retail, construction, and mining and manufacturing were the main key sectors constituting about 58 per cent of all establishments.

Table 1: No of establishments by employment size and industry in 2002

Industry	1-10	11-100	101 & more
Agriculture, Forestry & Fishing	661	66	4
Oil & Gas	9	8	2
Sawmilling & Timber	11	23	0
Mining & Manufacturing	913	205	17
Construction	787	592	36
Wholesale & Retail	1066	330	14
Restaurants & Hotels	410	196	7
Transports & Communication	254	69	3
Financial, Insurance & Business Services	215	102	13
Community, Social & Personal Services	646	148	10
TOTAL	***4,972***	***1,739***	***106***

Source: Department of Labour

The number of SMEs in an economy is an indicator of the entrepreneurial health. A large number of SMEs one economy has is an important asset as it can increase the degree of competitiveness of the country, precisely what any economy desires to be once trade and investment barriers are reduced. From 1994 to 2002, the number of SMEs had grown by about 68 per cent from 3,990 to 6,711 in 1994 and 2002 respectively.

Table 2 shows the overall sectoral distribution of enterprises between 1996 and 2002. The three main sectors namely mining and manufacturing, construction and wholesale and retail continued to be the key sectors.

Table 2: No of SMEs by Sector

Sector	1994	2000	2001	2002
Agriculture, Forestry & Fishing	228	486	677	727
Mining & Manufacturing	619	1,451	1,142	1,169
Construction	938	1,081	1.282	1,379
Wholesale & Retail	938	1,124	1.420	1,396
Coffeeshop, Restaurant & Hotels	264	410	590	606
Transport & Communication	237	269	320	323
Financial, Insurance & Financial Services	198	267	300	317
Community, Social & Personal Services	568	707	845	794
TOTAL	***3,990***	***5,795***	***6,576***	***6,711***

Source: Department of Labour

Meanwhile the SME's share of private sector employment in Brunei Darussalam is high at 59.0 per cent similar to the likes of Hong Kong (59.6 per cent) and New Zealand (60 per cent), and higher than United States, Singapore and Canada at 41.5 per cent , 43.1 per cent and 49.5 per cent respectively[2]. In terms of the number of person per SME or known as entrepreneur density ratio, Brunei Darussalam does not score well at 50.6 which in the language of entrepreneurship means only one person in every 51 in Brunei Darussalam is an entrepreneur. Most developed countries have an average of 20 persons per SME. To achieve this level at today's population, Brunei Darussalam would need a total of 16,684 SMEs, an increase of 154 per cent in the current number.

[1] APEC SMEWG report (2002) Profile of SMEs and SME Issues 1990-2000 APEC Secretariat.

[2] Figure for Brunei is based on the preliminary report of the Brunei Economic Census 2001 while figures for other countries are from APEC SMEWG report (2002) Profile of SMEs and SME Issues 1990-2000 APEC Secretariat.

SMALL MEDIUM ENTERPRISES IN BRUNEI DARUSSALAM

Table 3: SME Financial Schemes

Scheme	Agencies involved	Sectors covered	Loan Amount
Enterprise Facilitation Financing Scheme	MIPR IDBB	Agriculture Fishery Tourism Manufacturing	Maximum of BND1.5 million
Microcredit Scheme	MIPR IDBB	Primary sectors Tourism ICT Food industry Cottage industry	Maximum of BND30 thousand
Working Capital Credit Fund Scheme	JPKE IDBB IBB Baiduri Bank HSBC UOB	Services Primary Sector Tourism ICT Manufacturing Construction Retail Other sectors	Maximum of BND1.5 million

Sources: MIPR and JPKE

Table 4 :Number of Enterprises by Size and Internet Access, 2000 and 2001

		Small	Medium	Large	Total
2000	Have Access	440	486	72	998
	No Access	1,452	572	6	2,030
2001	Have Access	471	492	70	1,033
	No Access	1,523	591	5	2,119

Source: Preliminary Report of the 2002 Economic Census, JPKE

There are a number of factors related to SME development in Brunei Darussalam. Access to inputs and supportive business and policy environment are one of the crucial factors. In addition, there are also 'pull' factors such as personal incentives and 'push' factors such as educational level, past managerial experiences and unemployment.

Access to inputs

Inputs such as raw materials, finance, technology and even information are the main ingredients to establishing an enterprise. Having been dependent on the production of oil and gas, Brunei Darussalam imports almost all of its consumption and capital goods. Prices in other countries naturally will affect the prices of raw materials and the cost of production. Further this may also result in supply uncertainties.

The government has set up financing schemes for local SMEs. These include the Enterprise Facilitation Financing Scheme and the Microcredit Financing Scheme which are administered by the Ministry of Industry and Primary Resources through the Islamic Development Bank Brunei, and the Working Capital Credit Fund Scheme, administered by JPKE through 5 local banks. However, access to finance remains an issue with some local SMEs as they cannot meet some of the banks' requirements, such as collaterals and personal guarantors. Besides these schemes and normal commercial loans, there is limited alternative for the local SMEs. Financial sources such as venture capitals or angel investors are still relatively foreign to Brunei SMEs.

The fast evolving ICT development also has its role in the SMEs development. It has been known that the digital divide is a significant problem faced by many developing countries; it can hamper the degree of one's competitiveness. Access to Internet allows businesses around the world to participate in the international economy and to compete with one another. Further it serves as the most cost effective means of obtaining information. The Brunei Economic Census reports that only one-third of the overall enterprises in 2000 had access to Internet. Out of this, 926 are SMEs, which constitute 31 per cent of the total SMEs and 30.6 per cent of overall enterprises. The number increased slightly to 963 in 2001. This simply shows that the digital divide in Brunei Darussalam is quite distinct.

Policy and Business Environment

The development of SMEs and ensuring their survivals during unfavourable economic climate have been among the main thrusts of the SME policy. This can be demonstrated through a number of events. Beginning with the establishment of the Ministry of Industry and Primary Resources, the development of SMEs has since become one of the main objectives in the National Development Plans, notably in the Eighth National Development Plan:

"In pursuing the diversification policy, the industrial base needs to be expanded by establishing more small and medium industries (SMEs). Towards this end, the government will provide the necessary infrastructure and incentives to facilitate the establishment and expansion of industries."

During the period of economic downturn in the late 1990s, SMEs stood as one of the main concerns of the government. The Brunei Darussalam Economic Council, which was set up in the wake of this downturn, produced a report recommending an action plan for recovery. A number of programmes and strategies were put forward, notably the privatisation programme and short-term economic recovery programmes. One specific plan was to provide financial assistance to SMEs. These measures were taken to enable the existing

SMALL MEDIUM ENTERPRISES IN BRUNEI DARUSSALAM

SMEs to reap the opportunities presented in the recovery programmes and to ensure their survivals and continued growth. On 26th November 2001, the Brunei Economic Development Board was formed. Apart from carrying the roles of promoting Brunei Darussalam as an investment destination, the Board will assist and facilitate industrial development as a whole, which will support the development of SMEs. All of these give a clear signal and evidence on the strong priority the government accords to SMEs. From time to time, the government will review its policies to ensure a conducive business environment for the SMEs.

Pull Factor

While it is true that banks appear to be traditional and cautious in dispersing funds, this should not be a total hindrance for new enterprises to be formed. There are other factors which are crucial to the development of SMEs. These include willingness to take risk, diligence and the attitude of 'when there is a will, there will be a way' on the part of entrepreneurs. Personal motivation of being an 'employer' rather than an 'employee', and the tenacity to overcome risks and challenges are priceless traits which mark the characteristics of a successful entrepreneur.

The presence of the booming oil sector is a boon to Brunei Darussalam. It has driven up wages in all sectors, created high levels of wealth and established a well-paid public sector, a phenomenon known as 'Dutch Disease' commonly encountered in oil-producing countries. This however, has somewhat worked against SMEs development. For most people in Brunei Darussalam, according to Heeks (1998), moving into business is most certainly not an economic necessity. Hydrocarbon revenues have meant that both current and retired public servants are sufficiently well-off that there are few financial incentives for them to risk their salaries and perks, or pensions and 'nest eggs'. Even the unemployed are well provided for through the incomes of other family members[3]. This scenario no doubt, presents a considerable challenge to planners and policy-makers on developing the SMEs.

Push Factor

Education and skill have positive correlation with new SMEs creation. With regard to skills, the government has set up a number of centres which conduct various programmes on entrepreneurial development. These include the Resource and Standard Centre, Ministry of Industry and Primary Resources, the Youth Development Centre and the Arts and Handicraft Training Centre, Ministry of Culture Youth and Sports, the Entrepreneurship Section, Department of Technical Education, Ministry of Education and the Entrepreneurial Development Unit, Universiti Brunei Darussalam.

Unemployment level should typically bear positive correlation with the emergence of new SMEs. A high level of unemployment will spur the emergence of many entrepreneurs into the business market. This however, might not be the case in Brunei Darussalam. The availability of family supports and the attitude of waiting for job are still prominent among unemployed youths. On the other hand, retirees and pensioners from government services, who may serve as potential pool of new entrepreneurs primarily lack experience and exposure in business activities. These factors contribute to the low creation of new SMEs despite a large source of potential entrepreneurs.

[3] Heeks,R. (1998) Small Enterprise Development and the 'Dutch Disease' in a Small Economy: The Case of Brunei, IDPM Discussion Paper Series (56), UK: University of Manchester.

SMALL MEDIUM ENTERPRISES IN BRUNEI DARUSSALAM

Conclusion

To conclude, it is imperative for Brunei Darussalam to develop its SMEs not only because they have the potential for the growth of employment and incomes but also serve as a means to achieve the economic diversification objective. The number of SMEs needs to be increased and the cluster of sectors diversified. Existing SMEs should be strengthened and they must make full use of current technology in order to ensure their competitiveness.

While there are a number of pertinent issues facing the SMEs, the government will attempt to facilitate the needs of the group. The current government's assistance, either financially or in terms of policies will be reviewed from time to time for improvement. At the same time, the SMEs are urged to continuously put committed efforts and become active players in the private sector development. While finance can be obtained through borrowing and skills developed through learning, willingness to take risk and perseverance must be self-cultured. The government as the facilitator and the private sector as the main player need to work together. Only when both parties work in tandem will the national objective on economic development and aspiration for the private sector to be the 'engine of growth' can be successfully attained

LIST OF JPKE PUBLICATIONS AVAILABLE FOR PURCHASE

No.	List	BND
1.	**Brunei Darussalam Statistical Yearbook 82 / 83**	7.00
2.	**Brunei Darussalam Statistical Yearbook 83/84**	7.00
3.	**Brunei Darussalam Statistical Yearbook 2000 / 2001**	8.00
4.	**Brunei Darussalam Statistical Yearbook 2002**	8.00
5.	**Brunei Statistics of External Trade 1991**	20.00
6.	**Brunei Statistics of External Trade 1992**	20.00
7.	**Brunei Statistics of External Trade 1993**	20.00
8.	**Brunei Statistics of External Trade 1994**	20.00
9.	**Brunei Statistics of External Trade 2001**	20.00
10.	**Brunei Statistics of External Trade 2002**	20.00
11.	**Vital Statistics 1991**	7.00
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13.	**Vital Statistics 1993**	7.00
14.	**Vital Statistics 1994**	7.00
15.	**Vital Statistics 1998**	7.00
16.	**Vital Statistics 2000**	7.00
17.	**Vital Statistics 2001**	7.00
18.	**Vital Statistics 2002**	7.00
19.	**Sixth National Development Plan 1991-1995 (Malay/English)**	30.00
20.	**Seventh National Development Plan 1996-2000**	15.00
21.	**Rancangan Kemajuan Negara ke 7 1996-2000**	15.00
22.	**Rancangan Kemajuan Negara ke 4 1980-1984**	7.00
23.	**Summary Tables of the Brunei Population Census 1991**	20.00
24.	**Report on the 1991 Population Census**	20.00
25.	**Report on the 1991 Housing Census**	20.00
26.	**Report on the Labour Force Survey 1995**	10.00
27.	**Demographic Situation & Population Projection 1991 – 2011**	10.00
28.	**PERJALANAN NBD memasuki ALAF BARU (Kulit Nipis)**	25.00
29.	**PERJALANAN NBD memasuki ALAF BARU (Kulit Tebal)**	40.00
30.	**The JOURNEY Brunei Darussalam into the next Millennium (Hard Cover)**	40.00
31.	**Preliminary Report of the Population and Housing Census 2001**	2.50
32.	**Consumer Price Index for Negara Brunei Darussalam Base 1990 = 100**	7.00
33.	**Preliminary Report of the 2002 Economic Census**	2.50

Miscellaneous

JPKE HOTLINE

- JPKE has dedicated a hotline for the public to make any inquiries, complaints, and comments, regarding prices, sales and promotion activities.
- The hotline is **2230223** is located at Level 3 (West Wing) Department of Implementation and Monitoring, JPKE, Jalan Ong Sum Ping, Bandar Seri Begawan, BA1311. The hotline operates **during office hours**.
- With this initiative, it is hoped that JPKE can provide and maintain quality assurance services to the public.

WHAT'S IN THE NEXT ISSUE

1. Q1 2004 Economic Review and Outlook;
2. Q1 2004 Short term—economic recovery measures—reviews and new projects;
3. 8th NDP—Q1 2004 Project implementations.

The Editors Welcome any comments and suggestions from readers through:-

THE EDITOR
BRUNEI ECONOMIC BULLETIN (BEB)
JPKE (DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT)
PRIME MINISTER'S OFFICE

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JALAN ONG SUM PING
BANDAR SERI BEGAWAN, BA1311
NEGARA BRUNEI DARUSSALAM

BRUNEI ECONOMIC BULLETIN SUPPLEMENTARY COPY

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Date : 02/2004

THE EDITOR
BRUNEI ECONOMIC BULLETIN (BEB)
JPKE (DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT)
PRIME MINISTER'S OFFICE

Inside this issue:

Approved Price Certificate Issued During the Forth Quarter 2003

COMPANIES	TYPES / CAR MODELS	ACCESSORIES	CERTIFICATE REFERENCE	SR PRICES (BND)
GHK MOTORS	MITSUBISHI MAGNA EXECUTIVE 3.5 cc A/T F38ATRDERJ		11/10/2003 JPKE/PC/50/4	34,600.00
	MITSUBISHI MAGNA VERADA 3.5 cc A/T F38ATYXERJ		11/10/2003 JPKE/PC/50/4	44,500.00
	MITSUBISHI LANCER EVOLUTION VIII M/T CT9ASJGF2		04/11/2003 JPKE/PC/50/4	67,300.00
	CHEVROLET AVEO 1.5 A/T SEDAN & HATCHBACK		25/11/2003 JPKE/PC/50/4	20,250.00
	CHEVROLET AVEO 1.5 M/T SEDAN & HATCHBACK		25/11/2003 JPKE/PC/50/4	18,850.00
SETIA MOTORS	HYUNDAI COUPE FX 2.0 CVVT ENGINE A/T CBCGS6B		16/10/2003 JPKE/PC/50/03PT II	25,100.00
QAF AUTO	BMW 330 4DRS SALOON A/T DIESEL		11/10/2003 JPKE/PC/50/14	87,600.00
BOUSTEAD	NISSAN SUNNY EX- SALOON M/T CDGARSFN16EYAK3---.		04/11/2003 JPKE/PC/29/13PT VII	23,750.00
	NISSAN SUNNY EX- SALOON A/T CDGARSAN16EYAK3---.		04/11/2003 JPKE/PC/29/13PT VII	25,350.00
	NISSAN SUNNY SUPER- SALOON A/T CDGARSAN16EYANCKSB.		04/11/2003 JPKE/PC/29/13PT VII	27,100.00
	NISSAN PRIMERA WAGON A/T TDAAREZP12EDAY003Z		04/11/2003 JPKE/PC/29/13PT VII	38,600.00
	NISSAN ELGRAND 5A/T ELJARLKE51ED7YHOOY		04/11/2003 JPKE/PC/29/13PT VII	71,300.00
	NISSAN 350 Z 5A/T GLJARSNZ33EDAY002Z		04/11/2003 JPKE/PC/29/13PT VII	68,350.00
	NISSAN PATROL WAGON GRX 4A/T TWSSRHAY61URAC-C----		04/11/2003 JPKE/PC/29/13PT VII	60,350.00
	NISSAN URVAN MICROBUS 9 SEATER M/T TWS4RPFE25DWBY140y		04/11/2003 JPKE/PC/29/13PT VII	37,450.00
	NISSAN CEFIRO VQ23 DE 4A/T BLNURGAJ31EYAJ---F-		20/11/2003 JPKE/PC/29/13PT VII	46,000.00
	SUZUKI IGNIS 1.3GL 5DRS A/T		4/11/2003 JPKE/PC/29/13PT VII	19,100.00
	SUZUKI JIMMY 1.3 3DRS H/TOP M/T		4/11/2003 JPKE/PC/29/13PT VII	22,600.00

SOME ON THE ROAD (OTR) PRICES DO NOT INCLUDE OPTIONAL ACCESSORIES AS LISTED. PLEASE CARE TO CHECK PRICE CERTIFICATES

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COMPANIES	TYPES / CAR MODELS	ACCESSORIES	CERTIFICATE REFERENCE	SR PRICES (BND)
NBT SDN BHD	TOYOTA PRADO WAGON 3.0 cc M/T DIESEL LJ120R-GKMEE L/S		20/12/2003 JPKE/PC/50/6	39,950.00
	TOYOTA PRADO WAGON 3.0 cc M/T DIESEL LJ120R-GKMEE H/S		20/12/2003 JPKE/PC/50/6	52,100.00
	TOYOTA PRADO WAGON 3.0 cc A/T DIESEL KZJ120R-GKPETQ L/S		20/12/2003 JPKE/PC/50/6	63,250.00
	TOYOTA PRADO WAGON 3.0 cc A/T DIESEL KZJ120R-GKPETQ H/S		20/12/2003 JPKE/PC/50/6	72,900.00
	TOYOTA RAV 4 WAGON 2.4 cc M/T ACA23R-AWMNKQ		20/12/2003 JPKE/PC/50/6	42,050.00
	TOYOTA RAV 4 WAGON 2.4 cc A/T L/S ACA23R-AWMNKQ		20/12/2003 JPKE/PC/50/6	43,850.00
	TOYOTA RAV 4 WAGON 2.4 cc A/T H/S ACA23R-AWMNKQ		20/12/2003 JPKE/PC/50/6	47,900.00
	TOYOTA ECHO 1.0 cc M/T H/S. SCP10R-AHMRK		20/12/2003 JPKE/PC/50/6	21,200.00
	TOYOTA ECHO 1.0 cc A/T l./S. SCP10R-AHPRK		20/12/2003 JPKE/PC/50/6	21,800.00
	TOYOTA ECHO 1.0 cc M/T L/S. SCP10R-AHMRK		20/12/2003 JPKE/PC/50/6	19,650.00
	TOYOTA ECHO 1.0 cc A/T H./S. SCP10R-AHPRK		20/12/2003 JPKE/PC/50/6	23,400.00
	TOYOTA CAMRY 2.0 cc A/T ACV31R-AEPGKW		20/12/2003 JPKE/PC/50/6	44,950.00
	TOYOTA CAMRY 3.0 cc A/T MCV30R-AEPGKW		20/12/2003 JPKE/PC/50/6	50,900.00
	TOYOTA COROLLA 2.0 cc DIESEL M/T CE120R-AEMDS		20/12/2003 JPKE/PC/50/6	25,000.00
	TOYOTA COROLLA 1.6 cc M/T ZZE121R-AEMNK		20/12/2003 JPKE/PC/50/6	28,950.00
	LEXUS IS 200 4DRS SEDAN A/T H/S GXE10R AEPVKQ		20/12/2003 JPKE/PC/50/6	54,000.00
	LEXUS ES 300 4DRS SEDN A/T MCV30R BEAGKQ		20/12/2003 JPKE/PC/50/6	65,650.00
	LEXUS RX 300 5DRS WAGON A/T MCU35R AWAGKW		20/12/2003 JPKE/PC/50/6	79,650.00
	LEXUS LS 430 4DRS SEDAN A/T UCF30-AETGKWQ		20/12/2003 JPKE/PC/50/6	139,650.00
	LEXUS LX 47O 5DRS WAGON A/T UZJ100R GNAGKQ		20/12/2003 JPKE/PC/50/6	126,900.00
GRAND MOTORS	MAZDA F/L MPV 3.0L 5-SPEED A/T LE73-AAA		20/12/2003 JPKE/PC/50/15	47,450.00
HAPPY MOTORING	HONDA CR-V 2.0RV I 4WD RD5844PL KU - EL 2.0 cc A/T		05/11/2003 JPKE/PC/50/8	44,100.00
	HONDA JAZZ 1.4LX 5-DOOR M/T GD1753PL KT-TS 1.4cc		24/11/2003 JPKE/PC/50/8	24,850.00
	HONDA STREAM 2.0ABH WAGON A/T RN3874E9 KU-50 2.0cc		20/12/2003 JPKE/PC/50/8	38,650.00

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PREMIER AUTOMOBILES	FORD 2004 MONDEO WAGON 2.0 DIESEL		19/11/2003 JPKE/PC/50/18	31,150.00
	FORD EVEREST 2.5L DIESEL M/T		19/11/2003 JPKE/PC/50/18	39,600.00
	FORD MONDEO 2.0 TDI 4 DRS SEDAN M/T (NON- METALLIC PAINT)		05/11/2003 JPKE/PC/50/18	28,850.00
	FORD MONDEO 2.0 TDI 4DRS SEDAN M/T (METALLIC PAINT)		05/11/2003 JPKE/PC/50/18	29,700.00
KIM LEE HONG MOTOR	HOLDEN COMMODORE VY EXECUTIVE A/T SEDAN 3.8L		20/12/2003 JPKE/PC/50/17	47,800.00
TCY MOTORS	PEUGEOT 607 DIAMANT 2.9 E A/T 9DXFXF A/T		07/10/203 JPKE/PC/50/2	72,900.00
	SSANGYONG KORANDO 602 TD A/T DIESEL SOFT TOP KPTM4B1DS3P		10/11/2003 JPKE/PC/50/2	34,500.00
	SSANGYONG REXTON RX290 M/T DIESEL KPTHOB1DS3OP		10/11/2003 JPKE/PC/50/2	34,250.00
	SSANGYONG REXTON RX290 A/T DIESEL 2WD KPTHOB1DS3P		19/11/2003 JPKE/PC/50/2	35,350.00
	AUDI A4 AVANT 1.8T MU FR A/T 8E50AH		20/12/2003 JPKE/PC/50/2	63,400.00
	AUDI A4 CABRIOLET 2.4 MU FR A/T 8H70HH		20/12/2003 JPKE/PC/50/2	81,500.00
	AUDI A4 1.8T MU FR A/T 8E20AH		20/12/2003 JPKE/PC/50/2	60,150.00
	AUDI A4 2.0 M U FR A/T 8E20BH		20/12/2003 JPKE/PC/50/2	53,300.00
MAJU MOTORS	VOLKSWAGEN BEETLE CABRIOLET 2.0 A/T		08/11/2003 JPKE/PC/50/16	52,850.00
	RENAULT MEGANE 1.6 A/T 5DRS HATCHBACK PETROL		20/11/2003 JPKE/PC/50/16	31,350.00
	RENAULT MEGANE 1.4 M/T 5DRS HATCHBACK PETROL		15/11/2003 JPKE/PC/50/16	27,850.00

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