



BRUNEI ECONOMIC BULLETIN

Volume 3, Issue 3

Date : 12/2004

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

Inside this issue:

BRUNEI DARUSSALAM THIRD QUARTER 2004 ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

Brunei Darussalam Second Quarter Economic Review and Outlook	1
Crude Oil Price Index	11
Economic Outlook	13
8th National Development Plan	14
Short-Term Economic Recovery	17
JPKE List of Publications	20
Miscellaneous	20

THE EDITOR:
BRUNEI ECONOMIC BULLETIN (BEB)
JPKE (DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT)
PRIME MINISTER'S OFFICE
Phone:
+673-2-233344
Fax: +673-2-230226
Email: info@jpke.gov.bn

BEB Panel of Advisors

- ◆ Permanent Secretary
Prime Minister's Office
- ◆ Director General JPKE,
- ◆ Deputy Director Generals
JPKE

BEB Editors

- ◆ Directors, JPKE
- ◆ Assistant Directors, JPKE

BEB Contributors

- ◆ Hj Abd Razak Hj Angas
- ◆ Abd Amin Hashim
- ◆ Shahrom Hj Suhaimi
- ◆ Mashor POKID Dato Paduka
Hj Musa
- ◆ Shamsul Bahrin Hj Mohd
Hussain
- ◆ Dk Hj Siti Nirmala Pg Hj
Mohammad
- ◆ Zureidah Hj Abit
- ◆ Pg Metussin Pg Hj Tuah
- ◆ Hj Joharry Hj Karim
- ◆ Hj Aisah Hj Sani
- ◆ Hj Norfatiniwati Hj
Muhammad

BEB Publishers

- ◆ Noor Jusmin Hj Abd Samad
- ◆ Hairol Nizam Hj Abd Hamid

Brunei Darussalam's economy for Q3 2004 is estimated to expand by 1.5 per cent to BND 1,164.8 million from BND 1,147.2 million in Q2 2004. Compared to the same quarter last year, it is also estimated to expand by 2.6 per cent (**Chart 1.1**~ next page).

The **oil and gas sector** witnessed a growth of 0.7 per cent in Q3 2004 year-on-year, despite the decrease in average oil production by 0.2 per cent from 206,277 barrels per day in Q3 2003 to 205,935 barrels per day in Q3 2004 (**Table 1.1**). Compared to Q2 2004, the sector grew by 3.6 per cent. On a quarter-on quarter basis, the average oil production increased by 2.0 per cent from 201,738 in Q2 2004. The average weighted LNG production also increased by 2.9 per cent from 990,426.5 MMBtu¹ per day in Q3 2003 to 1,019,037.39 MMBtu per day in Q3 2004 (**Table 1.2** ~ next page).

**Table 1.1: Oil Production
 Unit – Barrels/Day**

	2001	2002	2003	2004
JAN	207,290	215,020	207,785	213,223
FEB	191,472	204,550	199,502	211,055
MAC	197,709	201,230	206,610	197,933
APR	179,623	186,880	210,221	212,929
MAY	169,771	193,561	205,183	201,172
JUN	186,537	203,188	214,122	191,130
JUL	194,308	204,150	205,119	195,142
AUG	193,504	216,474	203,128	214,846
SEP	193,351	192,335	210,727	207,879
OCT	188,568	199,427	197,564	
NOV	213,154	211,479	214,029	
DEC	224,901	207,524	212,788	
Crude Oil Production for the year	195,065	203,021	207,240	
Average Crude Oil Production Q1	199,069	207,013	204,803	207,323
Average Crude Oil Production Q2	178,546	194,532	209,790	201,738
Average Crude Oil Production Q3	193,725	204,450	206,277	205,935
Average Crude Oil Production Q4	208,828	206,085	208,063	
Average Crude Oil Production 1H	188,751	200,738	207,311	
Average Crude Oil Production 2H	201,276	205,268	207,170	

Source: Petroleum Unit, Prime Minister's Office

¹Million British Thermal Unit

Statistical Data (Q3, 2004)

- ◆ GDP Growth (Provisional Estimate) : 1.5 %
- ◆ Change in CPI : -0.2%
- ◆ Total Exports (f.o.b): BND 2,302.0 million
- ◆ Total Import (c.i.f): BND 639.2 million
- ◆ Government Revenue : BND 1,605.9 million
- ◆ Government Expenditure : BND 1,069.8 million

BRUNEI DARUSSALAM Q3 2004 ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

Table 1.2: LNG Production

Unit - MMBtu/Day	2001	2002	2003	2004
JAN	1,033,542.9	1,046,388.0	1,118,431.0	1,117,753.6
FEB	962,006.0	1,095,799.0	1,112,133.0	1,073,981.0
MAC	1,141,934.0	990,443.0	1,165,771.0	1,063,286.8
APR	864,858.0	750,836.0	1,037,552.0	1,126,284.33
MAY	682,869.0	687,569.0	1,002,617.0	785,019.35
JUN	960,671.0	915,497.0	1,088,055.0	946,134.00
JUL	838,649.0	1,061,756.0	1,050,631.0	1,061,481.61
AUG	936,035.0	1,061,236.0	948,691.0	1,060,398.06
SEP	1,023,296.0	980,426.0	970,991.7	932,439
OCT	1,048,142.0	1,062,589.0	992,310.7	
NOV	976,540.0	1,037,404.0	1,038,770.0	
DEC	1,146,837.0	1,059,582.0	1,062,209.0	
LNG Production for the Year	968,124.0	978,804.0	1,049,143.0	
Average LNG Production Q1	1,048,621.7	1,042,490.4	1,132,777.6	1,085,249.5
Average LNG Production Q2	834,448.5	783,567.4	1,042,283.9	950,639.01
Average LNG Production Q3	931,674.8	1,035,060.1	990,426.5	1,019,037.39
Average LNG Production Q4	1,058,049.4	1,053,363.3	1,031,013.2	
Average LNG Production 1H	940,943.4	912,243.8	1,087,280.5	1,017,944.23
Average LNG Production 2H	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	2004
JAN	109.7	108.0	111.2	110.9	112.8
FEB	113.1	100.0	109.0	107.7	110.6
MAC	112.6	108.0	104.4	112.0	105.6
APR	103.7	92.6	91.6	109.2	113.0
MAY	98.7	83.2	92.0	106.2	97.8
JUN	75.9	98.2	102.7	112.2	99.4
JUL	93.3	97.1	107.8	107.8	104.5
AUG	93.7	99.9	112.2	103.8	111.6
SEP	91.6	102.6	100.9	107.2	105.0
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	109.7
Average Index for Q2	92.8	91.2	95.4	109.2	103.3
Average Index for Q3	92.9	99.8	107.0	106.2	107.0
Average Index for Q4	102.6	109.3	108.2	108.2	
Average Index for H1	102.3	98.3	101.7	109.7	106.5
Average Index for H2	97.7	104.6	107.6	107.2	

Base year 2000=100

Source: Petroleum Unit, Prime Minister's Office

Table 1.4: Agricultural Sector

	Q3 03	Q2 04	Q3 04	growth (%) (Q-O-Q)	growth (%) (Y-O-Y)
Crop Production					
Vegetables (Tons)	2,799.47	3,012.0	2,941.0	-2.4	5.1
Fruits (Tons)	2,134.16	806.0	1,177.0	46.0	-44.8
Ornamental horticulture (trees)	72,918.5	56,966.0	41,025.0	-28.0	-43.7
Cut Flowers (unit)	32,779.0	34,459.0	35,312.0	2.5	7.7
Various Plantations (Tons)	63.94	87.0	90.0	3.4	40.8
Livestock Production					
Buffaloes (Tons)	36.41	30.0	75.0	150.0	106.0
Cattle (Tons)	0.5	0.3	1.0	233.3	100.0
Goats (Tons)	0.15	0.5	0.4	-20.0	166.7
Broiler Chicken (Tons)	3,180.29	3,967.0	4,744.0	19.6	49.2
Chicken Eggs (Millions)	27.26	28.4	24.71	-13.0	-9.4
Fresh Milk (Litres)	25,687.0	16,900.0	11,090.0	-34.4	-56.8

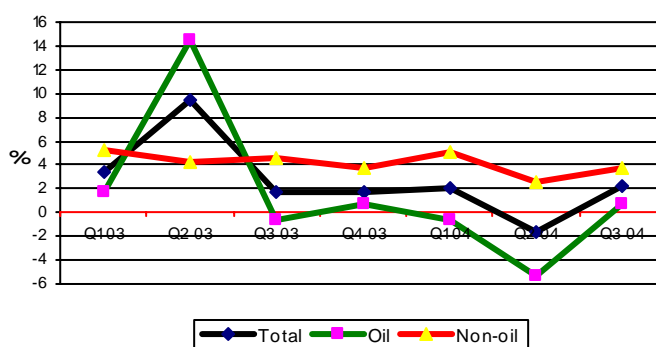
Source: Agricultural Department

Table 1.5: Forestry Sector

	Q3 03	Q2 04	Q3 04	growth (%) (Q-O-Q)	growth (%) (Y-O-Y)
Round Timber ('000 Cubic Metres)	31.1	33.2	25.6	-23.0	-17.7
Bakau Poles (Thousand Pieces)	21.5	32.4	35.1	8.3	63.0

Source: Forestry Department

Chart 1.1: Growth of Gross Domestic Product Year-on-year



The average oil and gas production index (OGPI) expanded by 0.7 per cent from 106.2 in Q3 2003 to 107.0 in Q3 2004. On a quarter-on-quarter basis the OGPI also expanded by 3.6 per cent from 103.3 in Q2 2004 (Table 1.3).

The price of crude oil averaged out at US\$46.31 per barrel in Q3 2004 compared to US\$29.33 per barrel a year ago and US\$38.2 in Q2 2004. Meanwhile, the price of LNG averaged out at US\$4.84 per MMBtu compared to US\$4.46 per MMBtu a year ago and US\$4.75 in Q2 2004.

The overall **non-oil and gas sector** is estimated to expand by 4.6 per cent in Q3 2004 compared to the same period last year. Compared to Q2 2004, it is estimated to decrease by 0.5 per cent. The year-on-year growth was supported by improvement in agriculture; forestry; fishery; construction; retail; real estate and business services; and transport & communication.

Activities in the **agricultural sector** are estimated to register a 17.5 per cent growth in Q3 2004 compared to the same period a year ago. This was due to the increase in the production of vegetables; cut flowers; various plantations; buffaloes; cattle; goats; and chicken broiler (Table 1.4). On a quarter-on-quarter basis, this sector is also estimated to grow by 5.3 per cent in Q3 2004.

The **forestry sector** grew at an estimated rate of 25.9 per cent in Q3 2004 year-on-year. Compared to Q2 2004, it registered a 3.6 per cent contraction. The production of round timber decreased by 17.7 per cent from 31.1 thousands cubic metres in Q3 2003 to 25.6 thousands cubic metres in Q3 2004 (Table 1.5). Compared to Q2 2004, it registered a fall of 23.0 per cent from 33.2 thousands cubic metres. The production of bakau poles increased by 63.0 per cent from 21.5 thousand pieces in Q3 2003 to 35.1 thousand pieces in Q3 2004. Compared to Q2 2004, it also increased by 8.3 per cent, from 32.4 thousand pieces during that quarter.

Activities in the **fishery sector** are estimated to grow by 3.0 per cent compared to the same period last year. Compared to Q2 2004, this sector also registered an estimated growth of 10.0 per cent. The largest upward influence was from the production of the capture industry. The production increased by 5.7 per cent from 3,240.2 metric tonnes in Q3 2003 to 3,425.1 metric tonnes in Q3 2004 and on quarter on quarter basis, the production also increased by 7.3 per cent from 3,192.0 metric tonnes in Q2 2004 (Table 1.6 ~ next page).

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

Table 1.6: Fishery Sector

	Q3 03	Q2 04	Q3 04	growth (%) (Q-O-Q)	growth (%) (Y-O-Y)
Capture Industry (Metric Tonnes)	3,240.2	3,192.0	3,425.1	7.3	5.7
Commercial	707.4	875.2	865.7	-1.1	22.4
Small Scale Fishermen	2,532.8	2,316.8	2,559.4	10.5	1.1
Aquaculture Industry (Metric Tonnes)	167.6	156.5	178.4	14.0	6.5
Fish	20.1	21.0	32.2	53.3	60.0
Prawn	125.1	106.6	121.6	14.1	-2.8
Fresh Water Fish	22.4	28.9	24.6	-14.9	9.9
Total Production	3,407.8	3,348.5	3,603.5	7.6	5.7

Source: Fishery Department

Table 1.7: Mining/Quarrying/Manufacturing Sector

	Q3 03	Q2 04	Q3 04	growth (%) (Q-O-Q)	growth (%) (Y-O-Y)
Garment	1,132,689.0	1,176,444.5	1,284,887.1	9.2	13.4
Cement Production (Tonnes)	60,318.0	59,041.5	67,330.8	14.0	11.6
Sawn Timber Production (Thousands cubic metre)	14.36	15.0	14.33	-4.6	-0.2
Fish Processing Production (Tonnes)	127.6	130.1	115.0	-11.6	-9.8
Charcoals Production (thousand Kg)	8.84	6.7	2.5	-62.2	-71.5
Cable Production (Kg)	177,967.5	202,682.9	126,264.1	-37.7	-29.1
Roofing Production (Tonnes)	657.1	543.0	716.0	31.9	8.9
Switchboard Production (Unit)	635.0	965.0	800.0	-17.1	25.9
Reverse-Osmosis Water Production (thousand litres)	103.0	117.0	100.0	-14.5	-2.9

Chart 1.2: Hotel Occupancy Rate

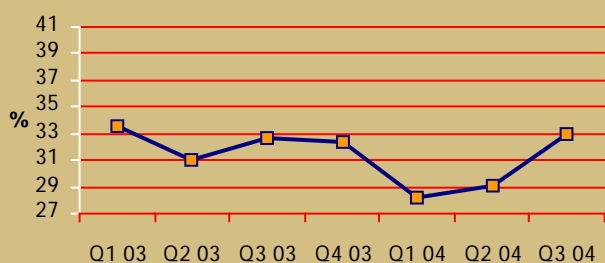


Chart 1.3: Growth Rate of Communication Sector

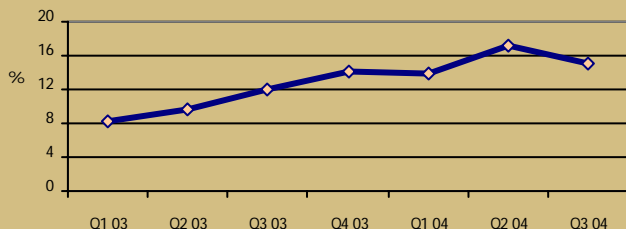


Chart 1.4: Seaborne Cargo Handled

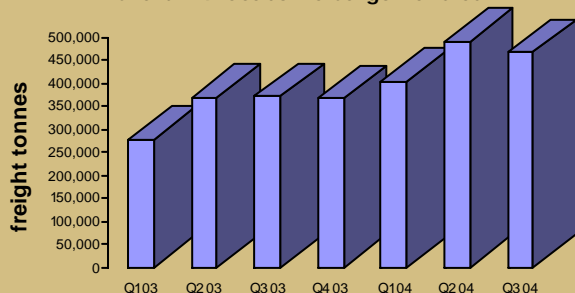
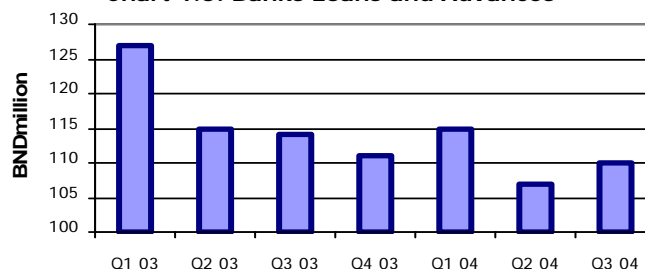


Chart 1.5: Banks Loans and Advances



The **mining, quarrying and manufacturing sector** registered an estimated growth of 4.5 per cent in Q3 2004 compared to Q3 2003 due to the increase in production of garment by 13.4 per cent; cement by 11.6 per cent; roofing by 8.9 per cent; and switchboard by 25.9 per cent. (Table 1.7).

The **construction sector** has shown improvement year-on-year and registered an estimated 0.6 per cent growth in Q3 2004. However, it is estimated to decline by 2.5 per cent when compared with the previous quarter.

The **wholesale and retail trade sector** is posted an estimated 2.3 per cent growth in Q3 2004 compared to Q3 2003. Compared with the previous quarter, this sector is estimated to have expanded by 4.5 per cent. Survey on selected major wholesale companies registered a 8.0 per cent contraction in the value of sales in Q3 2004 year-on-year. On a quarter-on-quarter basis the value of sales increased by 11.4 per cent. Meanwhile, survey on selected major retail companies registered a 12.5 per cent hike in the value of sales in Q3 2004 year-on-year. However, on a quarter-on-quarter basis the value of retail sales declined by 5.3 per cent.

The **restaurants and hotels sector** is estimated to contract by 10.0 per cent in Q3 2004 compared to the same period last year. Compared with the previous quarter, it is estimated to grow by 9.0 per cent. The hotels occupancy rates increased by 1.3 per cent from 32.6 per cent in Q3 2003 to 33.0 per cent in Q3 2004 (Chart 1.2). Likewise, on a quarter-on-quarter basis the occupancy rates have increased by 13.6 per cent compared to Q2 2004. Meanwhile, the value of sales from selected major restaurants declined by 1.14 per cent compared to Q3 2003. However, on quarter-on-quarter basis the value of sales increased by 4.26 per cent.

The **transport and communication sector** grew at an estimated 13.7 per cent in Q3 2004 compared to a year ago. Compared with the previous quarter, this sector is estimated to have expanded by 0.6 per cent. The improved year-on-year growth was mainly attributed to better performance in the communication sector (Chart 1.3). The volume of cargo handled also increased by 25.6 per cent in Q3 2004 compared to a year ago (Chart 1.4).

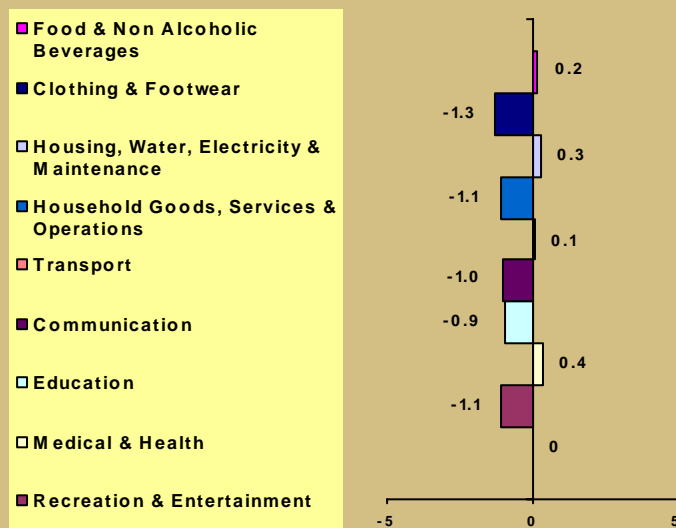
The **banking and finance sector** registered a contraction of 2.8 per cent in Q3 2004 compared to Q3 2003. However, compared to Q2 2004 it grew by 3.2 per cent. Total interest income from loans and advances stood at BND 110.0 million in Q3 2004 compared to BND 113.5 million and BND 107.0 million collected in Q3 2003 and Q2 2004 respectively (Chart 1.5).

The **insurance sector** is estimated to register a growth of 21.2 per cent in Q3 2004 compared to the same period a year earlier. Compared to Q2 2004, it also increased by 18.7 per cent.

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Table 2.1 : Consumer Price Index Q3 2003, Q2 and Q3 2004

Commodity Group		Weight	Q3 03	Q2 04	Q3 04
All		10,000	100.0	101.3	101.1
I.	Food & Non-Alcoholic Beverages	2877	98.7	100.7	101.1
II.	Clothing & Footwear	561	96.8	96.0	94.8
III.	Housing, Water, Electricity & Maintenance	884	98.7	98.4	98.7
IV.	Household Goods & Operations	860	98.3	95.0	94.0
V.	Transport	2251	104.7	106.5	106.6
VI.	Communication	548	95.5	93.3	92.4
VII.	Education	471	99.2	99.9	99.0
VIII.	Medical & Health	98	97.8	98.2	98.6
IX.	Recreation & Entertainment	814	100.7	108.3	107.1
X.	Miscellaneous Goods & Services	636	101.3	101.3	101.3

Source: Department of Economic Planning and Development

Chart 2.1: CPI Percentage Changes Between Q3 2004 and Q2 2004


Source: Department of Economic Planning and Development

Table 2.2: Consumer Price Index July-Sept 2004

Commodity Group		Weight	July	2004 August	September
All		10,000	100.6	101.1	101.5
I	Food & Non-Alcoholic Beverages	2877	101.0	101.1	101.1
II	Clothing & Footwear	561	90.5	97.8	96.1
III	Housing, Water, Electricity & Maintenance	884	98.7	98.8	98.7
IV	Household Goods, Services & Operations	860	91.7	95.3	94.9
V	Transport	2251	106.2	106.3	107.5
VI	Communication	548	92.3	92.5	92.2
VII	Education	471	99.3	99.0	98.8
VIII	Medical & Health	98	97.4	99.4	99.1
IX	Recreation & Entertainment	814	109.0	104.5	107.7
X	Miscellaneous Goods & Services	636	100.4	101.7	101.8

Source: Department of Economic Planning and Development

Consumer Price Index

The average Consumer Price Index (CPI) for the third quarter of 2004 was 101.1, a decrease of 0.2 per cent from 101.3 in Q2 2004 (**Table 2.1**). The CPI for July, August and September 2004 stood at 100.6, 101.1 and 101.5 respectively (**Table 2.2**). The average CPI for the third quarter 2004 compared to the same period last year recorded an increase of 1.0 per cent from 100.0 to 101.1.

CPI Changes for the Q3 2004 relative to Q2 of 2004

The average CPI for Q3 2004 dipped to 0.2 per cent compared to Q2 2004 due to the decrease seen in Major Group Indices of Clothing and Footwear by 1.3 per cent; Household Goods, Services and Operation by 1.1 per cent; Communication by 0.1 per cent; Education by 0.9 per cent; and Recreation and Entertainment by 1.1 per cent (**Chart 2.1**).

The Clothing and Footwear index fell 1.3 per cent due to the decrease in the price of Ready-made clothing and Accessories by 1.2 per cent; Materials for Male/Female by 4.4 per cent; Wedding Dress Accessories and Rental by 7.9 per cent; Tailoring Charges by 1.2 per cent; Haberdasheries by 0.6 per cent and Footwear by 3.3 per cent.

The decrease in the price of Furniture (0.2 per cent); Floor Covering (0.3 per cent); Household Furnishings (2.5 per cent); Audio, Video Equipment and Musical Instruments (4.1 per cent); Household Equipment and Electrical Appliances (0.3 per cent); Kitchen Appliances and Utensils (0.5 per cent); Crockery and Cutlery (1.2 per cent); and Household Operation (0.4 per cent) led to the decline in the Major Group Index of Household Goods, Services and Operation by 1.1 per cent.

The Major Group Index of Communication went down by 1.0 per cent as a result of the decrease in the Instruments including Accessories index by 4.7 per cent.

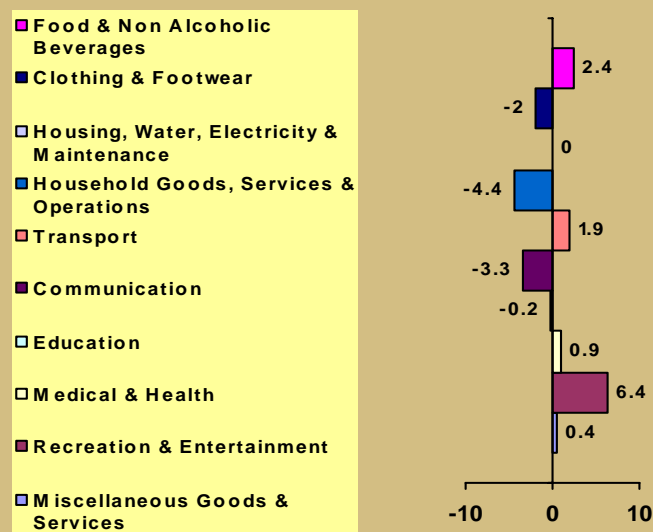
The Education index declined by 0.4 per cent due to the decrease seen in the price of Computer and Accessories; School Textbooks and Stationery; and Newspaper, Magazine and Other Books by 4.2 per cent; 3.2 per cent; and 0.2 per cent, respectively.

The decrease in the price of Holiday Package Expenses by 1.4 per cent contributed to the decline in the Major Group Index of Recreation and Entertainment by 1.1 per cent.

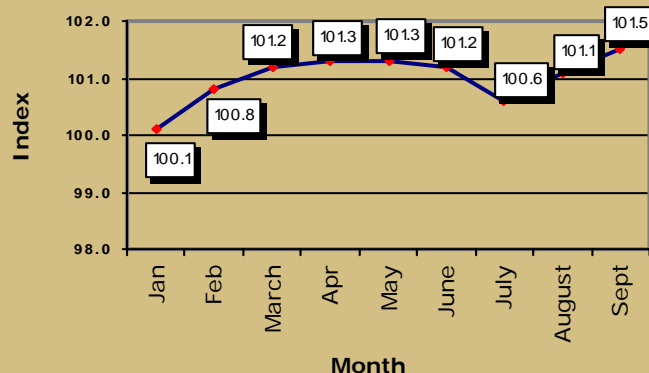
The largest upward effect on the CPI for this quarter came from Food and Non-Alcoholic Beverages (**Chart 2.1**). This was mainly due to the rise in the price of fresh prawn and other seafood by 7.9 per cent.

CPI Changes for the Q3 of 2004 relative to the same period in 2003

The average CPI for Q3 2004 increased by 1.0 per cent compared to 100.0 in the same period last year (**Table 2.1**). The rise in the CPI was brought about by increases observed in the 5 Major Group Indices of Food & Non-Alcoholic Beverages by 2.4 per cent; Transport by 1.9 per cent; Medical and

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Chart 2.2: CPI Percentage Changes Between Q3 2004 and Q3 2003


Source: Department of Economic Planning and Development

**Consumer Price Index 2002=100
(Jan-Sept 2004)**


Source: Department of Economic Planning and Development

Table 3.1: Government Finance (BND Million)

	Q1 2004	Q2 2004	Q3 2004	Q3 2003
Total Revenue	1,417.9	1,398.6	1,605.9	1,120.2
Tax	825.0	743.7	957.9	580.0
Non-tax	592.9	654.8	648.0	540.2
Total Expenditure	1,546.3	911.8	1,069.8	939.8
Current	1,304.9	781.7	847.9	716.7
Capital	241.4	130.1	221.9	223.0
Budget Surplus/ (deficit)	(128.4)	486.8	536.1	180.4

Source: Treasury Department, Ministry of Finance

Health by 0.9 per cent; Recreation & Entertainment by 6.4 per cent; and Miscellaneous Goods and Services by 0.4 per cent (Chart 2.2).

The increase in prices of Beef (Cattle), Fresh and Frozen; and Fresh Chicken by 20.6 per cent and 18.1 per cent respectively accounted for the largest upward movement of the Major Group Index of Food & Non-Alcoholic Beverages.

The Major Group Index of Transport rose by 1.9 per cent as a result of an increase in the Purchase of Vehicles Index by 5.9 per cent.

The Medical and Health index rose to 0.9 per cent due to the increase in the cost of Dental Treatment by 6.7 per cent.

The Recreation & Entertainment Index increased by 6.4 per cent when compared to the same period last year. This was mainly due to the 10.8 per cent rise in the price of Umrah Package.

The Miscellaneous Goods and Services index rose by 0.4 per cent as a result of an increase in the price of Ladies Personal Effects by 8.0 per cent.

The largest downward influence was from the Household Goods and Operations Index (Chart 2.2). The index dropped by 4.4 per cent as a result of decreases in the prices of Furniture by 8.0 per cent; Floor Covering by 1.0 per cent; Audio, Video Equipment, Musical Instruments by 10.5 per cent; Household Equipment and Electrical Appliances by 3.8 per cent; Kitchen Appliances and Utensils by 6.0 per cent; Crockery and Cutlery by 4.3 per cent; Household Operation by 0.4 per cent; and Other Household Services by 0.4 per cent.

Fiscal Sector

Fiscal Position

In Q3 2004, the Government revenue of BND 1,605.9 million exceeded its expenditure of BND 1,069.8 million, which resulted in a budget surplus of BND 536.1 million compared to BND 180.4 million during the same quarter last year (Table 3.1). The budget surplus in Q3 2004 was due to the increase in the revenue from oil and gas, from BND 1,221.8 million in Q2 2004 to BND 1,464.6 million in Q3 2004, as a result of the increase in the world oil price during the period.

Government Revenue

The total revenue rose by 14.8 percent from BND 1,398.6 million in Q2 2004 to BND 1,605.9 million in Q3 2004, which was BND 485.7 million (43.4 percent) higher compared to BND 1,120.2 million collected in Q3 2003.

As shown in Table 3.2 (next page), in Q3 2004, 59.6 percent of the total revenue collected was in the form of tax revenue and 40.4 percent was from non-tax sources. The former comprises of taxes on net income and profits, taxes on inter-

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Table 3.2: GOVERNMENT REVENUE & EXPENDITURE (BND MILLION)

	Q1 2004	Q2 2004	Q3 2004*	Q3 2003
Total Revenues	1,417.9	1,398.6	1,605.9	1,120.2
Tax revenue	825.0	743.7	957.9	580.0
Taxes on net income and profits	797.5	715.1	926.7	549.3
Corporate taxes	796.5	714.4	925.9	548.4
Oil & Gas production companies	758.4	643.2	894.7	524.9
Other companies	38.1	71.2	31.3	23.5
Individuals (estate duty)	0.0	0.0	0.0	0.0
Stamp	0.9	0.7	0.7	0.9
Taxes on international trade	24.2	25.6	27.9	27.9
Import duties	24.2	25.6	27.9	27.9
Motor vehicles tax	14.1	14.2	16.5	15.2
Tobacco	5.1	5.4	5.1	5.2
Others	5.0	6.0	6.4	7.5
Taxes on goods and services	3.3	3.0	3.3	2.8
Licences	3.3	3.0	3.3	2.8
Financial companies	0.1	0.1	0.0	0.0
Others	3.2	2.9	3.3	2.8
Non-tax revenue	592.9	654.8	648.0	540.2
Property income	501.3	589.1	577.9	471.6
Oil sector	482.1	578.6	569.9	463.4
Oil & Gas Royalties	160.0	121.9	174.7	114.8
Dividend paid by oil companies	322.1	456.7	395.2	348.7
Other	19.3	10.5	8.0	8.2
Other royalties	0.3	0.4	0.3	0.3
Rent and interest	6.2	3.7	5.0	3.3
Others	12.8	6.5	2.6	4.6
Administrative fees and charges on				
sales of goods and fines	90.9	65.0	69.2	67.8
Telecom & utilities	70.4	44.2	50.1	67.8
Other	20.5	20.8	19.1	
Other non-tax revenue	0.7	0.8	0.9	0.8
Total Expenditure	1,546.3	911.8	1,069.8	939.8
Current	1,304.9	781.7	847.9	716.7
Wages & Salaries	430.9	326.7	326.9	313.6
OCAR	514.7	289.3	309.2	250.7
Charged	359.3	165.7	211.8	152.5
Capital	241.4	130.1	221.9	223.0
OCSE	168.4	51.6	135.3	166.7
Development Expenditure	73.0	78.5	86.7	56.3
Investment in Public Enterprise	NA	NA	NA	NA
Budget Surplus/ Deficit	(128.4)	486.8	536.1	180.4

Source: Treasury Department, Ministry of Finance

NA - Not Available

* Provisional

national trade, and taxes on goods and services, which rose from BND 743.7 million in Q2 2004 to BND 957.9 million in Q3 2004. The increase was mainly due to the rise in the collection from oil and gas corporate taxes, from BND 643.2 million in Q2 2004 to BND 894.7 million in Q3 2004.

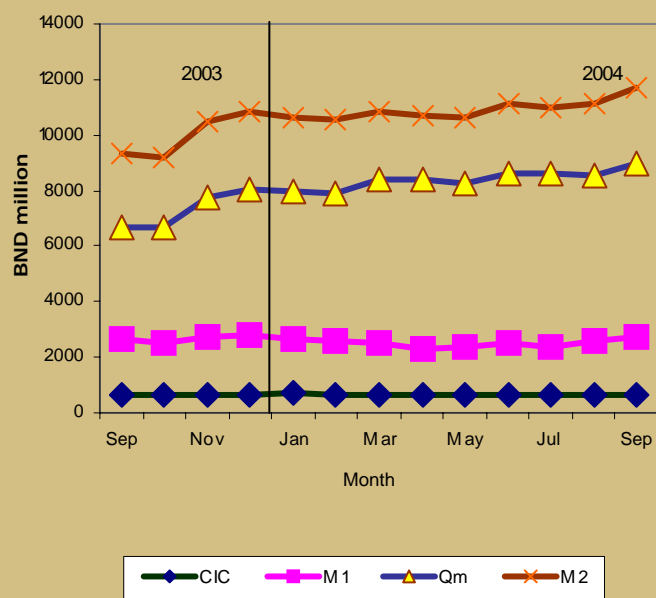
The non-tax revenue, which consists of property income, administrative fees and charges on sales of goods and fines including telecommunication and utilities, and others, recorded a 1 percent decrease from BND 654.8 million in Q2 2004 to BND 648.0 million in Q3 2004. However, there was an increase of 20 per cent in the Q3 2004 figure compared to that in Q3 2003. The changes were mainly due to the changes in the dividends paid by the oil and gas companies, as shown in **Table 3.2**.

Government Expenditure

The government expenditure, which comprises of current expenditure and capital expenditures (CAPEX), increased by 17.3 percent from BND 911.8 million in Q2 2004 to BND 1,069.8 million in Q3 2004. This was due to the increase in both current expenditure and CAPEX over the period.

Current Expenditure, which is made up of Wages and Salaries (W&S), Other Charges Annual Recurrent (OCAR) and Charged, rose from BND 781.7 million in Q2 2004 to BND 847.9 million in Q3 2004. W&S recorded a slight increase from BND 326.7 million in Q2 2004 to BND 326.9 million in Q3 2004. Over the same period, OCAR and Charged, however, rose steadily from BND 289.3 million and BND 165.7 million to BND 309.2 million and BND 211.8 million respectively. Compared to Q3 2003, Current Expenditure in Q3 2004 recorded an 18.3 percent increase, which was mainly due to increases in W&S, OCAR and Charged as shown in **Table 3.2**.

CAPEX, which includes Other Charges Special Expenditure (OCSE) and Development Expenditure (DE), increased by 70.6 percent from BND 130.1 million in Q2 2004 to BND 221.9 million in Q3 2004. OCSE increased more than twice from BND 51.6 million in Q2 2004 to BND 135.3 million in Q3 2004. During the same period, DE rose by 10.4 percent from BND 78.5 million to BND 86.7 million. Compared to Q3 2003, CAPEX in Q3 2004 decreased by 0.5 percent from BND 223.0 million, in which OCSE decreased by 18.8 percent from BND 166.7 million, whilst DE rose by 54 percent from BND 56.3 million.

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Chart 4.1 Money Supply


Source: Financial Institutions Division, Ministry of Finance

Monetary Sector
Money Supply

As shown in **Chart 4.1**, the domestic narrow money (M1) expansions increased by 8.2 percent, from BND2,525.2 million in June 2004 to BND2,731.1 million in September 2004. This expansion was affected by an increase in M1 components where currency in circulation increased by 1.4 percent from BND662.0 million to BND671.2 million and demand deposits increased by 10.6 percent from BND1,863.2 million to BND2,059.9 million. Within the same period, broad money (M2) increased marginally by 5.4 percent from BND11,135.4 million to BND11,733.6 million due to the increase in quasi money. Fixed deposit increased by 6.4 percent from BND5,827.1 million in June 2004 to BND6,200.4 million in September 2004 and savings and others (current deposits and call money) increased by 0.7 percent from BND2,783.1 million in June 2004 to BND2,802.2 million in September 2004. On a year-on-year basis, broad money increased by 25.8 percent from BND9,329.90 million in September 2003 to BND11,733.60 million in September 2004.

Assets and Liabilities

Assets and Liabilities in the banking system are shown in **Table 4.1**. The commercial banks' total assets and liabilities increased by 4.7 percent from BND14,594 million in June 2004 to BND15,281 million in September 2004. This was due to increases in domestic and foreign deposits with banks and other assets. Domestic and foreign deposits increased by 6.8 percent from BND7,045 million in June 2004 to BND7,524 million in September 2004. Similarly, loans and advances increased by 1.5 percent from BND5,437 million to BND5,516 million and other assets also increased by 6.7 percent from BND989 million to BND1,055 million. Liabilities in the banking system also increased where deposits rose by 5.6 percent from BND10,473 million to BND11,062 million. This was due to increases in demand deposits by 10.6 percent from BND1,863 million to BND2,060 million, time deposits by 6.4 percent from BND5,827 million to BND6,200 million and savings by 0.7 percent from BND2,783 million to BND2,802 million during the same period.

TABLE 4.1 – Assets and Liabilities

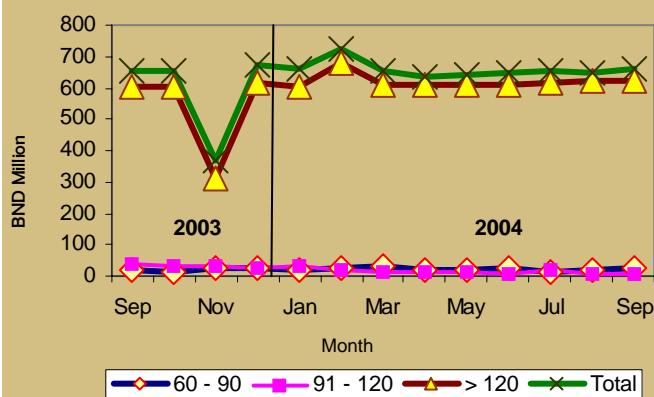
Assets / Liabilities	2003					2004				
	Sep	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Assets	12,900	13,146	13,117	13,690	13,514	13,391	14,594	14,083	14,137	15,282
Cash	138	176	171	175	145	154	146	138	181	156
Due from bank :	5,737	5,738	5,715	6,272	6,110	5,920	7,045	6,498	6,455	7,524
in BD	912	1,048	1082	1,151	1,105	1,048	1,488	1,142	1140	1515
outside BD	4,825	4,690	4633	5,121	5,005	4,872	5,557	5,356	5315	6009
Loans and Advances	5,346	5,398	5383	5,392	5,373	5,385	5,437	5,477	5471	5516
Investment	775	873	925	942	961	985	977	959	999	1031
Other assets	904	961	923	909	925	947	989	1011	1031	1055
Liabilities	12,900	13,146	13,117	13,690	13,515	13,390	14,593	14,083	14,137	15,280
Deposits	9,768	9,914	9,861	10,201	10,075	9,973	10,473	10,351	10,474	11,062
Demand	1,986	1,967	1,932	1,825	1,686	1,739	1,863	1721	1900	2060
Time	5,280	5,257	5,207	5,640	5,629	5,445	5,827	5867	5786	6200
Saving	2,502	2,690	2,722	2,736	2,760	2,789	2,783	2763	2788	2802
Due to bank	1,240	1,308	1,319	1,538	1,445	1,400	2,060	1,684	1,608	2,147
in BD	1,130	1182	1221	1,444	1,354	1,306	1,937	1568	1489	2027
outside BD	110	126	98	94	91	94	123	116	119	120
Other liabilities	1892	1924	1937	1,951	1,995	2,017	2,060	2048	2055	2071

Source: Financial Institution Division, Ministry of Finance

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
TABLE 4.2 – Direction of Lending

	Jun	Sep	Dec	Mar	Jun	Sept
Total	4,386	4,486	5,386	5,391	5,438	5,516
Agriculture	35	33	33	41	33	34
Credit & Finance	17	22	23	21	27	14
Manufacturing	91	96	90	90	91	94
Transportation	197	213	201	193	203	212
Construction	457	471	460	450	484	469
General Commerce	478	497	481	465	476	492
Professional Services	115	94	100	94	43	67
Personal Loans	2,528	2,591	3,517	3,567	3,621	3,681
Mortgage	468	469	481	470	460	453

Source: Financial Institution Division, Ministry of Finance

Chart 4.2 Non-Performing Loans


Source: Financial Institution Division, Ministry of Finance

Other liabilities increased by 0.5 percent from BND2,060 million to BND2,071 million. On a year-on-year basis, the banking assets and liabilities rose by 12.9 percent from BND12,900.00 million in September 2003 to BND15,281 million in September 2004.

Lending

Lending aggregates, as shown in **Table 4.2**, rose by only 1.4 percent from BND5,438 million in June 2004 to BND5,516 million in September 2004. The main contributor to the increase was personal loan which comprised 66.7 percent of the total loans recorded in September 2004. Loans to construction, general commerce and mortgage contributed 8.5 percent, 8.9 percent and 8.2 percent respectively. Lower contributions from agriculture (0.6 percent), credit and finance (0.25 percent), manufacturing (1.7 percent), professional services (1.2 percent) and transportation (3.8 percent) were also recorded

As also observed in the second quarter, loan aggregates was still dominated by personal loans. In comparison, the share of loans to productive sectors such as agriculture and manufacturing to total loans was still minimal, when combined, represented only 2.3 percent of total.

Compared to the second quarter's lending direction, loans to economic sectors were experiencing positive and negative changes. Loans to agriculture sector rose by 3 percent from BND33 million to BND34 million. Similarly loans to manufacturing increased by 3.3 percent from BND91 million to BND94 million while personal loans rose by 1.7 percent from BND3,621 million to BND3,681 million. Loans to transportation grew by 4.4 percent from BND203 million to BND212 million. Professional services increased by 55.8 percent from BND43 million to BND67 million. General commerce grew by 3.4 percent from BND476 million to BND492 million. However, loans to other sectors have recorded decreases. Mortgage decreased by 1.5 percent from BND460 million to BND453 million while loans to construction and credit and finance services declined by 3.1 percent from BND484 million to BND469 million and 48.1 percent from BND27 million to BND14 million respectively.

Non-Performing Loans

Generally, non-performing loans (NPLs) increased by 2.1 percent from BND645.52 million in June 2004 to BND658.86 million in September 2004 owing to the increase in loans aggregates. Preliminary information in **Chart 4.2**, showed that NPLs based on 6-month classification rose by 1.6 percent to BND621.75 million in September 2004, up from BND611.99 million in June 2004. NPLs based on 3-month classification also increased to BND9.20 million, up from BND7.63 million and the NPL's at 3-month and less classification rose to BND27.91 million from BND25.90 million.

On a year-on-year basis, NPLs increased by 0.9 percent from BND652.98 million in September 2003 to BND658.86 million in September 2004. The ratio of the NPL to loans aggregates almost unchanged at 11.9 percent in June 2004 and September 2004. Although the increase in the NPL basically was a negative sign to the banking system, the NPLs was still a cause of concern and there was a need for greater domestic economic improvement and other financial instruments to address the situation.

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.

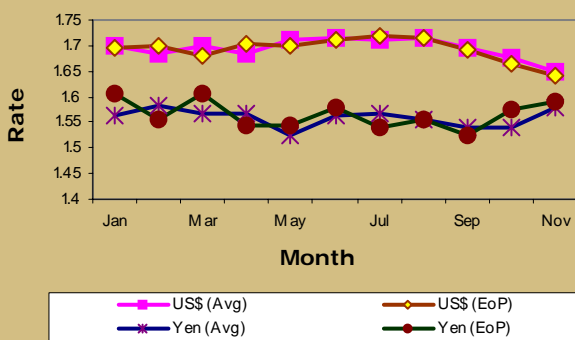
**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Interest and Exchange Rates

The interest rates in the Brunei Darussalam banking system had declined continuously over the past six years through the year of 2004, apparently squeezed by a combination of regulatory and market pressure. Adversely the prime lending rates remained unchanged at 5.5 percent per annum since September 2000. Deposits rates (Table 4.3) were also unchanged as at last quarter of 2003 (0.225 percent, 0.25 percent and 0.3375 percent for the 3, 6 and 12-month deposits respectively). Savings deposit rates varied according to the amounts deposited. There is no interest for deposits of less than BND 499.99. The in-

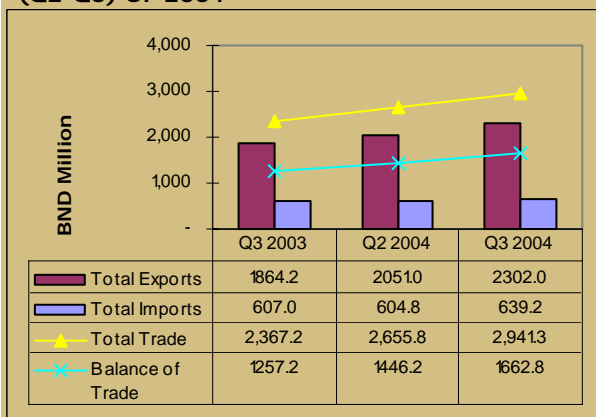
Table 4.3 – Deposit Rates in Brunei Darussalam Banking System

2004	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
PLR (Bru)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
3-mth Deposit (Bru)	0.225	0.225	0.225	0.225	0.225	0.225	0.225	0.225	-
6-mth Deposit (Bru)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-
12-mth Deposit (Bru)	0.275	0.275	0.275	0.275	0.275	0.275	0.275	0.275	-
PLR (Sing)	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
3-mth Deposit (Sing)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.41
6-mth Deposit (Sing)	0.52	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.52
12-mth Deposit (Sing)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.71	0.72

Source : Hongkong and Shanghai Banking Corporation and Monetary Authority of Singapore.

Chart 4.3 – Foreign Exchange


Source: Department of Statistics, JPKE

CHART 5.1: BRUNEI DARUSSALAM EXPORTS, IMPORTS & BALANCE OF TRADE Q3 OF 2003 & (Q2-Q3) OF 2004


terest rates of 0.05 percent is specified for deposits of between BND500 and BND99,999.99 and 0.1 percent for deposits of BND100,000.00 and above.

Singapore's lending rates of 5.3 percent also remained constant since the last quarter of 2003. The 3, 6 and 12-month deposits were adjusted at 0.40 percent, 0.51 percent and 0.70 percent respectively since January 2004 and readjusted to 0.41 percent, 0.52 percent and 0.72 percent in September 2004. Similarly, the highest negotiated Singapore's savings deposit rates of 0.23 percent remained unchanged. Generally, the rates offered by banks in Singapore were more attractive for various investments than those offered by the domestic banking system.

From January 2004 to June 2004, the US dollar appreciated against the Brunei Dollar from 1.6987 to 1.7120 on average and from 1.7020 to 1.7243 at end of period. Based on past trend the dollar is expected to weaken and forecasted to prevail at 1.58 against the Brunei Dollar at the end of the year.

Conclusion

The growth momentum of the monetary sector as a whole were dependent on the progress in the domestic economic developments and activities and the indirect impact of the exchange rate volatility affecting demand and supply of domestic trades.

External Sector
Total and Balance of Trade

The total trade for Q3 2004 was BND 2,941.3 million, an increase of 10.7 per cent and 19 per cent from BND 2,655.8 million in Q2 2004 and BND2,471.2 million in Q3 2003 respectively.

A trade surplus of BND 1,662.8 million was recorded in Q3 2004, which is an increase of 15 per cent from BND 1,466.2 million in Q2 2004 and 32.3 per cent from BND 1,257.2 million in Q3 2003. This is due to significant increase in exports as a result of escalation in oil price (Chart 5.1).

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

TABLE 5.1: EXPORTS BY MAJOR COMMODITY, Q3 2003 AND (Q2&Q3) 2004

	BND Million			% Change	
	Q3 2003	Q2 2004	Q3 2004	Q3 '03 & Q3 '04	Q2 '04 & Q3 '04
Oil and Gas	1,638.4	1,746.5	2,097.8	28.0	20.1
Petroleum	919.0	1,083.2	1,350.4	46.9	24.7
LNG	719.4	663.3	747.4	3.9	12.7
Non-Oil & Gas	225.8	304.6	204.3	(4.5)	(32.9)
Garment	130.9	80.0	74.7	(42.9)	(6.6)
Others	94.9	224.6	129.6	36.6	(42.3)
Total Exports	1,864.2	2,051.0	2,302.0	23.5	12.2

Source: Department of Statistic, JPKE

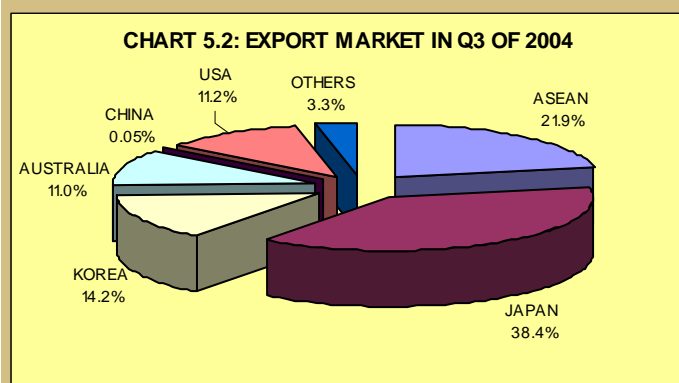


TABLE 5.2: IMPORTS BY COMMODITY, Q3 2003 and (Q2 & Q3) 2004

	BND Million			% Change	
	Q3 2003	Q2 2004	Q3 2004	Q3 '03 & Q3 '04	Q2 '04 & Q3 '04
Food & live animals	88.7	82.4	96.0	8.2	16.5
Beverages & tobacco	11.2	16.8	16.1	43.8	(4.2)
Crude material inedible	5.1	5.6	5.7	12.4	2.9
Mineral fuels	5.7	5.3	5.3	(6.4)	0.9
Animal & vegetable oils and fats	2.8	4.0	3.0	6.1	(25.0)
Chemicals	44.8	50.8	55.4	23.7	9.1
Manufactured goods	160.9	164.0	165.0	2.6	0.6
Machinery & transport equipments	213.7	207.2	202.9	(5.0)	(2.1)
Miscellaneous manufactured articles	71.1	66.9	86.0	20.9	28.6
Miscellaneous transactions and commodities, n.e.c. manufactured articles	3.0	2.0	3.7	23.0	89.2
Total imports (c.i.f)	607.0	604.8	639.2	5.3	5.7

Source: Department of Statistic, JPKE

Exports

Total exports in Q3 2004 was BND2,302 million. This was a significant increase of 12.2 per cent from BND 2,051 million in Q2 2004 and 23.5 per cent from BND 1,864.2 million in Q3 2003. The increase was due to an escalation in the price of oil during the period. Exports were still dominated by oil and gas which contributed 94 per cent of total exports.

The value of Oil and Gas exports in Q3 2004 increased by 20.1 per cent and 28 per cent from BND 1746.5 million in Q2 2004 and BND 1,638.4 million in Q3 2003 to BND 2097.8 million. The value of petroleum exports (crude and condensate) in Q3 2004 increased by 24.7 per cent and 46.9 per cent from BND 1,083.2 million in Q2 2004 and BND 919 million in Q3 2003 to BND 1,350.4 million. The increase was due to higher oil price which recorded average (oil price per barrel) of US\$46.3 in Q3 2004 as compared to US\$38.2 in Q2 2004 and US\$29.9 in Q3 2003.

The value of LNG exports increased by 12.7 per cent and 3.9 per cent from BND 663.3 million in Q2 2004 and BND 719.4 million to BND 747.4 million in Q3 2004. This was due to the increase in LNG production by 7.2 per cent and 2.9 per cent from 950,639.01 MMBtu per day in Q2 2004 and 990,312.50 MMBtu per day in Q3 2003 to 1,019,037.39 MMBtu per day in Q3 2004.

The Non-Oil and Gas exports in Q3 2004 was valued at BND 204.3 million. This was a decrease of 32.9 per cent from BND304.6 million in Q2 2004 and 4.5 per cent from BND 225.8 million Q3 2003. The total value of garments exported in Q3 2004 was BND 74.7 million, a decrease of 6.6 per cent from BND 80 million in Q2 2004 and 42.6 per cent from BND 130.9 million in Q3 2003.

In Q3 2004, Japan remained the dominant export market which accounted for 38.4 per cent of total exports, followed by ASEAN (21.9 per cent), Korea (14.2 per cent), USA (11.2 per cent), Australia (11 per cent) and China (0.05 per cent). Compared to Q2 2004 Brunei's exports to USA, Japan, ASEAN, Australia and Korea increased by 123.4 per cent, 22.4 per cent, 23.1 per cent, 12.2 per cent and 42.7 per cent but exports to China decreased significantly by 99.8 per cent. When compared to Q3 2003, Brunei's exports to USA, Japan, ASEAN, Australia and Korea increased by 25 per cent, 17.6 per cent, 26.1 per cent, 109.1 per cent and 68.3 per cent respectively, whereas to China it decreased by 99.9 per cent. The China share of export market also decreased from 6 per cent in Q3 2003 to 0.5 per cent in Q3 2004.

Imports

Total imports in Q3 2004 were valued at BND 639.2 million, an increase of 5.7 per cent compared to Q2 2004 imports of BND 604.8 million. The increase in imports was mainly due to an increase in the imports of food & live animals (16.5 per cent), crude material inedible (2.9 per cent), mineral fuels (0.9 per cent), chemicals (9.1 per cent), miscellaneous manufactured articles (28.6 per cent) and miscellaneous transactions and commodities (89.2 per cent). However there were decreases in imports of machinery & transport equipments, animal & vegetables oils and fats, beverages & tobacco and manufactured goods. (Table 5.2).

BRUNEI DARUSSALAM Q3 2004

ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

CHART 5.3 : MAJOR COMMODITY IMPORTS IN Q3 2004

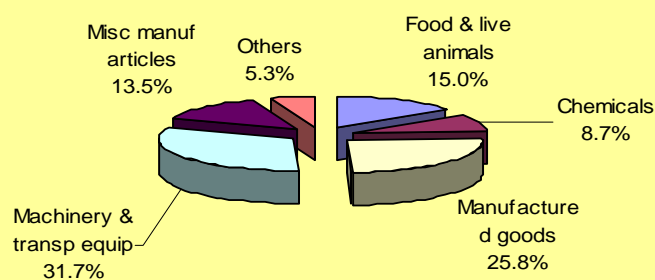


CHART 5.4: ORIGIN OF IMPORTS IN Q3 OF 2004

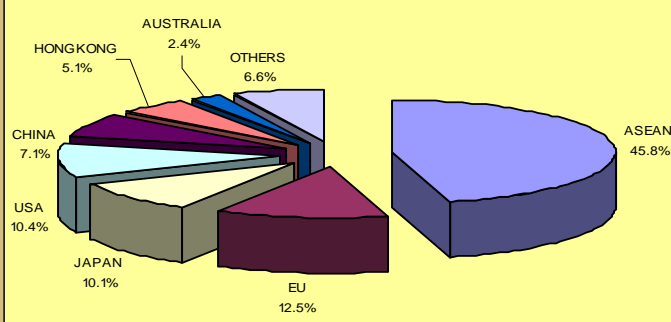


Table 6.1 : Average Weighted Price of Crude Oil

Unit - US\$ND/Barrel

	2001	2002	2003	2004
JAN	26.24	19.67	30.02	32.73
FEB	27.27	20.17	30.98	36.22
MAC	26.79	22.99	33.41	38.47
APR	27.75	24.76	27.69	37.23
MAY	28.99	25.73	27.18	39.40
JUN	28.05	24.60	27.07	37.83
JUL	25.99	26.31	30.03	41.08
AUG	24.91	27.85	30.35	47.58
SEP	24.96	28.64	29.35	49.6
OCT	20.19	26.6	32.39	54.41
NOV	18.79	26.51	32.27	
DEC	18.60	31.02	31.35	
Average W. Crude Oil Price for the Year	24.67	25.33	30.17	
Average W. Crude Oil Price Q1	26.73	20.87	33.41	35.59
Average W. Crude Oil Price Q2	28.23	25.03	27.33	38.2
Average W. Crude Oil Price Q3	25.29	27.59	29.33	46.31
Average W. Crude Oil Price Q4	19.19	28.02	32.00	
Average W. Crude Oil Price 1H	27.45	22.95	30.33	36.89
Average W. Crude Oil Price 2H	23.19	27.51	30.71	
Average Weighted Crude Oil Price Index				
	2001	2002	2003	2004
JAN	88.3	66.2	101.0	110.2
FEB	91.8	67.9	104.3	121.9
MAC	90.2	77.4	112.5	129.5
APR	93.4	83.3	93.2	125.3
MAY	97.6	86.6	91.5	132.6
JUN	94.4	82.8	91.1	127.3
JUL	87.5	88.6	101.1	138.3
AUG	83.8	93.7	102.2	160.1
SEP	84.0	96.4	98.8	166.9
OCT	68.0	89.5	109.0	183.1
NOV	63.2	89.2	108.6	
DEC	62.6	104.4	105.5	
Average Index for the Year	83.0	85.3	101.5	
Average Index for Q1	90.0	70.2	112.5	119.8
Average Index for Q2	95.0	84.2	92.0	128.6
Average Index for Q3	85.1	92.9	98.7	155.9
Average Index for Q4	64.6	94.3	107.7	
Average Index for 1H	92.4	77.2	102.1	124.2
Average Index for 2H	78.1	92.6	103.4	

Base year 2000=100

Source: Petroleum Unit, Prime Minister's Office

Compared to Q3 2003 with import value of BND 607 million, the Q3 2004 imports were 5.3 per cent higher. The increase in imports was due to increases in Food & Live Animals (8.2 per cent), Beverages and Tobacco (43.8 per cent), Crude Material Inedible (12.4 per cent), Chemicals (23.7 per cent), Manufactured goods (2.6 per cent), miscellaneous manufactured article (20.9 per cent), and miscellaneous transactions and commodities (23 per cent). However there were decreases in imports of Mineral Fuels, animal & vegetable oils and fats, and Machinery & Transport Equipment.

The major commodity imports in Q3 2004, includes Machinery and Transport Equipment which constitutes 31.7 per cent of total imports followed by Manufactured Goods (25.8 per cent), Food & live animals (15 per cent), Miscellaneous Manufactured Articles (13.5 per cent) and Chemicals (8.7 per cent).

With respect to the origin of imports, in the Q3 2004, 45.8 per cent of total imports were from ASEAN countries followed by USA (10.1 per cent), European Union (10.4 per cent), Japan (12.5 per cent), China (7.1 per cent), Hong Kong (5.1 per cent) and Australia (2.4 per cent).

Compared to Q2 2004, Brunei Darussalam's imports in Q3 2004 from the EU increased significantly by 41.2 per cent followed by China (30 per cent), ASEAN (4.8 per cent) and Japan (3.6 per cent). However, imports from USA decreased by 16.7 per cent followed by Australia (7 per cent) and Hong Kong (0.8 per cent).

When compared to Q3 2003, Brunei Darussalam's imports in Q3 2004 from China increased significantly by 36.6 per cent followed by Japan (22.4 per cent), European Union (8.6 per cent) ASEAN (4.8 per cent), Australia (3.7 per cent) and Hong Kong (2.6 per cent). However, imports from USA decreased by 21.9 per cent.

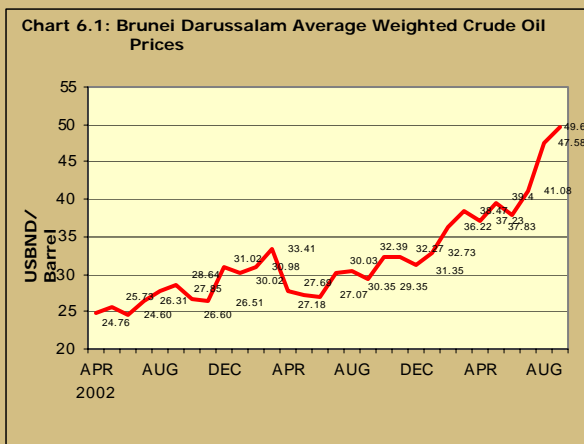
Average Weighted Crude Oil Price Index

The average weighted Crude Oil Price Index (COPI) for the Q3 2004 increased by 57.9 per cent year-on-year from 98.7 to 155.9. On a quarter-on-quarter basis, the COPI increased by 21.2 per cent from 128.6 (Table 6.1).

Brunei Darussalam's average weighted crude oil price increased by 8.59 per cent from US\$37.83 per barrel in June 2004 to US\$41.08 per barrel in July 2004 to (Table 6.1 and Chart 6.1). Then it rose further by 15.82 per cent to US\$47.58 per barrel in August 2004 and to US\$49.6 per barrel in September 2004. The average weighted crude oil price stood at US\$46.31 per barrel in Q3 2004 compared to US\$29.33 per barrel in Q3 2003 and US\$38.2 per barrel in Q2 2004.

World oil prices closed at around US\$37.50 per barrel at the end of Q2 2004. On July 6, the price of oil went over \$39 per barrel due to strike at Elf Petroleum Nigeria Ltd, Total's venture with Nigeria's state owned oil company. The oil giant Total halted production of 225,000 barrels per day, equivalent to 10% of Nigeria's daily production. Pangassan, Nigeria's white-collar union, was protesting against Total's top production jobs being reserved for expatriates. The price hike was also fuelled by the new attacks in Iraq and concerned that OAO Yukos Oil Co, Russia's biggest oil exporter may go bank-

**BRUNEI DARUSSALAM Q3 2004
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**



Source: Petroleum Unit, Prime Minister's Office

rupt because of tax dispute. On July 9, crude oil in New York traded above US\$40 per barrel due to concern on possible supply disruptions in Russia, Iraq, Nigeria and other exporting countries. Oil prices rose above US\$41 per barrel on July 16, as the Organisation of Petroleum Exporting Countries (OPEC) latest move to calm market supply worries had a short-lived impact.

On July 28, oil prices hit their highest level in at least 21 years after the Russian Government ordered Yukos to stop production from its main Siberian unit. US light crude rose to US\$43.05 per barrel, the highest price since the New York Mercantile Exchange launched the contract in 1983. Crude oil prices soared to a new record high above US\$44 per barrel on August 3, after OPEC said it could not immediately boost production. The rise in prices was also fuelled by fears of terrorists attacks in the United States, disruptions to Iraqi crude exports and uncertainty over the fate of troubled Russian oil giant Yukos. On August 10, oil prices rose further to US\$44.80 per barrel. Crude Oil prices rocketed to an all-time high of US\$47.50 per barrel on August 19, following a widely expected fall in US oil and gasoline inventories, continued uncertainty over supply of Iraqi crude and also concern over developments and a possible cut in supply from Russia and Venezuela, who were major crude exporters. Oil Price rose further to US\$49.40 per barrel the next day.

Aug 26 however saw oil prices fell as low as US \$42.50 per barrel after Iraq's most senior Shiite Muslim cleric, Grand Ayatollah Ali al-Sistani, arrived in Najaf to help end the uprising by militiamen led by cleric Moqtada al-Sadr. World oil prices held strong at US\$43.99 per barrel on September 3, following pipeline sabotage attack in Iraq, which had brought market focus sharply back to thinly stretched supply capacity. On September 14, oil prices rose to US\$44.47 per barrel due to Hurricane Ivan which disrupted pumping and shipping in the Gulf of Mexico. Oil prices rose further to US \$46.01 per barrel on September 20 after Russia oil giant Yukos suspended some oil exports to China and as concerns over storm-related supply disruptions into the United States. It rose further to US\$47.10 per barrel the next day. Crude oil rose to US \$48.88 per barrel on September 24 due to concern on damage caused by the hurricane which may result in insufficient stockpiles at the time when refineries boost production of heating oil. Crude oil jumped to a record US\$50.47 per barrel on September 28, after Nigerian rebels threatened to curtail output in Africa's largest oil-producing country as demand surges. However, Oil prices fell sharply on September 29, after government report that U.S. inventories of crude rose 3.4 million barrels last week, surprising many traders and analysts who had expected to see supplies shrink because of lingering production problems in the wake of Hurricane Ivan. The oil price closed at US\$50.12 per barrel at the end of September 2004.

Economic Outlook for Q4 2004

The Q4 2004 is expected to show another optimistic development and the non-oil private sector is likely to provide the momentum.

As usual, the oil and gas sector development is limited by their production capacity. Irrespective of the price level, oil and gas production index varies over the past few quarters.

Expansion in the non-oil and gas private sector will be to a large extent "consumption-driven" during Q4 2004. The current appreciation of the Brunei currency as against the US dollar, and the downturn in China may affect oil export revenue. Nevertheless, business confidence in Brunei Darussalam will be boosted by affirmative economic growth in neighboring economies.

Economic growth in the non-oil and gas private sector will be greatly supported by expected expansion in the wholesale and retail trade. During this quarter these sectors will benefit from the usual and seasonal increase in consumer spending for Hari Raya celebration. Towards the end of the year, "back-to-school" spending is also expected to complement the growth in retail trade sector. However, these encouraging developments may be moderated by the expected outflow of Bruneians to neighboring countries to take advantage of the month-long school holidays.

Activities in the primary sector (fishery, agriculture and forestry) are expected to grow further. Manufacturing of construction-related products, namely, cement production and roofing materials are also expected to contribute to output expansion in Q4 2004. Other sectors that are expected to grow further in Q4 2004 include transport and communication and construction sectors. Loans advances to all these sectors have indicated increases over the past three quarters and are expected to continue in Q4 2004.

The price of oil may remain relatively high (compared to the US\$18.00-US\$28.00 OPEC reference price range) over the next quarter and this could contribute to higher government revenue for the period.

An encouraging indication of future output growth was the continuous expansion in the broader measure of money supply, M2. Between January and September 2004, M2 expanded by a commendable 10.5 percent. There was a similar increase in the amount of loans from the banking sector. Year-on-year, between September 2003 and the same period this year, there was an upsurge in total loans of approximately 23.0 percent although they were mainly made up of personal loans.

The consumer price index showed an increasing trend with an average of about 1.4 percent over the past nine-month period starting January 2004. Continuous consumer spending had exerted some pressure on the general price level although this could have been minimized by some administrative price-control mechanism.

An increase in employment opportunities in the private sector during Q3 2004 was an indication of business confidence in the economy. There was a 20.8 percent increase in call for employment advertised during Q3 2004 (a total of 522 job vacancies compared to 432 vacancies in Q2 2004). Most of the job vacancies advertised were in the Professionals (143), Technicians (158), Clerical (90) and Service workers (76) occupational categories, comprising approximately 89.5 percent of the total.

The external sector is expected to contribute to GDP growth during Q4 2004. The total imports of Brunei Darussalam are projected to increase by 23.0 percent, quarter-on-quarter compared to Q3 2004. Similarly the total exports are projected to increase by about 12.0 percent during the same period.

All these potential developments are expected to contribute to the general expansion in the GDP of Brunei Darussalam during Q4 2004. Additional investment and job opportunities are anticipated to come about especially in the non-oil sector.

8th NATIONAL DEVELOPMENT PLAN

TABLE 1: BREAKDOWN OF STATUS OF ON-GOING PROJECTS Q3 2004

	COMPLETED PROJECTS		ON-GOING PROJECTS	
	Number of Projects	BND million	Number of Projects	BND million
TOTAL	92	86.7	118	439.3

TABLE 2: STATUS OF NEW PROJECTS FOR Q3 2004

Status	Number of New Projects	2004 Allocation (BND million)
Completed	12	3.0
Under Implementation	58	128.0
Tender Awarded	9	9.6
Awaiting Tender	41	91.8
Tendering Process	25	34.0
Other stages ¹	125	107.6
Total	270	374

¹Other Stages include projects which were in the process of pre-design, design, concept formulation and awaiting appointment of consultants. It also included projects which were KIVed and other stages prior to implementation.

TABLE 3: PROJECTS WITH APPROVED CONSULTANTS FOR Q3 2004

No	VOTE NO	PROJECT TITLE	DATE OF APPOINTMENT
1	822-009-010	Master Plan and Local Studies - Local Plan for Telisai dan Danau, Tutong	07-Jul-04
2	822-009-008	Master Plan and Local Studies - Local Plan for Sg. Teraban, Belait	07-Jul-04
3	828-001	Miscellaneous Projects of RBAF: Third Battalion	11-Aug-04
4	828-002	Miscellaneous Projects of RBAF: Third Battalion – Phase 2	11-Aug-04

Q3 2004 Project Implementation Review

A total allocation of BND 900 million has been given in the fiscal year 2004 – 2005. The fund is distributed to finance 210 on-going projects (BND 526 million) and 270 new projects (BND 374 million).

Q3 2004 IMPLEMENTATION ACHIEVEMENT: PHYSICAL STATUS

A. On-Going Projects

Out of 210 on-going projects, a total of 92 projects (with allocation of about BND 86.7 million) was completed. **Table 1** summarizes the status of on-going projects.

B. Newly Implemented Projects

From the total of 270 new projects, only 12 were completed (with allocation of BND 3.0 million). The status of other new projects are as shown in **Table 2**.

Appointment of Consultants

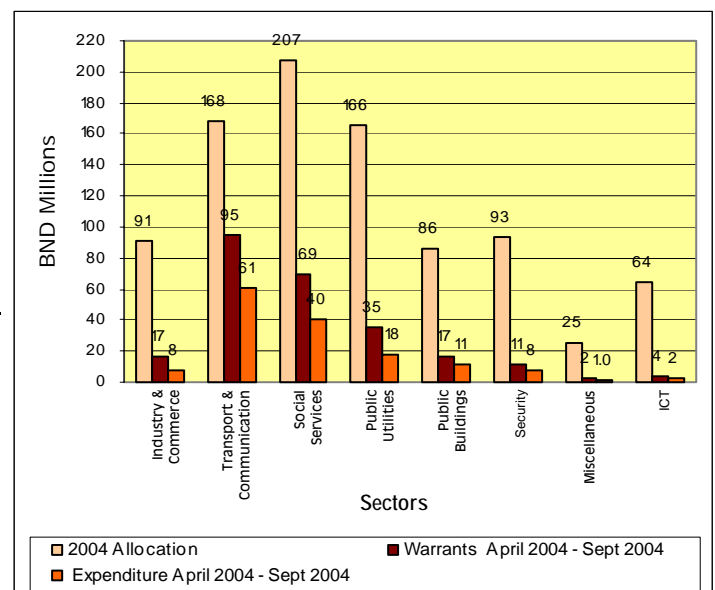
During Q3 2004, 4 consultants were appointed, to undertake projects as shown in **Table 3**.

Q3 2004 IMPLEMENTATION ACHIEVEMENT: FINANCIAL STATUS

Warrants Issued

The breakdown of financial warrants issued in Q3 2004 by major sectors is as shown in **Chart 1** and **Table 4**. A total of about BND 252 million worth of warrants for all major sectors were approved. The **Transport and Communication Sector** received the highest amount of about BND 95 million, accounting for 38 per cent of the total value of warrants issued.

CHART 1: NDP Major Sectors - Allocation, Cumulative Warrants, & Cumulative Expenditure, Q2 - Q3 2004



8th NATIONAL DEVELOPMENT PLAN

TABLE 4: ALLOCATION, CUMULATIVE WARRANT AND EXPENDITURE – Q3 2004

SECTORS	2004 / 2005 Allocation (BND)	Warrants Issued (BND) Q2 - Q3 2004	Percentage Of Warrants Issued Against Total Warrants	Q2 2004 Expenditure (BND)	Q3 2004 Expenditure (BND)	Total Expenditure Q2 - Q3 2004 (BND)	Percentage of Expenditure Against Allocation	Percentage of Expenditure Against Warrants
Industry and Commerce	91,048,000	17,322,384	6.9	3,593,519	4,149,072	7,742,591	8.5	44.7
Transport and Communication	167,642,000	95,372,335	37.9	34,902,912	26,174,744	61,077,656	36.4	64.0
Social Services	207,116,000	68,917,058	27.4	16,635,858	23,396,652	40,032,510	19.3	58.1
Public Utilities	166,490,000	35,318,255	14.0	6,618,468	11,849,830	18,468,298	11.1	52.3
Public Building	85,525,000	17,460,635	6.9	4,156,913	6,914,320	11,071,233	12.9	63.4
Security	93,150,000	10,970,449	4.4	4,275,898	4,142,170	8,418,068	9.0	76.7
Miscellaneous	25,029,000	2,395,542	1.0	235,500	968,073	1,203,573	4.8	50.2
ICT	64,000,000	4,089,212	1.6	0	2,373,212	2,373,212	3.7	58.0
Grand total	900,000,000	251,845,870	100.0	70,419,068	79,968,073	150,387,141	16.7	59.7

Source: Information on allocation and warrants are from JPKE. Information on Expenditure is sourced from Department of Financial Services, Ministry of Finance

Expenditure

Chart 1 and Table 4 also illustrate the cumulative amount of expenditure up to and including Q3 2004 for each major sector.

The Transport and Communication Sector recorded the highest expenditure, especially during Q2 and Q3 2004 as compared with the rest of the major sectors. During this period between April 2004 to September 2004, this sector spent BND 61 million or 64 per cent against approved warrants worth BND 95 million.

Spending was least in the Miscellaneous sector with only BND 1.2 million or 50 per cent against the sector's approved warrants.

Overall, expenditure in Q3 2004 amounted to BND 150 million or 16.7 per cent against 2004/5 allocations and about 60 per cent against approved warrants worth BND 252 million.

ANALYSIS OF ACHIEVEMENTS FOR Q3 2004

Approved warrants for the period of April to October 2004 totaled BND 251,845,870 which was 64 per cent of the target.

Expenditure for the same period totaled BND 150,387,141, which was 42 per cent of the target.

By the end of Q3 2004, the total expenditure recorded was about 60 per cent of total warrants issued for the same period, but only about 17 per cent of total allocations for the said quarter. This is shown in Table 4.

On a year-on-year comparison, spending in Q3 2004 (BND 80 million) was a 25 per cent increase to that of Q3 2003 (BND 64 million).

Physical status of projects had also improved year-on-year. The number of projects completed in Q3 2004 was 42 per cent (104 projects) higher as compared to Q3 2003 (73 projects).

Out of 210 on-going projects, 92 projects were completed, with total allocation of BND 87 million. The remaining 118 projects are still in 'implementation stage', with an estimated allocation of BND 440 million.

8th NATIONAL DEVELOPMENT PLAN

From the remaining 270 **new projects** with an estimated allocation of BND 374 million, 12 projects were completed (with allocation of BND 3 million). Fifty-eight (58) projects are in 'implementation stage'. Seventy five (75) projects (with allocation of about BND 135 million) that have just been awarded and projects that are at the stage of tendering, are expected to begin this implementation stage in Q4 2004 and Q1 2005.

Half way through the financial year, the National Development Plan is still far from achieving the target of issuing BND 66 million worth of warrants per month and a target expenditure of BND 60 million per month. While the amount of warrants issued in Q2 to Q3 only averaged BND 42 million per month, record shows that expenditure for the past two quarters averaged much lower at BND 25 million per month.

This trend seems to suggest that while requests for warrants were swiftly considered, approved and issued, current practices in the processing of claims may have impeded the speed of payments to contractors, consultants or private agencies involved in the implementation process. Studies have also shown that the process of verifying claims, inspection of projects (for progress payments), finalizing accounts (after practical completion and for release of penultimate payments and retention funds) and certifying payments are still taking a lot longer than is required.

Improvement measures on the processing of claims and payments have been disseminated to the relevant Government agencies for immediate action.

IMPLEMENTATION PROJECTION

Spending in Q3 2004 is high compared to the previous quarter, but still short of meeting the desired target. Performance in Q4 2004 and particularly in Q1 2005 is anticipated to improve by virtue of the fact that tender for 9 projects have just been awarded, while another 41 projects are currently awaiting tender approval. The number of projects being implemented has also increased by 74 per cent from Q2 2004 (101 projects) to Q3 2004 (176 projects)

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	ON GOING
Sub Total	1	24	E	
PROJECTS COMPLETED				
	2	26	E	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	12	276	C/D/E	
TOTAL	13	300	C/D/E	

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	ON GOING	31/10/2004
Kg. Rimba	H29A	20	D	ON GOING	31/12/2004
Sub Total : To Be Retendered	2	42	TERRACE /D		
PROJECTS COMPLETED					
Lambak	H35A	19	D	COMPLETED	
Kg Pandan	H10A	5	D	COMPLETED	
	H10C	22	TERRACE	COMPLETED	
	H10D	22	TERRACE	COMPLETED	
Kg Rimba	H23A	12	D	COMPLETED	
	H23B	13	D	COMPLETED	
	H29B	32	D	COMPLETED	
	H29C	17	D	COMPLETED	
	H29D	27	D	COMPLETED	
Sub Total : Completed	9	169	D,TERRACE		
TOTAL	11	211	D,TERRACE		

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

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	DELAYED
	15	15	E	COMPLETED
Kg Katok A	16	14	D	COMPLETED
Kg Sungai Buloh	17	22	D	ON GOING
	18	22	D	ON GOING
	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	

Source: Department of Implementation and Monitoring, JPKE

PUBLIC HOUSING DEVELOPMENT SCHEME

First Phase

A sum of BND 36,164,310 was spent under Phase 1, of which BND 23,955,255 was for projects implemented by the Public Works Department (PWD) and BND 12,209,055 by the Housing Development Department (HDD).

Construction of 300 houses by the Public Works Department

As shown in **Table 1**, the contract for Package 1 involving 24 houses in Kg Katok A was on going and will be completed by end of Q4 2004. Altogether, 12 packages were completed comprising 276 houses in Kg Katok A and Kg Katok B.

Out of 276 houses completed, 204 houses in Kg Katok A and Kg Katok B were handed over to beneficiaries. The remaining 72 houses are expected to be handed over in Q4 2004.

Construction of 211 houses by Housing Development Department

Table 2 shows 1 contract was completed and 2 on-going. Contract H23B was completed on schedule by end of July 2004. Contract H10B, a retendered contract involving 22 terrace houses in Kg Pandan had been given one month extension of time, and this contract is expected to be completed by the end of November 2004. Contract H29A consisting of 20 houses in Kg Rimba is expected to be completed by the end of Q4 2004. To date, 169 houses have been completed and handed over to the beneficiaries.

Infrastructure Works

The status of the two infrastructure works involving road works at Kg. Katok A and Water Reticulation System in Kg. Katok B, remained unchanged since Q4 2003 (**Table 3**).

Second Phase

A total of BND 12,658,611 has been spent in the second phase.

Construction of 250 houses by the Public Works Department.

As shown in **Table 4**, two of the contracts namely package 15 at Kg Katok B and 16 at Kg Katok A involving the construction of 29 houses were completed in Q1 2004. One of the contracts at Kg Katok B namely package 14 was delayed for a few months due to the main contractor's financial management problems. This contract would be terminated and retendered.

The construction of 206 houses at Kg Sungai Buloh under packages 17, 19, 20, 21, 22, 23, 24 and 25 could not be completed as scheduled. This was due to the delay in the award of the contract as well as the slow progress of the construction of sewer line and water works in the area. The Government allowed an extension of time of three months on contractual basis to three of the contracts namely packages 23, 24 and 25. Package 18 involving 22 houses will be completed in Q1 2005 (**Table 4**).

SHORT TERM ECONOMIC RECOVERY

TABLE 5: DISTRIBUTION OF CONTRACTS, NUMBER OF CONTRACTS & NUMBER OF SUCCESSFUL COMPANIES

PHASE	TOTAL NO. OF CONTRACTS	NUMBER OF CONTRACTS AWARDED	NUMBER OF SUCCESSFUL COMPANIES
1	51	50	31
2	134	128	82
3	139	132	68
4	66	55	33
5 (re-tendered)	22	22	17
TOTAL	412	387	231

TABLE 6: PHYSICAL IMPLEMENTATION PROGRESS

PHASE	NO. OF WORKS AWARDED	NO. OF WORKS TERMINATED	NO. OF IMPLEMENTED WORKS	NO. OF WORKS COMPLETED AND PAID	NO. OF WORKS COMPLETED AND FINAL MEASUREMENT	NO. OF WORKS UNDER IMPLEMENTATION	NO. WORKS DELAYED	NO. OF WORKS TO BE TERMINATED
1	50	2	48	46	0	0	2	0
2	128	17	111	108	0	0	1	2
3	132	5	127	118	2	1	5	1
4	55	0	55	40	7	8	0	0
5	22	0	22	16	2	1	3	0
TOTAL	387	24	363	328	11	10	11	3

Infrastructure Works

By the end of Q3 2004, in Kg. Katok A, one electrical, one telecommunication works and one water supply works have been completed.

In Kg. Katok B both the water and electrical works project were completed. The telecommunication works was delayed due to the slow progress of package 14 at Kg Katok B.

None of the 5 infrastructure works in Kg Sungai Buloh was completed. The 3 contracts for road works were behind schedule. The electrical and telecommunication works were also delayed and have exceeded their contract period. This was due to the slow progress in the construction of sewer line and water works in the area. These contracts required extension of time.

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 projects were implemented in 5 stages beginning March 2002. The overall number of works tendered in the five phases was 412, in which 387 contracts were awarded to 231 successful companies (Table 5).

Overall physical progress

With regards to the physical progress, as of 30th September 2004, out of 363 contracts that were carried out, 328 contracts were completed and paid. A total of 11 contracts were completed and still under final measurement stage, whilst 10 contracts were still under implementation. A total of 3 contracts were to be terminated due to several reasons such as failure of the awarded contractors to complete the contracts on time. 11 contracts were reported delayed (Table 6).

Progress for each phase

Phase 1

As of 30th September 2004, out of the total 50 contracts awarded, 2 contracts were terminated due to the failure of the awarded contractors to complete the contracts on time, 48 were implemented of which 46 contracts were completed, while the remaining 2 contracts were delayed (Table 6). Payments made for this phase totalled BND 965,957.32.

Phase 2

Under Phase 2, 82 contractors were given a total of 128 contracts. A total of 17 contracts were terminated due to failure of the awarded contractors to complete the contracts. As of 30th September 2004, 108 contracts out of 111 implemented were completed and 1 con-

SHORT TERM ECONOMIC RECOVERY

tract was delayed. A total of 2 contracts were to be terminated (Table 6). Payment made for this phase totalled BND 4,022,523.40

Phase 3

For Phase 3, 68 contractors were awarded a total of 132 contracts. 5 were terminated due to several reasons such as failure of the awarded contractors to complete the contracts on time. At the end of Q3 2004, 118 contracts out of 127 implemented were completed, 2 contracts were under final measurement stage and 1 contract was under implementation. The remaining 5 contracts were delayed and 1 contract will be terminated (Table 6). Payments made for this phase totalled BND 7,756,060.16

Phase 4

Under phase 4, 33 contractors were awarded a total of 55 contracts. As of Q3 2004, 40 contracts out of 55 implemented were completed, 7 contracts were still under final measurement stage, whilst the remaining 8 contracts were still under implementation (Table 6). Payments made for this phase totalled BND 2,593,198.59.

Phase 5

Out of 22 re-tendered contracts which were implemented under Phase 5, 16 contracts were completed, 2 contracts were still under final measurement stage. 1 contract was under implementation and 3 contracts were delayed (Table 6). As of 30th September 2004, payments made for this phase totalled BND 364,186.53.

Table 7: Loans Approved by Banks According To Economic Sectors, Q3 2004.

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	4		110,000 (2)	24,000 (1)	100,000 (1)	234,000
BUSINESS	8	130,000 (2)	615,000 (4)	45,000 (1)	40,000 (1)	830,000
CON- STRUCTIO N	2			950,000 (2)		950,000
ICT	1	600,000 (1)				600,000
PRIMARY RE- SOURCES	1		130,000 (1)			130,000
TOTAL	16	730,000	855,000	1,019,000	140,000	2,744,000

Table 8: Loans Approved in the Working Capital Credit Fund, January 2001 – September 2004

Sectors	Loans Approved	
	No	Value BND
Services	81	11,438,400.00
Primary Resources	17	4,373,400.00
Business	51	5,765,072.00
ICT	23	11,228,604.00
Manufacturing	4	354,000.00
Tourism	2	555,000
Construction	36	14,484,809.00
Total	214	48,199,285.00

Table 9 : Loan Approved To Firms (January 2001 – September 2004)

	Category of Company Ownership				Total
	~ Rakyat Jati"	~ Rakyat Jati' Majority	Majority Citizens and Permanent Residence	Citizens and others	
Firms					
· Number	146	31	30	7	214
· Proportion	68.2%	14.5%	14.0%	3.3%	100%
Loan Amounts					
· Value	30,565,179	7,093,897	7,577,678	2,962,531	48,199,285.00
· Proportion	63.4%	14.7%	15.7%	6.2%	100%

WORKING CAPITAL CREDIT FUND SCHEME

In Q3 2004, 16 loan applications with a total value of BND 2,744,000.00 were approved (Table 7). These loans were for financing projects in construction (34.6 per cent), business (30.2 per cent), ICT (21.9 per cent), services (8.6 per cent) and primary resources (4.7 per cent).

By comparison, in Q 3 2003, 22 loans were approved amounting to BND 3,920,000.00. In the previous quarter (Q2 2004) 21 loans were approved amounting to BND 4,189,113.00. Since the introduction of the scheme in January 2001 until June this year, the total number of loans approved reached 214 with an overall value of BND 48,199,285.00 (Table 8). Loans were distributed to all categories of company's ownership, with 78.1 per cent going to firms owned by rakyat jati and majority rakyat jati (Table 9).

Miscellaneous

LIST OF JPKE PUBLICATIONS AVAILABLE FOR PURCHASE

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

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.

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
BLOCK 2A
JALAN ONG SUM PING
BANDAR SERI BEGAWAN, BA1311**

All rights reserved. Copyright of the Government of His Majesty The Sultan and Yang Di Pertuan of Brunei Darussalam. No part of this publication may be reproduced in any material form or by any means, electronic or mechanical, including photocopying, recording or in any information storage or retrieval system without prior permission from the Government, except for permitted fair dealing under Copyright Order 2000.



BRUNEI ECONOMIC BULLETIN SUPPLEMENTARY COPY

Volume 3, Issue 3
Date : 12/2004

**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 Third Quarter 2004

COMPANIES	TYPES / CAR MODELS	ACCESSORIES	CERTIFICATE REFERENCE	SR PRICES (BND)
WORLDWIDE MOTOR	PROTON GEN 2 1.6 M/T		19/07/2004 JPKE/PC/50/1	20,450.00
	PROTON GEN 2 1.6 A/T		19/07/2004 JPKE/PC/50/1	22,050.00
SETIA MOTORS	HYUNDAI GETZ 5DRS 1.3 M/T		18/08/2004 JPKE/PC/50/03PT II	19,950.00
	HYUNDAI GETZ 5DRS 1.3 A/T		18/08/2004 JPKE/PC/50/03PT II	21,500.00
NBT SDN BHD	TOYOTA CAMRY 2.0cc (A) (P) (ACV31R-JEPNKTA)		01/07/2004 JPKE/PC/50/6	45,500.00
	TOYOTA CAMRY 2.4 cc (A) (P) (ACV30R-JEPNKTA)		01/07/2004 JPKE/PC/50/6	46,150.00
QAF AUTO	BMW X3 3.0 S/WAGON 5 DRS A/T (MODEL 2004)		01/07/2004 JPKE/PC/50/14	119,250.00
	BMW X3 2.5 S/WAGON 5 DRS A/T (MODEL 2004)		01/07/2004 JPKE/PC/50/14	112,750.00
	RANGE ROVER 3.0 DIESEL A/T		13/07/2004 JPKE/PC/50/14	148,450.00
	RANGE ROVER 4.4 PETROL A/T		13/07/2004 JPKE/PC/50/14	167,300.00
	BMW 318 I 4 DRS A/T		21/08/2004 JPKE/PC/50/14	74,800.00
	BMW 654 CI 2 DRS A/T		21/08/2004 JPKE/PC/50/14	164,200.00
JATI TRANSPORT	MERCEDES-BENZ SLK200K		07/08/2004 JPKE/PC/50/13	98,250.00
	MERCEDES-BENZ ML270		09/08/2004 JPKE/PC/50/13	116,100.00
HAPPY MOTORING	HONDA CITY 1.5 VTI SEDAN M/T		21/07/2004 JPKE/PC/50/8	22,950.00
	HONDA CITY 1.5 VTI SEDAN A/T		21/07/2004 JPKE/PC/50/8	24,300.00
	HONDA CITY 1.5 GLI SEDAN M/T		18/08/2004 JPKE/PC/50/8	20,350.00

Worldwide Motor	1
Setia Motors	1
NBT Sdn Bhd	1
QAF Auto	1
Jati Transport	1
Happy Motoring	1
Grand Motors	2
Premier Automobiles	2
TCY Motors	2
Maju Motors	2
United Motors	2

Phone: +673-2-233344
Fax: +673-2-230226
Email: info@jpke.gov.bn

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

Approved Price Certificate Issued During the Third Quarter 2004

COMPANIES	TYPES / CAR MODELS	ACCESSORIES	CERTIFICATE REFERENCE	SR PRICES (BND)
GRAND MOTORS	KIA CERATO 1.6L LX		26/07/2004	23,300.00
	GASOLINE A/T		JPKE/PC/50/15	
	KIA CERATO 1.6L EX		26/07/2004	25,850.00
	DIESEL M/T		JPKE/PC/50/15	
	KIA SORENTO 2.5L EX 5-SEATER		31/07/2004	39,100.00
	4WD CRDI DIESEL A/T		JPKE/PC/50/15	
	KIA PREGIO 2.7L 9P DIESEL M/T F/L		31/07/2004	29,550.00
			JPKE/PC/50/15	
	KIA CARNIVAL 2.5L LS 8-SEATER		18/08/2004	39,150.00
	A/T GASOLINE		JPKE/PC/50/15	
MAZDA TRIBUTE 2.3L 5DRS WAGON		18/08/2004	42,150.00	
4WD A/T		JPKE/PC/50/15		
PREMIER AUTOMOES	FORD FIESTA 1.4 ASM		07/08/2004	26,900.00
			JPKE/PC/50/18	
TCY MOTORS	AUDI S4 AVANT TIP A/T		13/07/2004	153,800.00
			JPKE/PC/50/2	
	PEUGEOT 206RC 2.0E 3DRS M/T		03/07/2004	39,600.00
			JPKE/PC/50/2	
	AUDI A4 CABRIOLET 1.8 mu. Fr A/T		03/07/2004	83,400.00
			JPKE/PC/50/2	
AUDI TTR 1.8 T A/T		06/07/2004	73,850.00	
		JPKE/PC/50/2		
AUDI TTC 1.8T A/T		06/07/2004	68,500.00	
		JPKE/PC/50/2		
MAJU MOTORS	VOLKSWAGEN GOLF A5 1.6 A/T		27/07/2004	44,550.00
			JPKE/PC/50/16	
	VOLKSWAGEN BEETLE 2.0 2DRS A/T		06/09/2004	37,550.00
		JPKE/PC/50/16		
UNITED MOTORS	VOLVO S80 2.3T AUTO		25/08/2004	72,650.00
	(VARIANT CODE : 184 5732 192)		JPKE/PC/50/7	

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

Notes