



BRUNEI ECONOMIC BULLETIN

Volume 4, Issue 1

Date : 06/2005

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

Inside this issue:

**BRUNEI DARUSSALAM FIRST QUARTER 2005
 ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

| | |
|---|----|
| Brunei Darussalam First Quarter Economic Review and Outlook | 1 |
| Crude Oil Price Index | 12 |
| 8th National Development Plan | 17 |
| Short-Term Economic Recovery | 20 |
| JPKE List of Publications | 23 |
| Miscellaneous | 23 |

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

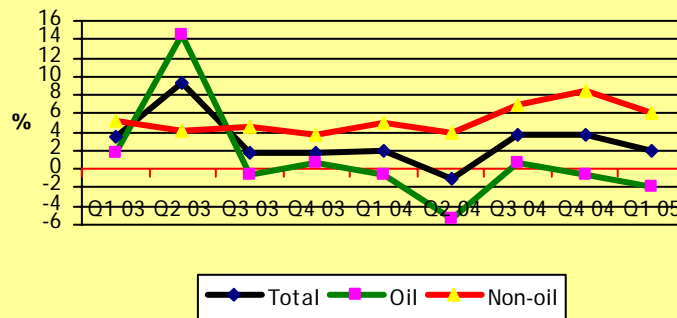
- ◆ Hj Abd Razak Hj Angas
- ◆ Abd Amin Hashim
- ◆ Shahrom Hj Suhaimi
- ◆ Hj Mazlan Hj Mohd Salleh
- ◆ Shamsul Bahrin Hj Mohd Hussain
- ◆ Zureidah Hj Abit
- ◆ Pg Metussin Pg Hj Tuah
- ◆ Hjh Aisah Hj Sani
- ◆ Hjh Norfatiniwati Hj Muhammad

BEB Publishers

- ◆ Hairol Nizam Hj Abd Hamid

Brunei Darussalam's economy for Q1 2005 is estimated to grow by 2.6 per cent from BND 1,173.1 million in Q1 2004 to BND 1,203.2 million in Q1 2005. Compared to Q4 2004, it is estimated to contract by 0.9 per cent (**Chart 1.1**).

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



The **oil and gas sector** has registered contraction of 0.6 per cent in Q1 2005 year-on-year. However, it grew by 1.4 per cent in Q1 2005 compared to Q4 2004. The average weighted oil production decreased by 0.6 per cent from 207,323 barrels per day in Q1 2004 to 206,142 barrels per day in Q1 2005 (**Table 1.1**). The average weighted LNG production also dropped by 0.7 per cent from 1,085,249.50 MMBtu per day in Q1 2004 to 1,077,353.00 MMBtu per day in Q1 2005 (**Table 1.2**).

The oil and gas production index (OGPI) contracted by 0.6 per cent from 109.7 in Q1 2004 to 109.0 in Q1 2005. However, on a quarter-on-quarter basis the OGPI increased by 1.4 per cent from 107.5 in Q4 2004 (**Table 1.3**).

The price of crude oil averaged at US\$50.43 per barrel in Q1 2005 compared to US\$35.59 per barrel a year ago and US\$46.66 in Q4 2004. Meanwhile, the price of LNG averaged at US\$5.23 per MMBtu compared to US\$4.67 per MMBtu a year ago and US\$5.22 in Q4 2004.

Statistical Data (Q1 - 2005)

- ◆ GDP Growth (provisional estimate) : 2.6 per cent
- ◆ Change in CPI : 0.6 per cent
- ◆ Total Exports : BND 2,380.9 million
- ◆ Total Import : BND 520.4 million
- ◆ Government Revenue : BND 1,637.28 million
- ◆ Government Expenditure : BND 1,563.17 million

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
**Table 1.1: Oil Production
Unit – Barrels/Day**

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------------------|---------|---------|---------|---------|---------|
| JAN | 207,290 | 215,020 | 207,785 | 213,223 | 191,227 |
| FEB | 191,472 | 204,550 | 199,502 | 211,055 | 216,101 |
| MAC | 197,709 | 201,230 | 206,610 | 197,933 | 212,061 |
| 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 | 196,390 | |
| NOV | 213,154 | 211,479 | 214,029 | 209,686 | |
| DEC | 224,901 | 207,524 | 212,788 | 217,913 | |
| Crude Oil Production for the year | 195,065 | 203,021 | 207,240 | 205,750 | |
| Average Crude Oil Production Q1 | 199,069 | 207,013 | 204,803 | 207,323 | 206,142 |
| 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 | 207,978 | |
| Average Crude Oil Production 1H | 188,751 | 200,738 | 207,311 | 204,531 | |
| Average Crude Oil Production 2H | 201,276 | 205,268 | 207,170 | 206,956 | |

Source: Petroleum Unit, Prime Minister's Office

**Table 1.2: LNG Production
Unit – MMBtu/Day**

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------------|-------------|-------------|-------------|--------------|-------------|
| JAN | 1,033,542.9 | 1,046,388.0 | 1,118,431.0 | 1,117,753.6 | 1,063,129 |
| FEB | 962,006.0 | 1,095,799.0 | 1,112,133.0 | 1,073,981.0 | 1,046,040 |
| MAC | 1,141,934.0 | 990,443.0 | 1,165,771.0 | 1,063,286.8 | 1,119,859.0 |
| 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 | 932,439.00 | |
| OCT | 1,048,142.0 | 1,062,589.0 | 992,310.7 | 849,614.19 | |
| NOV | 976,540.0 | 1,037,404.0 | 1,038,770.0 | 1,097,901.67 | |
| DEC | 1,146,837.0 | 1,059,582.0 | 1,062,209.0 | 1,082,719.35 | |
| LNG Production for the year | 968,124.0 | 978,804.0 | 1,049,143.0 | 1,016,001.86 | |
| Average LNG Production Q1 | 1,048,621.7 | 1,042,490.4 | 1,132,777.6 | 1,085,249.5 | 1,077,353.0 |
| 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 | 1,009,123.8 | |
| 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 | 1,014,080.6 | |

Source: Petroleum Unit, Prime Minister's Office

Table 1.3: Oil and Gas Production Index

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|----------------------------|-------|-------|-------|-------|-------|-------|
| JAN | 109.7 | 108.0 | 111.2 | 110.9 | 112.8 | 103.1 |
| FEB | 113.1 | 100.0 | 109.0 | 107.7 | 110.6 | 111.6 |
| MAC | 112.6 | 108.0 | 104.4 | 112.0 | 105.6 | 112.5 |
| 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 | 98.2 | |
| NOV | 107.0 | 108.3 | 109.6 | 110.6 | 110.9 | |
| DEC | 109.0 | 118.0 | 108.9 | 110.9 | 113.4 | |
| Average Index for the year | 100.0 | 101.5 | 104.7 | 108.5 | 106.9 | |
| Average Index for Q1 | 111.8 | 105.5 | 108.2 | 110.3 | 109.7 | 109.0 |
| 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 | 107.5 | |
| Average Index for 1H | 102.3 | 98.3 | 101.7 | 109.7 | 106.5 | |
| Average Index for 2H | 97.7 | 104.6 | 107.6 | 107.2 | 107.3 | |

Source: Petroleum Unit, Prime Minister's Office

The overall **non-oil and gas sector** is estimated to expand by 6.0 per cent in Q1 2005 compared to the same period last year. Compared to Q4 2004, it is estimated to decline by 2.0 per cent. The year-on-year growth was supported by improvement in forestry; construction; wholesale & retail; restaurant and hotels; and transport & communication sectors.

Activities in the **agricultural sector** are estimated to register a 7.8 per cent contraction in Q1 2005 compared to the same period a year ago. This was due to the decrease in the production of vegetables; ornamental horticulture (trees); various plantations; buffaloes; cattles; goats; broiler chicken; chicken eggs; and Fresh Milk (**Table 1.4**). On a quarter-on quarter basis, this sector is also estimated to decline by 18.1 per cent in Q1 2005.

Table 1.4: Agricultural Sector

| | Q1 04 | Q4 04 | Q1 05 | growth (%) (Q-O-Q) | growth (%) (Y-O-Y) |
|-------------------------------------|-------------|-------------|-------------|--------------------|--------------------|
| Crop Production | | | | | |
| Vegetables (mt) | 2,700.0 | 2,461.0 | 2,440.0 | -0.9 | -9.6 |
| Fruits (mt) | 823.0 | 1,639.0 | 948.0 | -42.2 | 15.2 |
| Ornamental horticulture (trees) | 74,536.0 | 61,744.0 | 67,505.0 | 9.3 | -9.4 |
| Cut Flowers (unit) | 31,058.0 | 39,935.0 | 38,659.0 | -3.2 | 24.5 |
| Various Plantations (mt) | 96.0 | 131.0 | 83.0 | -36.6 | -13.5 |
| Livestock Production | | | | | |
| Buffaloes (mt) | 22.0 | 132.0 | 18.0 | -86.4 | -18.2 |
| Cattles (mt) | 3.2 | 30.8 | 0.7 | -97.7 | -78.1 |
| Goats (mt) | 1.4 | 0.6 | 0.7 | 16.7 | -50.0 |
| Broiler Chicken (mt) | 4,235.0 | 4,648.0 | 3,940.0 | -15.2 | -7.0 |
| Chicken Eggs (Millions) | 27.2 | 25.7 | 22.9 | -10.9 | -15.6 |
| Fresh Milk (Litres) | 27,809.0 | 18,932.0 | 21,836.0 | 15.3 | -21.5 |
| Agriculture Production Index | 31.4 | 35.3 | 28.9 | -18.1 | -7.8 |

The **forestry sector** grew at an estimated rate of 12.3 per cent in Q1 2005 year-on-year. Compared to Q4 2004, it registered a 7.9 per cent growth. The production of round timber decreased by 20.5 per cent from 31.5 thousands cubic metres in Q1 2004 to 25.0 thousands cubic metres in Q1 2005 (**Table 1.5**). Compared to Q4 2004, it also registered a decrease of 1.9 per cent from 25.5 thousands cubic metres. The production of bakau poles increased by 36.1 per cent from 25.6 thousand pieces in Q1 2004 to 34.8 thousand pieces in Q1 2005. Compared to Q4 2004, it increased by 12.5 per cent, from 30.9 thousand pieces during that quarter.

Table 1.5: Forestry Sector

| | Q1 04 | Q4 04 | Q1 05 | growth (%) (Q-O-Q) | growth (%) (Y-O-Y) |
|----------------------------------|-------------|-------------|-------------|--------------------|--------------------|
| Round Timber ('000 cubic metres) | 31.5 | 25.5 | 25.0 | -1.9 | -20.5 |
| Bakau Poles (thousand pieces) | 25.6 | 30.9 | 34.8 | 12.5 | 36.1 |
| Forestry Production Index | 39.0 | 40.6 | 43.8 | 7.9 | 12.3 |

Source: Forestry Department

Activities in the **fishery sector** are estimated to decline by 61.6 per cent compared to the same period last year. Compared to Q4 2004, this sector also registered a decrease of 32.5 per cent. The largest downward effect was

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

from the production of the capture industry. The production dropped by 57.4 per cent from 7,440.6 metric tonnes in Q1 2004 to 3,168.6 metric tonnes in Q1 2005 and on quarter-on-quarter basis the production dropped by 25.1 per cent from 4,227.8 metric tonnes in Q4 2004 (**Table 1.6**).

Table 1.6: Fishery Sector

| | Q1 04 | Q4 04 | Q1 05 | growth (%) (Q-O-Q) | growth (%) (Y-O-Y) |
|--------------------------------------|----------------|----------------|----------------|--------------------------|--------------------------|
| Capture Industry (Metric Ton- | 7,440.6 | 4,227.8 | 3,168.6 | -25.1 | -57.4 |
| Commercial | 663.0 | 645.6 | 859.8 | 33.2 | 29.7 |
| Small Scale Fishermen | 6,777.6 | 3,582.2 | 2,308.8 | -35.6 | -65.9 |
| Aquaculture Industry (Metric | 146.5 | 172.2 | 109.1 | -36.6 | -25.5 |
| Fish | 19.7 | 18.7 | 16.8 | -10.6 | -15.0 |
| Prawn | 97.5 | 126.4 | 71.0 | -43.8 | -27.2 |
| Fresh Water Fish | 29.3 | 27.0 | 21.4 | -20.8 | -27.0 |
| Total Production | 7,587.1 | 4,400.0 | 3,277.7 | -25.5 | -56.8 |
| Fishery Production Index | 114.0 | 64.8 | 43.8 | -32.5 | -61.6 |

Source: Fishery Department

The mining, quarrying and manufacturing sector registered a contraction of 11.4 per cent in Q1 2005 compared to Q1 2004 due to the decline seen in production of garment which accounted for the second largest contributor to Brunei Darussalam's exports after oil and gas. On a quarter-on-quarter basis this sector contracted by an estimated 11.7 per cent compared to Q4 2004 (**Table 1.7**).

Table 1.7: Mining, Quarrying and Manufacturing Sector

| | Q1 04 | Q4 04 | Q1 05 | growth (%) (Q-O-Q) | growth (%) (Y-O-Y) |
|---|-------------|-------------|-----------|--------------------------|--------------------------|
| Garment | 1,170,259.0 | 1,044,842.8 | 982,949.0 | -15.1 | -16.0 |
| Cement Production (Tonnes) | 56,471.3 | 64,889.4 | 61,941.1 | -4.5 | 9.7 |
| Sawn Timber Production (Thousands cubic metre) | 11.4 | 10.8 | 12.8 | 18.2 | 11.8 |
| Fish Processing Production (Tonnes) | 128.1 | 103.0 | 67.7 | -34.3 | -47.1 |
| Cable Production (Kg) | 165,388.2 | 218,910.7 | 208,328.0 | -4.8 | 26.0 |
| Roofing Production (Tonnes) | 652.9 | 611.0 | 777.0 | 27.2 | 19.0 |
| Switchboard Production (Unit) | 512.0 | 898.0 | 895.0 | -0.3 | 74.8 |
| Quarry (Cubic yards) | 121,682.38 | 84,248.5 | 90,748.4 | 7.7 | -25.4 |

Source: Department of Economic Planning and Development

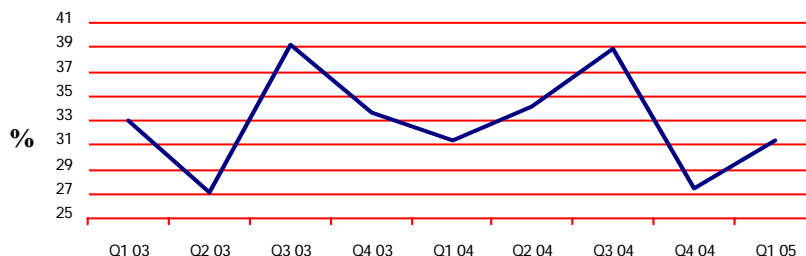
The **construction sector** has shown improvement year-on-year and registered an estimated 10.0 per cent growth in Q1 2005. It is also estimated to expand by 3.2 per cent compared with the previous quarter.

The **wholesale and retail trade sector** posted an estimated 21.1 per cent growth in Q1 2005 compared to Q1 2004. Compared with the previous quarter, this sector is estimated to have expanded by 3.6 per cent. Survey on selected major wholesale companies registered a 5.4 per cent growth in the value of sales in Q1 2005 year-on-year. On a quarter-on-quarter basis the value of sales also increased by 1.8 per cent. Meanwhile, survey on selected major retail companies registered a 36.7 per cent hike in the value of sales in Q1 2005 year-on-year. Likewise, on a quarter-on-quarter basis the value of retail sales rose by 5.4 per cent.

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

The **restaurants and hotels sector** is estimated to grow by 1.5 per cent in Q1 2005 compared to the same period last year. Compared with the previous quarter, it is also estimated to grow by 10.8 per cent. The hotels occupancy rates remains unchanged when compared to the same period last year (**Chart 1.2**). However, on a quarter-on-quarter basis the rates have increased by 8.0 per cent compared to Q4 2004. Meanwhile, the value of sales from the selected major restaurants increased by 4.9 per cent compared to Q1 2004. Likewise, on quarter-on-quarter basis the value of sales also increased by 3.3 per cent.

Chart 1.2: Hotel Occupancy Rate



The **transport and communication sector** grew at an estimated 13.7 per cent in Q1 2005 compared to a year ago. Compared with the previous quarter, this sector is estimated to have expanded by 5.9 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 24.8 per cent in Q1 2005 compared to a year ago (**Chart 1.4**).

Chart 1.3: Growth Rate of Communication Sector

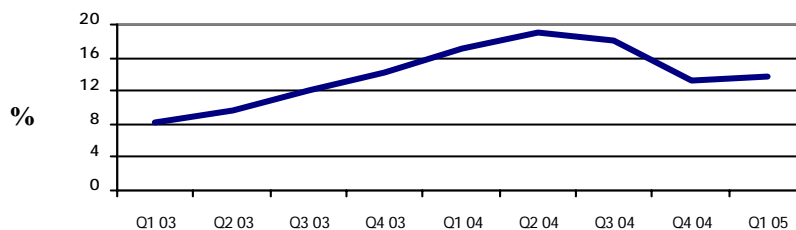
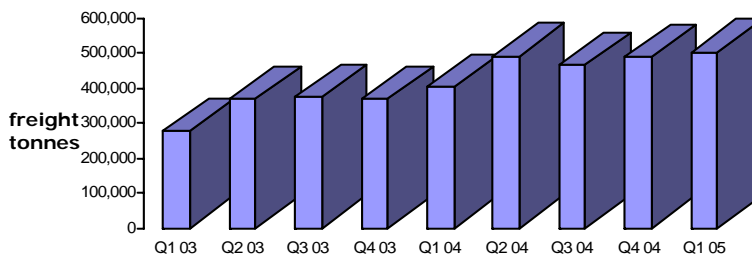


Chart 1.4: Seaborne Cargo Handled

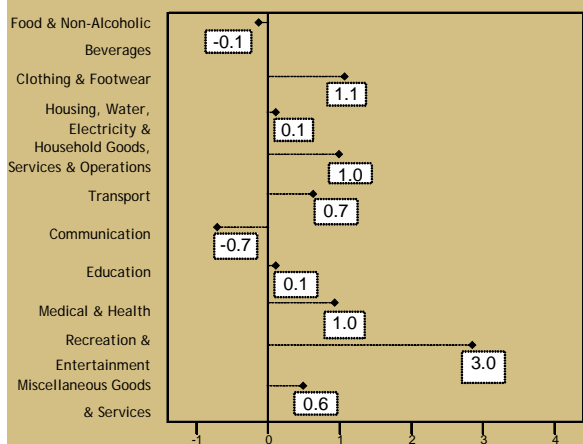


The **banking and finance sector** registered a contraction of 5.7 per cent in Q1 2005 compared to Q1 2004. However, compared to Q4 2004 it grew by 1.6 per cent. The **insurance sector** registered an estimated growth of 3.9 per cent in Q1 2005 compared to the same period a year earlier. However, compared to Q4 2004, it contracted by 30.7 per cent.

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Table 2.1: CPI First Quarter Key Figures

| Commodity Group | Q4 04 / Q1 05 % change | Q1 04 / Q1 05 % change |
|--|------------------------------|------------------------------|
| All | 0.6 | 1.5 |
| I. Food & Non-Alcoholic Beverages | -0.1 | 1.3 |
| II. Clothing & Footwear | 1.1 | -4.1 |
| III. Housing, Water, Electricity & Maintenance | 0.1 | 0.8 |
| IV. Household Goods, Services & Operations | 1.0 | -1.9 |
| V. Transport | 0.7 | 2.8 |
| VI. Communication | -0.7 | -3.5 |
| VII. Education | 0.1 | -1.5 |
| VIII. Medical & Health | 1.0 | 1.5 |
| IX. Recreation & Entertainment | 3.0 | 12.4 |
| X. Miscellaneous Goods & Services | 0.6 | -0.2 |

Source: Department of Economic Planning & Development

Chart 2.1: Percentage change from the previous quarter

Table 2.2: Consumer Price Index January-March 2005

| Commodity Group | Weight | 2005 | | |
|--|--------|-------|-------|-------|
| | | Jan | Feb | March |
| All | 10,000 | 102.0 | 102.4 | 102.4 |
| I. Food & Non-Alcoholic Beverages | 2877 | 101.6 | 101.3 | 101.2 |
| II. Clothing & Footwear | 561 | 89.7 | 95.2 | 95.5 |
| III. Housing, Water, Electricity & Maintenance | 884 | 98.6 | 98.8 | 98.9 |
| IV. Household Goods, Services & Operations | 860 | 92.9 | 94.6 | 94.3 |
| V. Transport | 2251 | 109.2 | 108.9 | 109.0 |
| VI. Communication | 548 | 90.9 | 91.0 | 90.8 |
| VII. Education | 471 | 98.1 | 98.4 | 98.4 |
| VIII. Medical & Health | 98 | 99.0 | 99.6 | 100.2 |
| IX. Recreation & Entertainment | 814 | 116.1 | 116.1 | 116.6 |
| X. Miscellaneous Goods & Services | 636 | 100.6 | 101.6 | 101.6 |

Source: Department of Economic Planning & Development

Consumer Price Index

The average Consumer Price Index (CPI) for the Q1 2005 rose marginally by 0.6 per cent compared to previous quarter (**Table 2.1**). It also recorded an increase of 1.5 per cent when compared to the same period last year. The CPI for January, February and March 2005 stood at 102.0, 102.4 and 102.4 respectively (**Table 2.2**).

Overview of CPI Movements

- ♦ Contributing to the quarterly growth (**Q4 04/Q1 05**) were increases seen in Major Group indices of Clothing & Footwear by 1.1 per cent; Housing, Water, Electricity & Maintenance by 0.1 per cent; Household Goods, Services & Operations by 1.0 per cent; Transport by 0.7 per cent; Education by 0.1 per cent; Medical & Health by 1.0 per cent; Recreation & Entertainment by 3.0 per cent; and Miscellaneous Goods & Services by 0.6 per cent. Decreases were noted in the indices for Food & Non-Alcoholic Beverages by 0.1 per cent; and Communication by 0.7 per cent (**Table 2.1**).
- ♦ Contributing to the annual increase (**Q1 04/Q1 05**) were increases seen in Food & Non-Alcoholic Beverages by 1.3 per cent; Housing, Water, Electricity & Maintenance by 0.8 per cent; Transport by 2.8 per cent; Medical & Health by 1.5 per cent; and Recreation & Entertainment by 12.4 per cent. Decreases were noted in the indices for Clothing & Footwear by 4.1 per cent; Household Goods, Services & Operations by 1.9 per cent; Education by 1.5 per cent; and Miscellaneous Goods & Services by 0.2 per cent (**Table 2.1**).

CPI Changes for Q1 2005 relative to Q4 of 2004

Compared with that of the previous quarter, the CPI for Q1 05 increased by 0.5 per cent from 101.7 to 102.2 (**Table 2.3**). The index for the Food & Non-Alcoholic Beverages declined by 0.1 per cent (**Chart 2.1**) for the first time after increases for four consecutive quarters in 2004. This was due to the decline observed in Meat & Meat Products by 0.6 per cent; Seafood & Seafood Products by 0.1 per cent; Cooking Oils and Fats by 0.3 per cent; Fruits by 0.5 per cent; Coffee, Tea & Cocoa by 0.5 per cent; Non-Alcoholic Beverages by 0.5 per cent; and Food/Drink Away From Home by 0.2 per cent.

The largest upward effect on the CPI for this quarter came from the Recreation & Entertainment Index. The index went up by 3.0 per cent as a result of increases observed in the prices of Sports Equipment by 1.4 per cent; Toys and Games by 1.4 per cent; Other Recreations and Entertainments by 0.4 per cent; Flowers, Plants & Related Equipments by 0.2 per cent; Pets & Related Equipments by 1.1 per cent; and Holiday Package Expenses by 3.8 per cent.

CPI Changes for Q1 of 2005 relative to the same period in 2004

The average CPI for Q1 2005 increased by 1.5 per cent, from 100.7 to 102.2, during the same period last year (**Table 2.3**). The Recreation & Entertainment Index advanced by 12.4 per

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

Table 2.3 : Consumer Price Index Q1 04, Q4 04 and Q1 05

| Commodity Group | Weight | Q1 04 | Q4 04 | Q1 05 |
|--|--------|-------|-------|-------|
| All | 10,000 | 100.7 | 101.7 | 102.2 |
| I. Food & Non-Alcoholic Beverages | 2877 | 100.0 | 101.5 | 101.4 |
| II. Clothing & Footwear | 561 | 97.5 | 92.5 | 93.5 |
| III. Housing, Water, Electricity & Maintenance | 884 | 98.0 | 98.7 | 98.8 |
| IV. Household Goods, Services & Operations | 860 | 95.7 | 93.0 | 93.9 |
| V. Transport | 2251 | 106.1 | 108.3 | 109.0 |
| VI. Communication | 548 | 94.2 | 91.5 | 90.9 |
| VII. Education | 471 | 99.9 | 98.2 | 98.3 |
| VIII. Medical & Health | 98 | 98.2 | 98.6 | 99.6 |
| IX. Recreation & Entertainment | 814 | 103.5 | 112.8 | 116.3 |
| X. Miscellaneous Goods & Services | 636 | 101.4 | 100.7 | 101.2 |

cent which accounted for half of the increase in the overall CPI. The Major Group Indices of Food & Non-Alcoholic Beverages also increased by 1.3 per cent; Housing, Water, Electricity & Maintenance by 0.8 per cent; Transport by 2.8 per cent; and Medical & Health by 1.5 per cent (**Chart 2.2**).

The Recreation & Entertainment Index witnessed a sharp increase of 12.4 per cent when compared to the same period last year. This was mainly due to a 17.5 per cent rise in the price of Holiday Package Expenses which was a consequence of the increase in the cost of air fuel.

The increase in prices of Meat & Meat Products by 6.2 per cent; Seafood & Seafood Products by 1.5 per cent; Dairy Products and Eggs by 2.7 per cent; Cooking Oils & Fats by 2.9 per cent; Sugar, Sugar Preserves & Confectionery by 8.0 per cent; and Food/Drink Away from Home by 0.5 per cent attributed to the increase in the Major Group Index of Food & Non-Alcoholic Beverages.

The Transportation index rose by 2.8 per cent reflecting an increase in the price of Private Road Transport by 2.3 per cent and Air Transport by 8.0 per cent.

The largest downward influence was from the Communication Index (**Chart 2.2**). The index dipped by 3.5 per cent as a result of decreases in the prices of Instrument including Accessories by 15.4 per cent.

Chart 2.2: Percentage changes for Q1 2005 vis-à-vis the same period in 2004

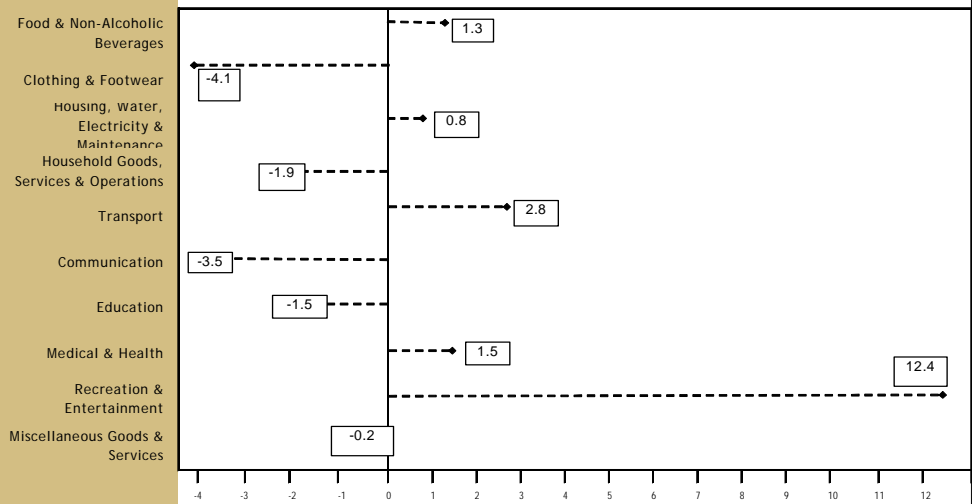
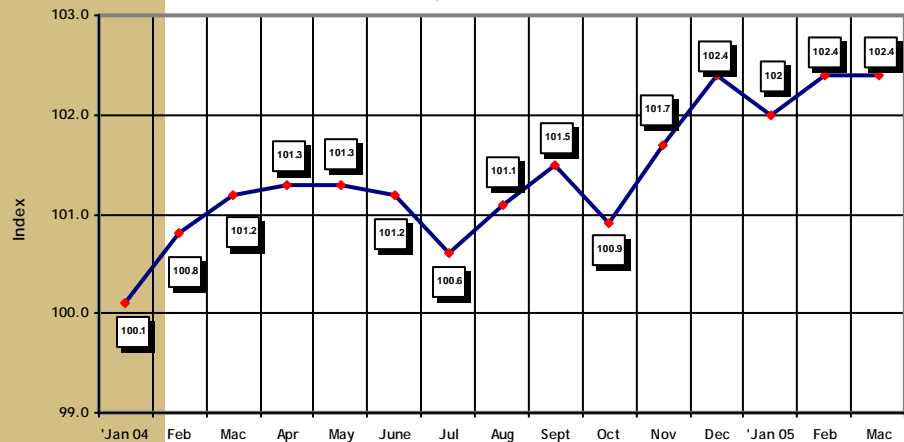


Chart 2.3: Consumer Price Index 2002=100 (January 04 - March 05)



**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
TABLE 3: GOVERNMENT REVENUE & EXPENDITURE (BND MIL-LION)

| | Q1/2005 | Q4/2004 | Q1/2004 |
|---|-----------------|-----------------|-----------------|
| Total Revenue | 1,637.28 | 1,729.04 | 1,417.88 |
| Tax Revenue | 936.01 | 1,028.52 | 824.96 |
| Taxes on Net Income and Profits | 909.13 | 995.75 | 797.5 |
| Corporate Taxes | 908.45 | 995.14 | 796.53 |
| Oil & Gas Production | | | |
| Companies | 906.82 | 994.21 | 758.4 |
| Other Companies | 1.63 | 0.93 | 38.13 |
| Individual (Estate Duty) | 0.02 | 0.05 | 0.03 |
| Stamps | 0.66 | 0.56 | 0.94 |
| Taxes on International Trade | 23.64 | 28.37 | 24.2 |
| Import Duties | 23.64 | 28.37 | 24.2 |
| Motor Vehicles Tax | 13.9 | 17.02 | 14.08 |
| Tobacco | 4.3 | 5.39 | 5.12 |
| Others | 5.44 | 5.96 | 5 |
| Taxes on Goods and Services | 3.24 | 4.4 | 3.26 |
| Licenses | 3.24 | 4.4 | 3.26 |
| Financial Companies | 0.14 | 1.15 | 0.11 |
| Others | 3.1 | 3.25 | 3.15 |
| Non-tax Revenue | 701.27 | 700.52 | 592.92 |
| Property Income | 621.8 | 627.94 | 501.34 |
| Oil Sector | 609.82 | 617.77 | 482.09 |
| Oil & Gas Royalties Dividend Paid by Oil | 194.39 | 170.66 | 160 |
| Companies | 415.43 | 447.11 | 322.09 |
| Other | 11.98 | 10.17 | 19.25 |
| Other Royalties | 0.31 | 0.31 | 0.26 |
| Rent and Interest | 8.33 | 5.85 | 6.2 |
| Others | 3.34 | 4.01 | 12.79 |
| Administrative Fees and Charges on Sales of Goods | | | |
| Fines | 78.57 | 71.98 | 90.85 |
| Telecoms & Utilities | 61.9 | 51.8 | 70.38 |
| Other | 16.67 | 20.18 | 20.47 |
| Other Non-tax Revenue | 0.9 | 0.6 | 0.73 |
| Total Expenditure | 1,538.17 | 1,339.78 | 1,546.26 |
| Current | 1,242.03 | 1,126.05 | 1,304.87 |
| Wages & salaries | 437.19 | 328.05 | 430.93 |
| OCAR | 438.96 | 319.86 | 514.69 |
| Charged | 365.88 | 478.14 | 359.25 |
| Capital | 296.14 | 213.73 | 241.39 |
| OCSE | 187.92 | 133.04 | 168.44 |
| Development expenditure | 108.22 | 80.69 | 72.95 |
| Budget Surplus/Deficit | 99.11 | 389.26 | -128.38 |

Source: Treasury Department, Ministry of Finance

Fiscal Sector
Fiscal Position

In Q1 2005, Brunei Darussalam experienced a budget surplus of BND 99.11 million, a decrease of 81.0 per cent from BND 389.26 million in Q4 2004. This was partly due to an increase of 14.8 per cent in the total expenditure against a 5.3 per cent decrease in total revenue.

Government Revenue

Government Revenue slightly fell from BND 1,729.04 million in Q4 2004 to BND 1,637.28 million in Q1 2005 (**Table 3**). It was mainly because of a decline in the receipts from the oil sector by 5.9 per cent from BND 1,611.98 million in Q4 2004 to BND 1,516.64 million in Q1 2005. However, this was an increase of BND 276.15 million from that recorded in Q1 2004.

The percentage contribution of tax revenue dropped slightly from 59.5 per cent (BND 1,028.52 million) in Q4 2004 to 57.2 per cent (BND 936.01 million) in Q1 2005. Non-tax revenue contribution, on the other hand, rose from 40.5 per cent (BND 700.52 million) to 42.8 per cent (BND 701.27 million) over the same period.

Government Expenditure

Government Expenditure increased by BND 198.39 million from BND 1,339.78 million in Q4 2004 to BND 1,538.17 million in Q1 2005. Compared to Q1 2004, it recorded a decrease of BND 8.09 million (**Table 3**).

Current expenditure recorded a slight increase of BND 115.98 million from BND 1,126.05 million in Q4 2004 to BND 1,242.03 million in Q1 2005. However, it recorded a decrease of 4.8 per cent from BND 1,304.87 in the same quarter last year.

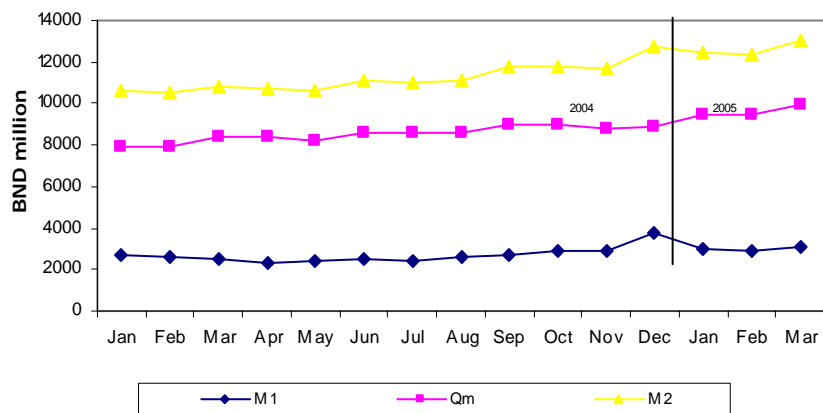
Capital expenditure increased by 38.6 per cent from BND 213.73 million in Q4 2004 to BND 296.14 million in Q1 2005. This was also an increase of BND 54.75 million recorded in Q1 2004.

Monetary Sector
Money Supply

Overall, monetary aggregates continued to expand in Q1 2005 in line with increased domestic activities and consumption. M1 or the domestic narrow money grew by 3.4 per cent from BND3,004.1 million in January 2005 to BND3,107.3 million in March 2005. This expansion was contributed by an increase in demand deposits by 5.0 per cent, from BND 2,290.0 million to BND 2,405.5 million over a corresponding decrease in currency in circulation by 1.7 per cent from BND 714.1 million to BND 701.8 million. Within the same period, broad money (M2) increased by 2.0 per cent from BND12,481.3 million to BND12,725.6 million supported by an increase in fixed deposits by 7.7 per cent from BND 6557.6 million to BND 7,063.5 million over a decreased in savings and other deposits by 2.1 per cent from BND 2,919.6 million to BND 2,857.0 million.

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

On a year-on-year basis, narrow money increased by 12.4 per cent from BND 2,672.1 million in January 2004 to BND 3,004.1 million in January 2005, compared to last year's growth of 16.6 per cent. Broad money rose by 17.5 per cent from BND 10,620.4 million to BND12,481.3 million during the same period compared to previous quarter's increase of 5.9 per cent.

Chart 4.1 MONEY SUPPLY


Source: Financial Institutions Division, Ministry of Finance

Assets & Liabilities

The commercial banks' total assets increased by 5.3 per cent from BND16,374 million in January 2005 to BND17,221 million in March 2005 compared to a decrease of 2.5 per cent during the previous quarter due to a decline in liabilities (**Table 4.1**)

Domestic and foreign deposits aggregates grew by 11.0 per cent from BND2,516 million to BND2,792 million. Loans and advances disbursements decreased by 0.5 per cent from BND5,594 million to BND5,568 million compared to the previous quarter's growth of 0.7 per cent. Other assets increased by 1.3 per cent from BND1,055 million to BND1,069 million. In addition, liabilities in the banking system also increased where total deposits rose by almost 4.8 per cent from BND11,766 million to BND12,325 million. This was due to increases in demand deposits by 5.0 per cent from BND2,290 million to BND2,405 million; and fixed deposits by 7.7 per cent from BND6,557 million to BND7,063 million during the same period. However, savings dropped by 2.1 per cent from BND2,919 million to BND2,857 million. Other liabilities increased by 0.6 per cent from BND2,092 million to BND2,104 million.

Table 4.1 – Assets and Liabilities

| Assets / Liabilities | 2004 | | | | | | | | | | | | 2005 | | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Assets | 13,146 | 13,117 | 13,690 | 13,514 | 13,391 | 14,594 | 14,083 | 14,137 | 15,282 | 15,117 | 15,003 | 16,274 | 16,374 | 16,279 | 17,221 |
| Cash | 176 | 171 | 175 | 145 | 154 | 146 | 138 | 181 | 156 | 153 | 164 | 153 | 164 | 170 | 164 |
| Due from bank : | 5,738 | 5,715 | 6,272 | 6,110 | 5,920 | 7,045 | 6,498 | 6,455 | 7,524 | 7,309 | 7,164 | 8,406 | 8,482 | 8,295 | 9,311 |
| in BD | 1,048 | 1,082 | 1,151 | 1,105 | 1,048 | 1,488 | 1,142 | 1,140 | 1,515 | 1,392 | 1,393 | 1,527 | 1,769 | 1,790 | 2,019 |
| outside BD | 4,690 | 4,633 | 5,121 | 5,005 | 4,872 | 5,557 | 5,356 | 5,315 | 6,009 | 5,917 | 5,771 | 6,879 | 6,713 | 6,505 | 7,292 |
| Loans and Advances | 5,398 | 5,383 | 5,392 | 5,373 | 5,385 | 5,437 | 5,477 | 5,471 | 5,516 | 5,537 | 5,565 | 5,578 | 5,594 | 5,582 | 5,568 |
| Investment | 873 | 925 | 942 | 961 | 985 | 977 | 959 | 999 | 1,031 | 1,060 | 1,055 | 1,071 | 1,079 | 1,126 | 1,069 |
| Other assets | 961 | 923 | 909 | 925 | 947 | 989 | 1,011 | 1,031 | 1,055 | 1,058 | 1,055 | 1,066 | 1,055 | 1,106 | 1,109 |
| Liabilities | 13,146 | 13,117 | 13,690 | 13,515 | 13,390 | 14,593 | 14,083 | 14,137 | 15,280 | 15,116 | 15,003 | 16,274 | 16,374 | 16,279 | 17,221 |
| Deposits | 9914 | 9861 | 10,201 | 10,075 | 9,973 | 10,473 | 10,351 | 10,474 | 11,062 | 11,124 | 11,032 | 12,057 | 11,766 | 11,694 | 12,325 |
| Demand | 1967 | 1932 | 1,825 | 1,686 | 1,739 | 1,863 | 1,721 | 1,900 | 2,060 | 2,165 | 2,204 | 3,130 | 2,290 | 2,225 | 2,405 |
| Time | 5257 | 5207 | 5,640 | 5,629 | 5,445 | 5,827 | 5,867 | 5,786 | 6,200 | 6,112 | 5,968 | 6,040 | 6,557 | 6,601 | 7,063 |
| Saving | 2690 | 2722 | 2,736 | 2,760 | 2,789 | 2,783 | 2,763 | 2,788 | 2,802 | 2,847 | 2,860 | 2,887 | 2,919 | 2,868 | 2,857 |
| Due to bank | 1308 | 1319 | 1,538 | 1,445 | 1,400 | 2,060 | 1,684 | 1,608 | 2,147 | 1,919 | 1,869 | 2,127 | 2,516 | 2,508 | 2,792 |
| in BD | 1182 | 1221 | 1,444 | 1,354 | 1,306 | 1,937 | 1,568 | 1,489 | 2,027 | 1,807 | 1,746 | 1,997 | 2,371 | 2,369 | 2,670 |
| outside BD | 126 | 98 | 94 | 91 | 94 | 123 | 116 | 119 | 120 | 112 | 123 | 130 | 145 | 139 | 122 |
| Other liabilities | 1,924 | 1,937 | 1,951 | 1,995 | 2,017 | 2,060 | 2,048 | 2,055 | 2,071 | 2,073 | 2,102 | 2,090 | 2,092 | 2,077 | 2,104 |

Source: Financial Institutions Division, Ministry of Finance

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Lending

On a year-on-year basis, the banking assets achieved 25.8 per cent growth increasing from BND13,690 million in March 2004 to BND17,221 million in March 2005 compared to previous year's growth of 11.7 per cent. Loans and advances growth accounted for 3.2 per cent and 3.3 per cent during the period between March 2003 to March 2004 and March 2004 to March 2005, respectively. Deposits aggregates during the same period grew at 5.8 per cent and 20.8 per cent, respectively.

On a yearly basis, lending aggregates (**Table 4.2**) rose by 3.3 per cent from BND5,391 million in March 2004 to BND5,568 million in March 2005. Average quarterly growth rates of lending activities throughout the year were very minimal which accounted for only 0.9 per cent.

Lending activities in the first quarter of 2005 declined by 0.14 per cent from BND5,576 million in December 2004 to BND5,568 million in March 2005. This decline was affected by decreases in agriculture by 2.9 per cent, credit and finance by 9.0 per cent, transportation by 4.8 per cent, construction by 4.2 per cent, general commerce by 6.5 per cent and professional services by 9.0 per cent. Positive growth rates, however, were observed in the lending activities to personal loans, mortgages and manufacturing by 0.6 per cent, 0.7 per cent and 31.9 per cent, respectively.

In terms of contribution, personal loans remained the largest proportion of the lending aggregates, i.e. 67.2 per cent compared to last quarter's proportion of 66.7 per cent. The shares of the productive sectors to total loans were relatively small. Agriculture sector's share, for example, was 0.6 per cent while the share of manufacturing sector was 2.7 per cent which increased by 0.7 percentage point from the last quarter. In general, the share of each of the sector to total loans changed minimally between December 2004 and March 2005. Based on this trend, it could be deduced that the change in domestic economic performance was also minimal during the period.

Table 4.2 – Direction of Lending

| Loan Directions | 2004 | | | | 2005 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | March | June | Sep | Dec | March |
| Total | 5391 | 5438 | 5516 | 5576 | 5568 |
| Agriculture | 41 | 33 | 34 | 34 | 33 |
| Credit and Finance | 21 | 27 | 14 | 11 | 10 |
| Manufacturing | 90 | 91 | 94 | 113 | 149 |
| Transportation | 193 | 203 | 212 | 207 | 197 |
| Construction | 450 | 484 | 469 | 496 | 475 |
| General Commerce | 465 | 476 | 492 | 504 | 471 |
| Professional Services | 94 | 43 | 67 | 44 | 40 |
| Personal Loans | 3567 | 3621 | 3681 | 3718 | 3741 |
| Mortgage | 470 | 460 | 453 | 449 | 452 |

Source: Financial Institutions Division, Ministry of Finance

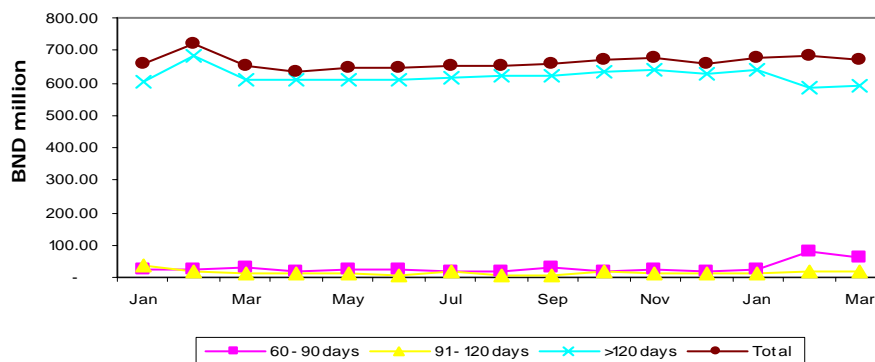
Non-Performing Loans

Generally, the non-performing loans (NPLs) increased by 3.0 per cent from BND 651.74 million in March 2004 to BND 671.37 million in March 2005. However, quarterly comparison of the NPLs showed that it decreased by only 1.1 per cent in the first quarter of 2005, from BND 678.78 million in Q4 2004 to BND 671.37 million. This is compared to a reduction of 2.7 per cent in the fourth quarter of 2004, from BND 673.57 million in Q3 2004 to BND655.66 million.

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

Preliminary information in **Chart 4.2**, showed that NPLs based on 6-month classification was down by 7.4 per cent from BND638.88 million in January 2005 to BND591.75 million in March 2005. During the same period, NPLs based for 3-month classification increased by 7.0 per cent from BND16.07 million to BND15.02 million. The NPL's for 3-month and less classification also increased from BND24.88 million to BND 63.55 million. The ratio of the total NPLs to loans aggregates rose by 0.3 percentage point from 11.8 per cent in December 2004 to 12.1 per cent in March 2005.

Chart 4.2: Non-Performing Loans



Source : Financial Institution Division, Ministry of Finance.

Conclusion

The growth momentum of the monetary sector as a whole was dependent on the progress in the domestic economic activities and the indirect impact of the exchange rate volatility affecting demand and supply of domestic trades. Measures on other vital economic instruments are very crucial to achieve consistent growth.

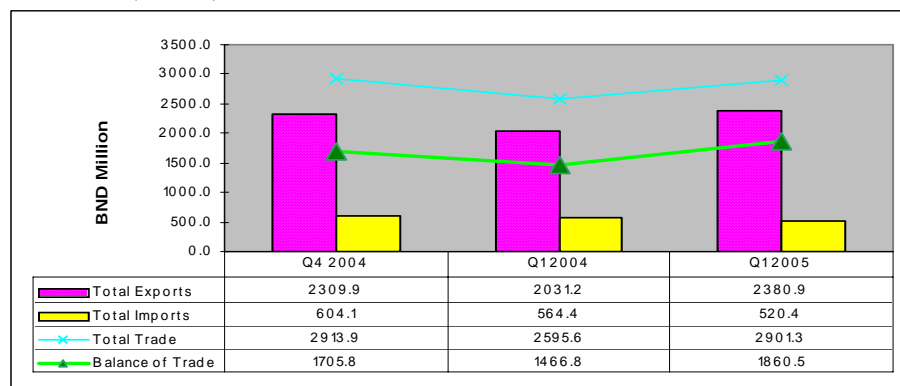
External Sector

Total and Balance of Trade

The total trade for Q1 2005 was BND 2,901.3 million, a decrease of 0.4 per cent from BND 2,913.9 million in Q4 2004 and an increase of 11.8 per cent from BND2,595.6 million in Q1 2004.

A trade surplus of BND 1,860.5 million was recorded in Q1 2005, which is an increase of 9.1 per cent from BND 1,705.8 million in Q4 2004 and 26.8 per cent from BND 1,466.8 million in Q1 2004. This was due to significant increase in exports as a result of escalation in oil price (**Chart 5.1**).

CHART 5.1 : BRUNEI DARUSSALAM EXPORT, IMPORT & BALANCE OF TRADE Q1 OF 2005 AND (Q1&Q4) OF 2004



Source: Department of Economic Planning and Development

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**
Exports

Total exports in Q1 2005 was BND 2,380.9 million. This was an increase of 3.1 per cent from BND 2,309.9 million in Q4 2004 and 17.2 per cent from BND 2,031.2 million in Q1 2004. The increase was due to escalation in oil price during the period. Exports were still dominated by oil and gas which contributed 93.3 per cent of total exports.

Oil and Gas exports for this quarter increased by 4.0 per cent from BND 2,154.4 million in Q4 2004 to BND 2,240.5 million in Q1 2005. Compared to the same quarter last year it increased by 22.6 per cent from BND 1,828.2 million in Q1 2005. Petroleum exports (crude and condensate) increased by 2.0 per cent from BND 1,398.7 million in Q4 2004 to BND 1,426.6 million in Q1 2005 and 32.1 per cent from BND 1080.3 million in Q1 2004. The increase was due to higher oil price which recorded average oil price per barrel of US\$50.43 in Q1 2005 as compared to US\$46.7 in Q4 2004 and US\$35.6 in Q1 2004.

The LNG exports increased by 7.7 per cent from BND 755.7 million in Q4 2004 to BND 813.9 million in Q1 2005 and 8.8 per cent from BND 747.9 million in the same quarter last year. This was due to the increase in gas price by 11.3 per cent and 2.4 per cent from US\$4.7 per MMBtu in Q1 2004 and US\$5.1 per MMBtu in Q4 2004 to US\$521 per MMBtu in Q1 2005.

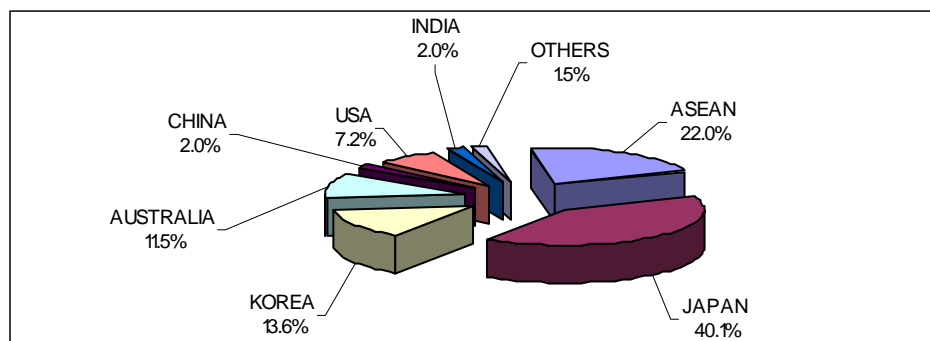
The Non-Oil and Gas exports in Q1 2005 was BND 140.4 million. This was a decrease of 9.7 per cent from BND 155.5 million in Q4 2004 and 30.9 per cent from BND 203 million in Q1 2004. The total value of garments exports for Q1 2005 was BND 38.8 million which was a decrease of 25 per cent from BND 51.7 million in Q4 2004 and 62.1 per cent from BND 102.4 million in Q1 2004 (**Table 5.1**).

TABLE 5.1: EXPORTS BY MAJOR COMMODITY, Q1 2005 AND (Q1 & Q4) 2004

| | BND Million | | | Changes (%) | |
|----------------------|---------------|---------------|---------------|-----------------|-----------------|
| | Q4 2004 | Q1 2004 | Q1 2005 | Q1 '04 & Q1 '05 | Q4 '04 & Q1 '05 |
| (BND million) | | | | | |
| Oil and Gas | 2154.4 | 1828.2 | 2240.5 | 22.6 | 4.0 |
| Petroleum | 1398.7 | 1080.3 | 1426.6 | 32.1 | 2.0 |
| LNG | 755.7 | 747.9 | 813.9 | 8.8 | 7.7 |
| Non-Oil & Gas | 155.5 | 203.0 | 140.4 | -30.9 | -9.7 |
| Garment | 51.7 | 102.4 | 38.8 | -62.1 | -25.0 |
| Others | 103.8 | 100.6 | 101.6 | 0.9 | -2.1 |
| Total Exports | 2309.9 | 2031.2 | 2380.9 | 17.2 | 3.1 |

Source: Department of Economic Planning and Development

In Q1 2005, Japan remained the dominant export market which accounted for 40.1 per cent of total exports, followed by ASEAN (22 per cent), Korea (13.6 per cent), Australia (11.5 per cent), USA (7.2 per cent), India (2 per cent) and China (2 per cent) as shown in **Chart 5.2**.

CHART 5.2: EXPORT MARKET IN Q1 OF 2005


**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

Compared to Q4 2004, Brunei's exports to USA increased by 149.4 per cent followed by ASEAN (32.9 per cent), Japan (12.7 per cent) and Korea (4 per cent). On the other hand, exports to India, China and Australia decreased by 80.3 per cent, 44.5 per cent and 11.2 per cent respectively.

When compared to Q1 2004, Brunei's exports to ASEAN increased by 78.4 per cent followed by Korea (38.7 per cent), Australia (27 per cent), Japan (23.4 per cent) and USA (15.4 per cent). On the other hand, exports to China and India decreased by 75.8 per cent and 34.2 per cent respectively.

Imports

Total imports in Q1 2005 were BND 520.4 million which was a 13.8 per cent drop from the Q4 2004 imports of BND 604.1 million. The decline in imports was mainly due to the decrease in the imports of miscellaneous manufactured articles (29.9 per cent) followed by beverages and tobacco (22.3 per cent), manufactured goods (19.7 per cent), crude material inedible (17.9 per cent), food & live animals (15.2 per cent), miscellaneous transactions (8.9 per cent) and machinery and transport equipments (7.6 per cent). The increases in imports of animals & vegetables oils and fats (4.7 per cent), mineral fuels (33.5 per cent) and chemicals imports (4.7 per cent) were not able to offset the decline in imports (**Table 5.2**).

The Q1 2005 imports were 7.8 per cent lower than Q1 2004 imports of BND 564.4 million. The decrease in imports was due to the decrease in imports of crude material inedible by 18.7 per cent, followed by miscellaneous transactions (18.5 per cent), miscellaneous manufactured article (17.9 per cent), machinery & transport equipments (16.3 per cent), manufactured goods (4.3 per cent) and food & live animals (3.9 per cent). However there were increases in imports of mineral fuels by 52.9 per cent followed by beverages and tobacco (29.2 per cent), chemicals (21.8 per cent) and animal & vegetables oils and fats (1.9 per cent) as shown in **Table 5.2**.

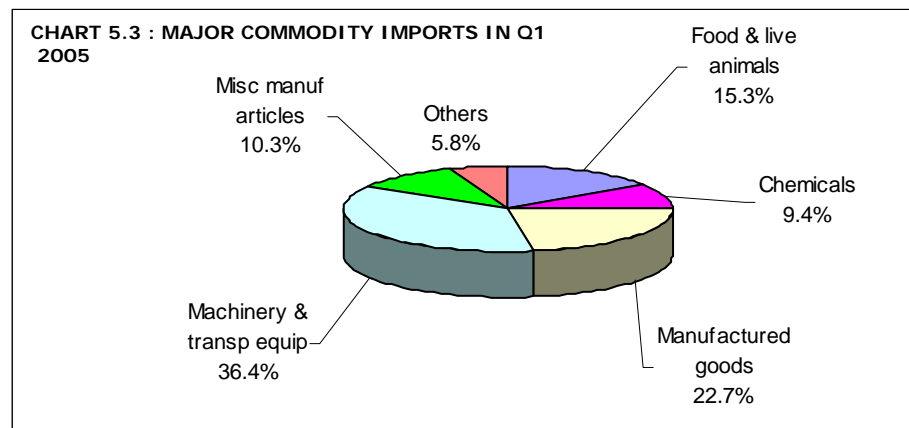
TABLE 5.2: IMPORTS BY COMMODITY, Q1 2005 and (Q1 & Q4) 2004

| | BND Million | | | % Change | |
|-------------------------------------|--------------|--------------|--------------|--------------------|---------------------|
| | Q4 2004 | Q1 2004 | Q1 2005 | Q1 '05 & Q1 '04 | Q 4 '04 & Q1 '05 |
| Food & live animals | 93.7 | 82.7 | 79.42 | (3.9) | (15.2) |
| Beverages & tobacco | 19.6 | 11.8 | 15.26 | 29.2 | (22.3) |
| Crude material inedible | 4.4 | 4.5 | 3.62 | (18.7) | (17.9) |
| Mineral fuels | 4.7 | 4.1 | 6.3 | 52.9 | 33.5 |
| Animal & vegetable oils and fats | 2.6 | 2.7 | 2.7 | 1.9 | 4.7 |
| Chemicals | 45.5 | 40.2 | 48.99 | 21.8 | 7.8 |
| Manufactured goods | 147.3 | 123.7 | 118.35 | (4.3) | (19.7) |
| Machinery & transport equipments | 205.3 | 226.5 | 189.68 | (16.3) | (7.6) |
| Miscellaneous manufactured articles | 76.5 | 65.4 | 53.667 | (17.9) | (29.9) |
| Miscellaneous transactions | 2.6 | 2.9 | 2.34 | (18.5) | (8.9) |
| Total imports (c.i.f) | 604.1 | 564.4 | 520.4 | (7.8) | (13.8) |

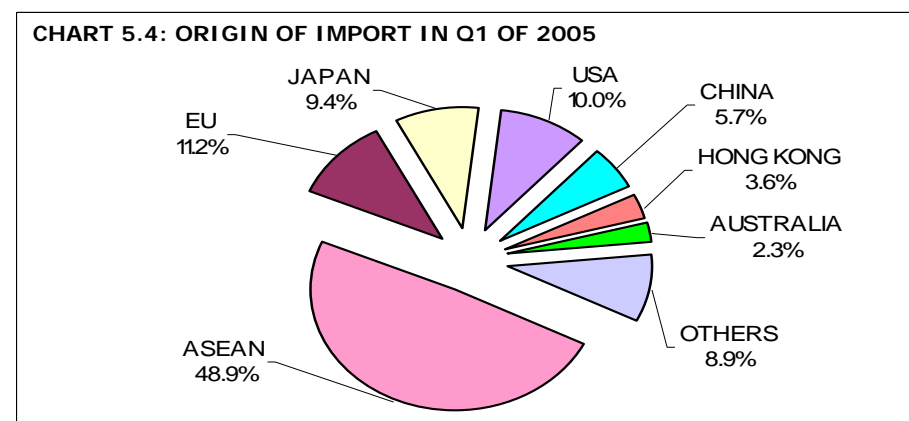
Source: Department of Economic Planning and Development

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

In Q1 2005, the major imports commodity includes machinery and transport equipment, which constitutes 36.4 per cent of total imports followed by manufactured goods (22.7 per cent), food & live animals (15.3 per cent), miscellaneous manufactured articles (10.3 per cent) and chemicals (9.4 per cent) as shown **Chart 5.3**.



As to the origin of imports, 48.9 per cent of total imports in the Q1 2005 were from ASEAN countries followed by European Union (11.2 per cent), USA (10 per cent), Japan (9.4 per cent), China (5.7 per cent), Hong Kong (3.6 per cent) and Australia (2.3 per cent) as shown in **Chart 5.4**.



Compared to Q4 2004, Brunei Darussalam's imports in Q1 2005 from Australia decreased by 37.5 per cent followed by Hong Kong (33.3 per cent), China (32.1 per cent), European Union (28 per cent), Japan (17 per cent), USA (14.9 per cent) and ASEAN (5.5 per cent).

When compared to Q1 2004, Brunei Darussalam's imports in Q1 2005 from Hong Kong decreased by 35 per cent followed by USA (30.8 per cent), Australia (25.6 per cent), European Union (21.4 per cent), Japan (4.4 per cent) and ASEAN (1.5 per cent). However imports from China increased by 16.9 per cent.

BRUNEI DARUSSALAM Q1 2005 ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

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

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----|-------|-------|-------|-------|-------|-------|
| JAN | 25.15 | 26.24 | 19.67 | 30.02 | 32.73 | 41.98 |
| FEB | 27.36 | 27.27 | 20.17 | 30.98 | 36.22 | 48.84 |
| MAC | 28.48 | 26.79 | 22.99 | 33.41 | 38.47 | 58.90 |
| APR | 25.83 | 27.75 | 24.76 | 27.69 | 37.23 | |
| MAY | 29.41 | 28.99 | 25.73 | 27.18 | 39.40 | |
| JUN | 31.22 | 28.05 | 24.60 | 27.07 | 37.83 | |
| JUL | 31.42 | 25.99 | 26.31 | 30.03 | 41.08 | |
| AUG | 31.71 | 24.91 | 27.85 | 30.35 | 47.58 | |
| SEP | 35.36 | 24.96 | 28.64 | 29.35 | 49.6 | |
| OCT | 33.11 | 20.19 | 26.6 | 32.39 | 54.41 | |
| NOV | 32.85 | 18.79 | 26.51 | 32.27 | 47.93 | |
| DEC | 27.84 | 18.60 | 31.02 | 31.35 | 39.06 | |

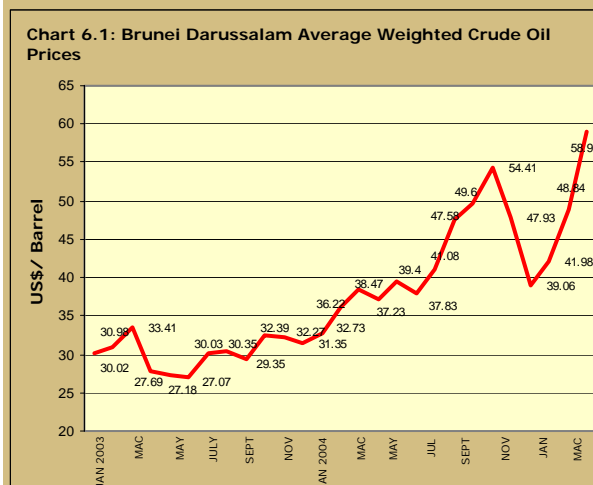
| | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|
| Average Crude Oil Price for the Year | 29.71 | 24.67 | 25.33 | 30.17 | 41.83 | |
| Average Crude Oil Price Q1 | 26.98 | 26.73 | 20.87 | 33.41 | 35.59 | 50.43 |
| Average Crude Oil Price Q2 | 28.47 | 28.23 | 25.03 | 27.33 | 38.2 | |
| Average Crude Oil Price Q3 | 32.77 | 25.29 | 27.59 | 29.33 | 46.31 | |
| Average Crude Oil Price Q4 | 31.14 | 19.19 | 28.02 | 32.00 | 46.66 | |
| Average Crude Oil Price 1H | 27.66 | 27.45 | 22.95 | 30.33 | 36.89 | |
| Average Crude Oil Price 2H | 29.19 | 23.19 | 27.51 | 30.71 | 46.49 | |

Average Weighted Crude Oil Price Index

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----|-------|------|-------|-------|-------|-------|
| JAN | 84.7 | 88.3 | 66.2 | 101.0 | 110.2 | 141.3 |
| FEB | 92.1 | 91.8 | 67.9 | 104.3 | 121.9 | 164.4 |
| MAC | 95.9 | 90.2 | 77.4 | 112.5 | 129.5 | 198.2 |
| APR | 86.9 | 93.4 | 83.3 | 93.2 | 125.3 | |
| MAY | 99.0 | 97.6 | 86.6 | 91.5 | 132.6 | |
| JUN | 105.1 | 94.4 | 82.8 | 91.1 | 127.3 | |
| JUL | 105.8 | 87.5 | 88.6 | 101.1 | 138.3 | |
| AUG | 106.7 | 83.8 | 93.7 | 102.2 | 160.1 | |
| SEP | 119.0 | 84.0 | 96.4 | 98.8 | 166.9 | |
| OCT | 111.4 | 68.0 | 89.5 | 109.0 | 183.1 | |
| NOV | 110.6 | 63.2 | 89.2 | 108.6 | 161.3 | |
| DEC | 93.7 | 62.6 | 104.4 | 105.5 | 131.5 | |

| | | | | | | |
|----------------------------|-------|------|------|-------|-------|-------|
| Average Index for the Year | 100.0 | 83.0 | 85.3 | 101.5 | 140.8 | |
| Average Index for Q1 | 90.8 | 90.0 | 70.2 | 112.5 | 119.8 | 169.7 |
| Average Index for Q2 | 95.8 | 95.0 | 84.2 | 92.0 | 128.6 | |
| Average Index for Q3 | 110.3 | 85.1 | 92.9 | 98.7 | 155.9 | |
| Average Index for Q4 | 104.8 | 64.6 | 94.3 | 107.7 | 157.1 | |
| Average Index for 1H | 93.1 | 92.4 | 77.2 | 102.1 | 124.2 | |
| Average Index for 2H | 98.2 | 78.1 | 92.6 | 103.4 | 156.5 | |

Base year 2000=100



Source: Petroleum Unit, Prime Minister's Office

Average Weighted Crude Oil Price Index

The Brunei Darussalam's average weighted Crude Oil Price Index (COPI) for Q1 2005 increased by 41.7 per cent year-on-year from 119.8 to 169.7. On a quarter-on-quarter basis, the COPI increased by 8.1 per cent from 157.1. (**Table 6.1**).

Brunei Darussalam's average weighted crude oil price increased by 16.3 per cent from US\$41.98 per barrel in January 2005 to US\$48.84 per barrel in February 2005 (**Table 6.1** and **Chart 6.1**). It increased further by 20.6 per cent to US\$58.90 per barrel in March 2005. The average weighted crude oil price stood at US\$50.43 per barrel in Q1 2005 compared to US\$35.59 per barrel in Q1 2004 and US\$46.66 per barrel in Q4 2004.

The US light crude oil price closed at around US\$43.40 per barrel at the end of Q4 2004. On January 3, the price of oil dropped to US\$42.12 per barrel due the expectation of more mild weather at the start of the New Year thus reducing the oil demand. The oil price increases in 2004, were due to unexpected strong demand growth, limited spare refining and production capacity and anxiety over Middle East security threat. On January 10, the oil price rose above US\$47 per barrel on expectations of colder weather in the United States and as rough weather slowed plans to fully restore crude production in the North Sea. On January 14, the oil price rose again to US\$48.38 per barrel because of the same expectation of colder weather that increased oil demand. According to Missouri-based forecaster Weather Derivatives, the heating demand rose 9 per cent above normal from January 15 to January 20. On January 18, the price of oil rose to US\$49.40 per barrel after the International Energy Agency revised its estimate for expected daily demand for crude in 2005 upward by 100,000 barrels per day to 1.4 million barrels. However it fell to US\$48.04 per barrel on the following day due to the expectation of milder weather. On January 20, it fell further to US\$46.66 per barrel due to the increase in oil stockpiles. On January 21, the oil prices rose to US\$47.65 per barrel on the speculation that violence in Iraq could further disrupt oil exports and that freezing weather in the US may last longer than forecasted. On January 24, it rose further to US\$48.96 per barrel as frigid weather boosted heating oil demand. It fell slightly to US\$48.78 per barrel on January 26, after oil workers in Nigeria called off a strike that threatened to derail up to 500,000 barrels of oil per day. On January 27, the oil prices rose to USD\$49.35 per barrel due to fears of terrorists attacks in the run-up to elections in Iraq and uncertainty about the outcome of an OPEC meeting. On January 28, the oil prices fell to US\$47.18 per barrel as the OPEC signaled plans to leave the cartel's production quotas unchanged. On January 31, the oil price fell to US\$46.16 per barrel after Iraq's election passed without any incidence of pipeline sabotage or disruption of oil supplies.

On February 3, the US crude oil fell slightly to US\$46.15 per barrel, as dealers eyed a surplus of crude and gasoline stockpiles in the US, the world's largest energy consumer. It rose to US\$46.65 per barrel on the following day, as dealers weighed OPEC's threat to cut production against healthy supplies of crude and gasoline in the US. On February 7, the light sweet crude fell to US\$46.20 per barrel on the expectations of warmer weather in the US. On February 8, it fell further to US\$45.03 per

**BRUNEI DARUSSALAM Q1 2005
ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS**

barrel after Saudi Arabia's oil minister said his country could provide enough supplies to meet growth in demand and keep prices stable. On February 10, the crude oil price rose to US\$46.75 per barrel after the International Energy Agency announced that the global oil demand was increasing faster than expected. Oil demand in China, the world's second-largest oil consumer after the US, increased 15.6 per cent in 2004 and was projected to rise 6.3 per cent in 2005. On February 17, the oil prices rose to US\$48.15 per barrel as traders weighed OPEC's forecast of rising global demand against concerns about production cuts and violence in the Middle East. It rose slightly to US\$48.35 per barrel on February 21, on concerns over a possible second quarter OPEC production cut, tightening global market forecasts and cold weather in the US. It rose further to US\$51.10 per barrel on the following day, as colder than normal weather in the US and Europe raised demand for furnace fuels. On February 24, it rose to US\$51.79 per barrel on the expectations of continued cold weather in the US. On February 28, it rose further to US\$52.27 per barrel on expectations that snowstorms on the US East Coast led to increased demand for heating oil.

On March 2, the oil prices rose to US\$53.05 per barrel on concern that oil production and refining capacity were not keeping up with rising demand. On March 3, the oil prices jumped to US\$55.20 per barrel. This had been driven by fresh influx of both speculative and long-term fund money into commodities, where surging raw materials demand from China and solid growth in industrialized nations have stretched production capacity. On March 5, it fell to US\$53.50 per barrel after OPEC member, Nigeria said the cartel may raise output to cool the market. On March 9, the oil prices rose to US\$54.80 per barrel as the continued weakening of the US dollar prompted speculators to divert their attention from foreign exchange markets to the volatile crude market. On March 14, the oil prices fell to US\$54.25 per barrel after members of OPEC assured traders that the cartel would not cut production and that some members might pump above their output quotas, to cool down overheated markets. On March 15, it rose to US\$55.45 per barrel as OPEC members disagreed about the cartel's need to raise production. It rose further to US\$57.50 per barrel on March 17, on concern that the OPEC could not pump enough to meet demand. On March 21, the oil prices fell to US\$56.35 per barrel after the ministers from the OPEC decided to raise crude output from 27 to 27.5 million barrels per day (bpd). On March 28, the oil prices fell to US\$54.40 per barrel due to reducing concern about global oil shortages. On March 30, it fell further to US\$52.85 per barrel after the Energy Department report showed that US inventories rose for seventh straight week.

BRUNEI DARUSSALAM Q1 2005

ECONOMIC REVIEW & OUTLOOK AND RECENT ECONOMIC DEVELOPMENTS

Outlook For Q2 2005

The economy is expected to bounce back in Q2 2005 after a slight quarterly contraction during the first quarter of this year. Although there was a slight negative growth of the non-oil sector during the first quarter, its positive growth trend seen in the last 2 quarters of 2004, is expected to continue and helps the overall growth of the Brunei Darussalam economy. On its part, the government sector will continue to push for more National Development Plan's projects to be implemented.

Expansion in the oil and gas sector production will remain modest in a situation of soaring oil price in the world market. However, the growing demand for energy in Brunei Darussalam's major oil export destinations of China and India may help push production up to some extent.

The government finance in Q1 2005 experienced another budget surplus which was largely contributed by the increasing oil price. The surplus will enable the government to continue to accelerate further the implementation of the 8th National Development Plan projects during Q2 2005. The contribution of the government to the overall growth of the economy will be supported by these developments.

The non-oil private sector will continue to grow positively and this will be partially contributed by dynamism in the wholesale and retail trade, construction and transport and communication sectors. These three sectors posted commendable growth rates in the previous quarter and will continue to grow further during Q2 2005 although the growth rates might be lower. The wholesale and retail trade may be negatively affected slightly by the upcoming June school term holidays.

The positive development in the monetary sector during this quarter has also contributed growth in the second quarter. Monetary aggregates such as M1 and M2 have expanded to some extent and so are other variables such as banks' assets and liabilities and banks' loans. For the non-performing loans, there were further quarterly decline albeit at a slightly slower rate.

Brunei Darussalam recorded another trade surplus during Q1 2005 but this was contributed to a large extent by a drop in import of nearly all items. However, this seasonal decline may change as consumer demand and construction needs may increase again in Q2 2005 consistent with expected growth rates in the wholesale and retail trade, construction and transport and communication sectors.

The Consumer Price Index for the first quarter rose marginally and this is one of the indications of a growing consumer market. Similarly, advertisement for job vacancies showed laudable increments compared with the previous quarter's. These and other indicators discussed above will complement and provide the source for a growing economy in Q2 2005.

8th NATIONAL DEVELOPMENT PLAN

TABLE 1: BREAKDOWN OF STATUS OF ON-GOING PROJECTS Q4

| | COMPLETED PROJECTS | | ON-GOING PROJECTS | |
|--------------|--------------------|-------------|--------------------|--------------|
| | Number of Projects | BND million | Number of Projects | BND million |
| TOTAL | 94 | 98.5 | 116 | 427.5 |

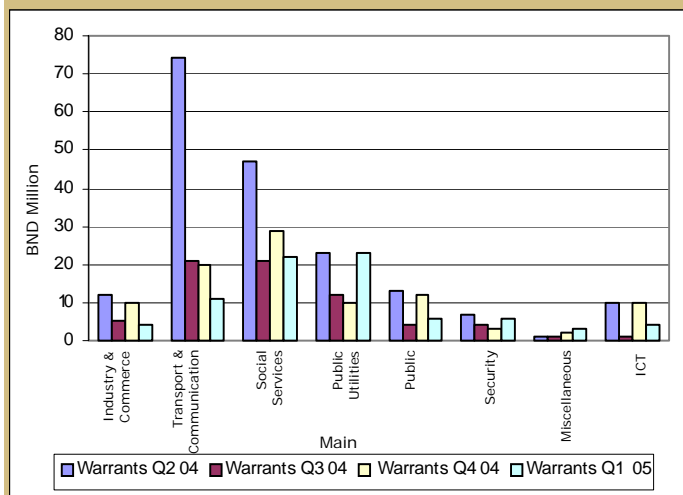
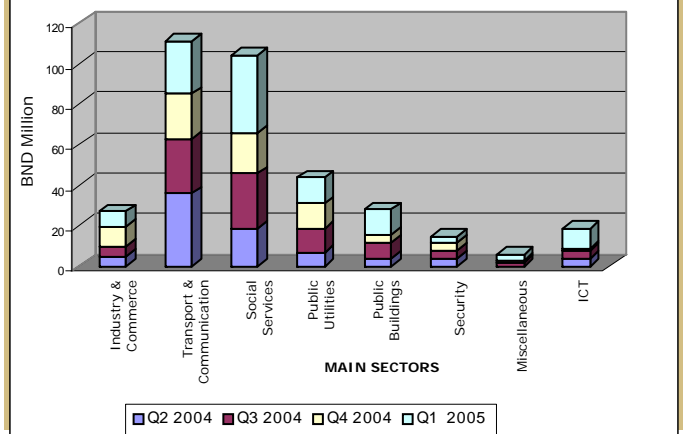
TABLE 2: STATUS OF NEW PROJECTS FOR Q1 2005

| Status | Number of New Projects | 2004 Allocation (BND million) |
|---------------------------|------------------------|-------------------------------|
| Completed | 17 | 5.7 |
| Under Implementation | 99 | 191.8 |
| Tender Awarded | 14 | 38.2 |
| Awaiting Tender | 24 | 29.1 |
| Tendering Process | 17 | 38.5 |
| Other stages ¹ | 99 | 70.7 |
| 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

TABLE 3: PROJECT WITH APPROVED CONSULTANT FOR Q4 2004

| No | VOTE NO | PROJECT TITLE | DATE OF APPOINTMENT |
|----|-------------|---|---------------------|
| 1 | 822-009-001 | Master Plan and Local Studies - Temburong Regional Planning Study | 22 Dec 2004 |

CHART 1: WARRANTS ISSUED BY SECTORS Q2 (2004) - Q1 (2005)

CHART 2: EXPENDITURE BY MAIN SECTORS, Q2 (2004) - Q1 (2005)


Q1 2005 Project Implementation Review

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

Q1 2005 IMPLEMENTATION ACHIEVEMENT: PHYSICAL STATUS

A: On – Going Projects

Out of 210 on-going projects, a total of 94 projects (with allocation of about BND 98.5 million) were completed. **Table 1** summarizes the status of on-going projects.

B: New Projects

From a total of 270 New Projects, only 17 were completed (with allocation of BND 5.7 millions). The status of new projects is as shown in **Table 2**.

Q1 2005 IMPLEMENTATION ACHIEVEMENT: FINANCIAL STATUS

Warrants Issued

The breakdown of financial warrants issued in Q1 2005, by major sectors is as shown in **Chart 1** and **Table 4**. A total of about BND 431 million worth of warrants for all major sectors were approved. The **Transport and Communication Sector** continue to receive the highest amount of about BND 126 million, accounting for 29 per cent of the total value of warrants issued.

The **Miscellaneous Sector** received the least amount of warrants of about BND 7 million, which accounted for only 1.6 per cent of the total amount issued.

Expenditure

Chart 2 and **Table 4** illustrate the cumulative amount of expenditure up to Q1 2005 for each major sector.

Expenditure trend is correspondingly similar to the trend in the issuance of warrants especially for the highest and the least spending sectors.

The **Transport and Communication Sector** recorded the highest expenditure with BND 111 million or 88 per cent against approved warrants worth BND 126 million.

The lowest spending sector was the **Miscellaneous sector** with only BND 6 million. However, this accounted for 82 per cent against approved warrants.

On the whole, expenditure up to Q1 2005 amounted to BND 353 million or 39 per cent against 2004/5 allocation and about 81 per cent against approved warrants worth BND 436 million.

8th NATIONAL DEVELOPMENT PLAN

CHART 3: 2004 - 2005 Allocation, Cumulative Warrants and Cumulative Expenditure, By Major Sectors Q2 (2004) to Q1 (2005)

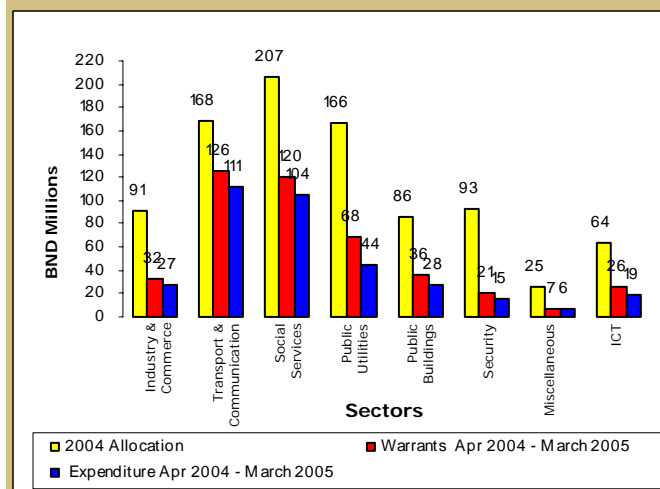


Chart 3 and Table 4 illustrate the 2004 -2005 allocations of each major sector and the patterns of cumulative warrants and expenditure from Q2 2004 to Q1 2005.

ANALYSIS OF ACHIEVEMENTS FOR Q1 2005

Approved warrants for the period of April 2004 to March 2005 totaled **BND435,669,758** which was 55 per cent of the target.

Expenditure for the same period of time totaled **BND353,375,068**, which was 49 per cent of the target.

Up to Q1 2005, the total expenditure recorded was about 81 per cent of total warrants issued for the same period, which was 39 per cent of total allocation. This is shown in **Table 4**.

Expenditure in Q1 2005 was 51 per cent higher quarter – on – quarter as compared to Q4 2004.

On a year-on-year comparison, spending in Q1 2005 (BND 113 million) was a 59 per cent increase as compared to Q1 2004 (BND 71 million).

Physical status of projects had improved on a year-on-year basis. The number of projects completed was 12 per cent (111 projects) higher in Q1 2005 as compared to Q1 2004 (99 projects). It is also higher quarter-on-quarter by about 3 per cent (108 projects were completed in Q4 2004).

Out of 210 **on-going** projects, 94 projects were completed, with total allocation of BND 98.5 million. The remaining 116 projects are still in 'implementation stage', with an estimated allocation of BND 427.5 million.

The remaining 270 **new projects**, with an estimated allocation of BND374 million, 17 projects were completed (with allocation of BND 5.7 million). Ninety nine (99) projects are in 'implementation stage'. Fifty five (55) projects (with allocation of about BND105.8 million) are in various stages of implementation. Some that have just been awarded, awaiting tender approvals and projects that are in the early stages of tendering, are expected to commence implementation in Q2 and Q3 of 2005.

TABLE 4: ALLOCATION, CUMULATIVE WARRANT AND EXPENDITURE – Q2 (2004) – Q1 (2005)

| SECTORS | 2004 / 2005 Allocation (BND) | Warrants Issued (BND) Q2 (2004) - Q1 (2005) | Percentage Of Warrants Issued Against Total Warrants | Q2 2004 Expenditure (BND) | Q3 2004 Expenditure (BND) | Q4 2004 Expenditure (BND) | Q1 2005 Expenditure (BND) | Total Expenditure Q2 (2004) - Q1 (2005) | Percentage of Expenditure Against Allocation | Percentage of Expenditure Against Warrants |
|-----------------------------|------------------------------|---|--|---------------------------|---------------------------|---------------------------|---------------------------|---|--|--|
| Industry and Commerce | 91,048,000 | 31,608,067 | 7.3 | 4,769,225 | 4,630,880 | 9,929,336 | 6,701,633 | 26,031,073 | 28.6 | 82.4 |
| Transport and Communication | 167,642,000 | 126,414,497 | 29.0 | 35,077,045 | 27,437,673 | 21,935,549 | 26,202,026 | 110,652,292 | 66.0 | 87.5 |
| Social Services | 207,116,000 | 119,754,299 | 27.5 | 18,899,835 | 26,150,811 | 20,807,595 | 38,706,782 | 104,565,023 | 50.5 | 87.3 |
| Public Utilities | 166,490,000 | 67,885,320 | 15.6 | 6,849,291 | 11,931,040 | 11,842,941 | 13,048,295 | 43,671,567 | 26.2 | 64.3 |
| Public Building | 85,525,000 | 35,772,699 | 8.2 | 4,251,732 | 7,036,042 | 3,681,847 | 12,042,367 | 27,011,988 | 31.6 | 75.5 |
| Security | 93,150,000 | 20,755,287 | 4.8 | 4,362,935 | 4,328,092 | 4,462,157 | 2,676,258 | 15,829,442 | 17.0 | 76.3 |
| Miscellaneous | 25,029,000 | 7,416,794 | 1.7 | 235,609 | 1,689,638 | 1,162,419 | 3,012,270 | 6,099,935 | 24.4 | 82.2 |
| ICT | 64,000,000 | 26,062,795 | 6.0 | 4,046,751 | 3,933,953 | 1,099,494 | 10,433,549 | 19,513,746 | 30.5 | 74.9 |
| Grand total | 900,000,000 | 435,669,758 | 100.0 | 78,492,422 | 87,138,129 | 74,921,337 | 112,823,181 | 353,375,068 | 39.3 | 81.1 |

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

8th NATIONAL DEVELOPMENT PLAN

The amount of warrant issued dropped by 18 per cent in Q1 2005 as compared to Q4 2004. (BND79 million in Q1 2005 and BND96 million in Q4 2004). However, despite this fall, expenditure in Q1 2005 leaped by about 51 per cent as compared to expenditure in Q4 2004

IMPLEMENTATION PROJECTION

Performance in Q1 2005 had indeed improved due to the closing of the financial year by end of March 2005. Ensuring that claims are rigorously and efficiently processed will guarantee that payments will be made speedily. Project implementers will also need to quickly certify all claims and make sure that whatever necessary checks such as final measurements are made within the prescribed time frame as set out in their Client's Charter (or TPOR). Therefore, the existence of and compliance to a client's charter is pertinent to achieving a speedy payment target throughout the project cycle, not just at the end of every financial year.

It is projected that spending will be higher in Q2 to Q4 2005. Implementing and client agencies will be working extra hard to ensure that projects that are being implemented will be completed in 2005 – 2006, specifically projects which are physically complete where penultimate and final payments will need to be cleared within this financial year 2005 – 2006.

SHORT TERM ECONOMIC RECOVERY

| 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 | TER-RACE /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 | |
| | 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

PUBLIC HOUSING DEVELOPMENT SCHEME

Phase 1

A sum of BND 37,576,979 was spent under Phase 1, of which BND 24,075,153 was for projects implemented by the Public Works Department (PWD) and BND 13,501,826 by the Housing Development Department (HDD).

A. Construction Of Houses

1. 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 still delayed. The contractor was yet to apply for an extension of time. As in Q4 2004, no other contract was completed during Q1 2005.

As reported in Q4 2004, the number of houses that were already handed over to beneficiaries remained 204 as none was handed over in Q1 2005.

2. Construction of 211 houses by Housing Development Department

Table 2 shows that in Q1 2005, no other contract was completed. The 2 remaining contracts H10B, a retendered contract involving 22 terrace houses in Kg Pandan and H29A, consisting of 20 houses in Kg Rimba were still on-going.

Contract H10B was still delayed even after a second extension of time of 3 months was given. The contractor still need to apply for further extension of time. In the mean time, Contract H29A which was given its first extension of time of 3 months was also delayed. The contract was supposed to be completed in Q1 2005 but still need further extension of time.

B. Infrastructure Works

Table 3 shows the status of the remaining infrastructure works within the First Phase. The Road Works contract at Kg. Katok A has made no improvement since Q4 2004. Meanwhile, the contract on Water Reticulation System in Kg. Katok B made some progress after a first extension of time was granted. However, the contract was further delayed. The contract was to be completed by early Q2 2005.

Phase 2

A total of BND 13,371,278 has been spent in the second phase for projects implemented by the Public Works Department (PWD).

A. Construction Of Houses

Construction of 250 houses by the Public Works Department.

As shown in (**Table 4**), no further contract was completed in Q1 2005. Package 14 of Katok A has yet to be retendered in Q4 2004 was till in its tendering process.

SHORT TERM ECONOMIC RECOVERY

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 | RETENDERED |
| | 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

Table 5: Summary of all houses under PWD and HDD

| Implementor | Phase | No. of Houses | No. of Houses Completed | No. of Houses Handed over to Beneficiaries |
|--------------------------------------|-------|---------------|-------------------------|--|
| Public Works Department (PWD) | 1 | 300 | 276 | 204 |
| | 2 | 250 | 29 | 0 |
| Housing Development Department (HDD) | 1 | 211 | 169 | 169 |

Source : Department of Implementation and Monitoring, JPKE

Table 6: 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 |

The construction of 206 houses at Kg. Sungai Buloh under packages 17 to 25 were completed (**Table 4**). But the overall early completion of the contracts were held up by the delay in infrastructure works. Although extension of time were given to the relevant contractors, some works that were directly connected to the infrastructure contracts were unable to be completed, contributing to the delay in completing the housing contract.

B. Infrastructure Works

All electrical, telecommunications and water supply works under Second Phase in Kg. Katok A have been completed. Whereas for Package 14 of Kg Katok B, only the water and electrical works were completed while the progress of telecommunication works was still slow.

The 5 contracts of the infrastructure works at Kg Sungai Buloh were on-going. The 3 contracts on road works were still behind schedule. The progress of the electrical and telecommunication works was also very slow. It is hoped that due to the rapid progress in the construction of sewer lines and water works both the road and the electrical & communication works may contribute to speedy completion of the whole infrastructure works.

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 companies (**Table 6**).

Overall physical progress

As of 31st March 2005, out of 363 contracts that were carried out, 328 contracts were completed and paid. The status of the remaining 35 contracts were: 13 contracts already completed but still under final measurement stage, 8 still under implementation, 3 to be terminated due to several reasons such as failure of the awarded contractors to complete the contracts on time, and 11 contracts were delayed (**Table 7**).

SHORT TERM ECONOMIC RECOVERY

Progress for each phase

Phase 1

As of 31st March 2005, out of 50 contracts awarded, 2 contracts were terminated due to the failure of the awarded contractors to complete their contracts on time, 48 were implemented of which 46 contracts were completed, while the remaining 2 contracts were delayed (**Table 7**). Payments made for this phase totaled BND 965,957.32

Phase 2

Under Phase 2, 82 contractors were given 128 contracts in total, where 17 of them were terminated due to failure of the awarded contractors to complete their contracts. As of 31st March 2005, 108 out of 111 contracts were completed, 1 delayed and 2 were to be terminated (**Table 7**). Payment made for this phase per cent 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 end of Q1 2005, 118 out of 127 contracts were completed, 2 were under final measurement stage and under implementation while the remaining 5 contracts were delayed and 1 will be terminated (**Table 7**). Payments made for this phase totaled BND 7,756,060.16

Phase 4

Under phase 4, 33 contractors were awarded a total of 55 contracts. At the end of Q1 2005, 40 out of 55 contracts were completed, 9 were still under final measurement stage, whilst the remaining 6 were still under implementation (**Table 7**). Payments made for this phase per cent BND 2,903,405.06

Phase 5

Out of 22 re-tendered contracts implemented under Phase 5, 16 contracts were completed, 2 were still under final measurement stage, 1 was under implementation and 3 were delayed (**Table 7**). As of 31st March 2005, payments made for this phase per cent BND 414,590.06

TABLE 7: 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. OF 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 | 9 | 6 | 0 | 0 |
| 5 | 22 | 0 | 22 | 16 | 2 | 1 | 3 | 0 |
| TOTAL | 387 | 24 | 363 | 328 | 13 | 8 | 11 | 3 |

Miscellaneous

JPKE LIST OF PUBLICATIONS

| No. | List | BND |
|-----|--|-------|
| 1. | Brunei Darussalam Statistical Yearbook 82 / 83, 83 / 84 | 7.00 |
| 2. | Brunei Darussalam Statistical Yearbook 2000 / 2001, 2002, 2003 | 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. | Sixth National Development Plan 1991-1995 | 30.00 |
| 6. | Seventh National Development Plan 1996-2000 | 15.00 |
| 7. | Rancangan Kemajuan Negara ke 4 1996-2000 | 7.00 |
| 8. | Rancangan Kemajuan Negara ke 7 1996-2000 | 15.00 |
| 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 | 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

NEGARA BRUNEI DARUSSALAM

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 4, Issue 1
Date : 06/2005

**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 First Quarter 2005

| COMPANIES | TYPES / CAR MODELS | ACCESSORIES | CERTIFICATE REFERENCE | SR PRICES (BND) | | | |
|--|---|--|-----------------------------------|----------------------------------|----------------------|---------------------|---|
| G.H.K MOTORS | DAIHATSU SIRION 1.3 A/T LOW SPEC | | 27/01/2005 JPKE/PC/50/4 | 20,500.00 | G.H.K Motors | 1 | |
| | DAIHATSU SIRION 1.3 A/T HIGH SPEC | | 27/01/2005 JPKE/PC/50/4 | 21,600.00 | Worldwide Motors | 1 | |
| | DAIHATSU SIRION 1.3 M/T LOW SPEC | | 27/01/2005 JPKE/PC/50/4 | 19,750.00 | Setia Motors | 1 | |
| | DAIHATSU SIRION 1.3 M/T HIGH SPEC | | 27/01/2005 JPKE/PC/50/4 | 20,900.00 | NBT Sdn. Bhd. | 1 | |
| | MITSUBISHI COLT 1.5 cc A/T Z27AXSLHR | | 27/01/2005 JPKE/PC/50/4 | 24,700.00 | Jati Transport | 1 | |
| | WORLDWIDE MOTOR | PROTON SATRIA R3 1.8 A/T | | 30/03/2005 JPKE/PC/50/1 | 34,150.00 | Boustead | 1 |
| | SETIA MOTORS | HYUNDAI TUCSON 2.0GL 2WD CVVT M/T PETROL | | 27/01/2005 JPKE/PC/50/03PT II | 24,100.00 | Premier Automobiles | 2 |
| | | HYUNDAI TUCSON 2.0GL 2WD CVVT A/T MICA COLOUR PETROL | | 27/01/2005 JPKE/PC/50/03PT II | 25,300.00 | TCY Motors | 2 |
| HYUNDAI TUCSON 2.0GL 2WD CVVT M/T NON - MICA COLOUR PETROL | | | 27/01/2005 JPKE/PC/50/03PT II | 25,150.00 | Maju Motors | 2 | |
| NBT SDN BHD | TOYOTA HILUX 4x4 DOUBLE CAB 3.0 DIESEL A/T STD | | 09/03/2005 JPKE/PC/50/6 | 36,700.00 | Seri Sentosa Sdn Bhd | 2 | |
| | TOYOTA HIACE COMMUTER 15-SEATER 2.5 cc M/T DIESEL | | 23/03/2005 JPKE/PC/50/6 | 38,150.00 | | | |
| | TOYOTA LEXUS GS 300 4DRS SEDAN A/T | | 17/03/2005 JPKE/PC/50/6 | 80,850.00 | | | |
| JATI TRANSPORT | MERCEDES-BENZ E350 | | 26/02/2005 | 148,450.00 | | | |
| | | | JPKE/PC/50/13 | | | | |
| BOUSTEAD | NISSAN SKYLINE COUPE 5A/T | | 08/03/2005 JPKE/PC/29/13PT VII | 67,000.00 | | | |
| | NISSAN SKYLINE COUPE 6M/T | | 08/03/2005 JPKE/PC/29/13PT VII | 70,450.00 | | | |
| | SUZUKI APV 1.6 GLX 5DRS A/T | | 17/03/2005 JPKE/PC/29/13PT VII | 22,900.00 | | | |

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 First Quarter 2005

| COMPANIES | TYPES / CAR MODELS | ACCESSORIES | CERTIFICATE REFERENCE | SR PRICES (BND) |
|-------------------------|---------------------------------------|-------------|-----------------------------|--------------------|
| PREMIER AUTOMOBILES | FORD TERRITORY TX 4.0 LITER A/T | | 08/03/2005 JPKE/PC/50/18 | 58,600.00 |
| | FORD FOCUS 1.6 GASOLINE M/T HATCHBACK | | 26/03/2005 JPKE/PC/50/18 | 24,800.00 |
| | FORD FOCUS 1.6 GASOLINE A/T HATCHBACK | | 26/03/2005 JPKE/PC/50/18 | 26,600.00 |
| | | | | |
| TCY MOTORS | PEUGEOT 307 BK XS 2.0 HDI 90 M/T | | 27/01/2005 JPKE/PC/50/2 | 39,350.00 |
| | DIESEL | | | |
| | PEUGEOT 206 XR SALOON PETROL A/T | | 27/01/2005 JPKE/PC/50/2 | 25,650.00 |
| | PEUGEOT 206 XR 1.4E 5DRS PETROL M/T | | 27/01/2005 JPKE/PC/50/2 | 23,800.00 |
| | PEUGEOT 407 SW SRCF 2.0E A/T | | 17/03/2005 JPKE/PC/50/2 | 55,300.00 |
| | AUDI A8 L 4.2 QUATTRO A/T | | 17/03/2005 JPKE/PC/50/2 | 177,800.00 |
| | AUDI A6 2.4 A/T | | 30/03/2005 JPKE/PC/50/2 | 97,300.00 |
| MAJU MOTORS | RENAULT MEGANE ESTATE (S/W) 1.6 A/T | | 26/03/2005 JPKE/PC/50/16 | 36,250.00 |
| | | | | |
| SERI SENTOSA SDN BHD | TD 2000 ROADSTER M/T | | 21/02/2005 JPKE/PC/50/19 | 64,900.00 |
| | TD 2000 ROADSTER A/T | | 21/02/2005 JPKE/PC/50/19 | 67,500.00 |
| | | | | |

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

Notes