

First Quarter

BRIEF ON BALANCE OF PAYMENTS STATISTICS



HIGHLIGHTS

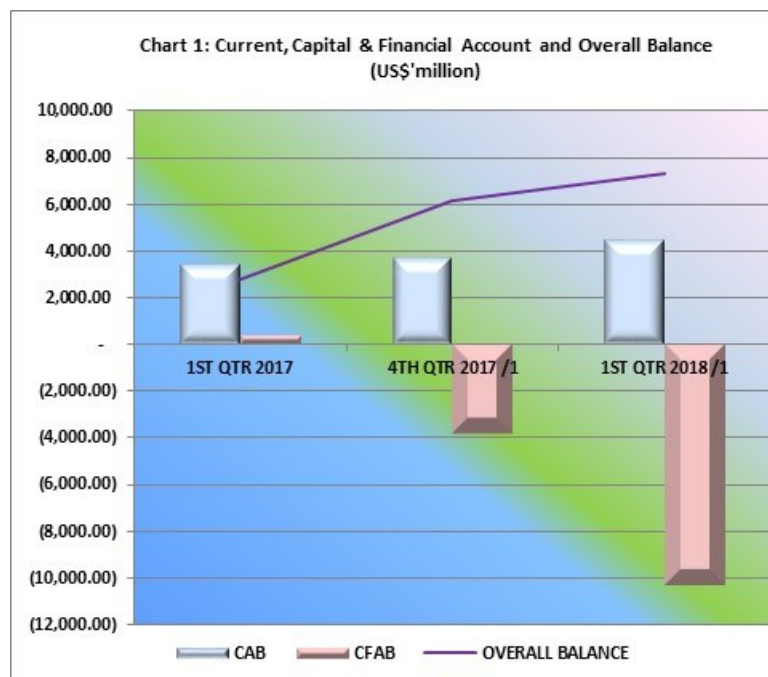
- ◆ Overall BOP indicated a surplus in Q1 2018
- ◆ Current account recorded a higher surplus
- ◆ Export earnings and payments for imports increased
- ◆ The Financial account indicated a net acquisition of financial assets
- ◆ Foreign Direct Investment inflows decreased while Foreign Portfolio Investment inflows increased
- ◆ External reserves increased significantly

Overview:

The provisional Balance of Payments (BOP) estimates for Q1 2018 showed a significant improvement in the country's position as the overall balance of payments indicated a surplus of US\$7,321.96 million compared with a surplus of US\$6,180.40 million in the preceding quarter. It also indicated a better position when compared to a surplus of US\$2,975.99 million recorded in the corresponding period of 2017. The current account balance (CAB) also improved significantly from a surplus of US\$3,656.15 million in Q4 2017 to a surplus of US\$4,468.61 million in Q1 2018. The financial account balance indicated a net acquisition of financial assets of US\$10,292.68 million in the review period as against US\$3,858.67 million recorded in the preceding period (Table 1, chart 1).

Current Account Balance:

The current account witnessed a positive outcome during the review period, recording a higher surplus of US\$4,468.61 million as against a surplus of US\$3,656.15 million and US\$3,417.37 million in the previous quarter and corresponding period of 2017, respectively. This development was largely attributable to the increased export earnings and the net surplus in current transfers (Table 1, chart 1).



/1 Provisional

Goods Account:

The surplus in the Goods Account increased to US\$5,752.01 million in Q1 2018 from a surplus of US\$5,472.74 million in the preceding quarter and US\$2,271.18 million recorded in the corresponding period of 2017 (Table 1, chart 2).

Export earnings rose by 10.2 per cent to US\$14,393.61 million in Q1 2018 when compared with Q4 2017. It also indicated an increase of about 44.4 per cent when compared to Q1 2017. Earnings from crude oil and gas, which accounted for 93.3 per cent of total export earnings during the review period, increased by 10.1 per cent to US\$13,426.53 million in Q1 2018 when compared with the preceding quarter. Earnings from non-oil and electricity exports also increased by 12.3 per cent to US\$967.08 million in Q1 2018 when compared with the preceding quarter.

Available data showed that payments for import of goods (fob) to the economy in the review period grew by 13.9 per cent to US\$8,641.60 million above the level recorded in the preceding period. This was largely as a result of 99.5 per cent increase in the imports of petroleum products (Table 1, chart 2).

Services, Income and Current Transfers:

Net out-payments for services during the review period decreased by 5.1 per cent to a deficit of US\$4,445.49 million when compared with the level recorded in Q4 2017. However, when compared with the level in the corresponding period of 2017 it indicated a significantly increase of about 201.2 per cent.

Income account (net) worsened to a debit of US\$3,272.17 million in the review period from US\$2,983.45 million recorded in the preceding period. This is significantly different from US\$2,278.33 million recorded in the corresponding period of 2017.

Current transfers (net) increased by 9.9 and 31.3 per cents to a surplus of US\$6,434.25 million in Q1 2018 when compared with the levels in the preceding quarter of 2017 and corresponding period of 2017, respectively (Table 1, chart 3).

Chart 3: Services, Income and Current Transfers (US\$' million)

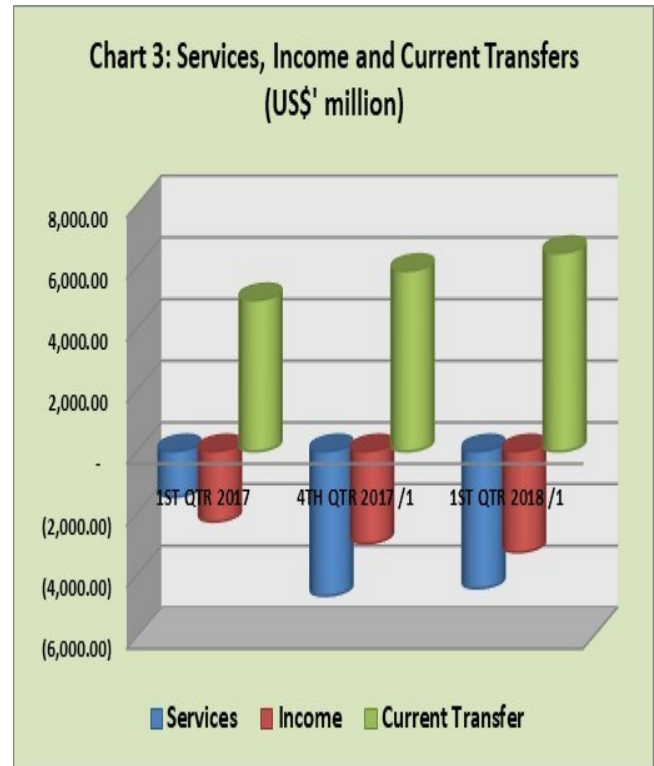
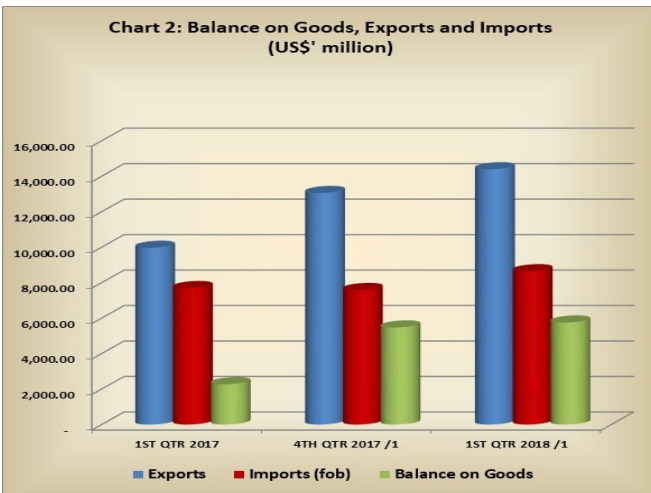


Chart 2: Balance on Goods, Exports and Imports (US\$' million)



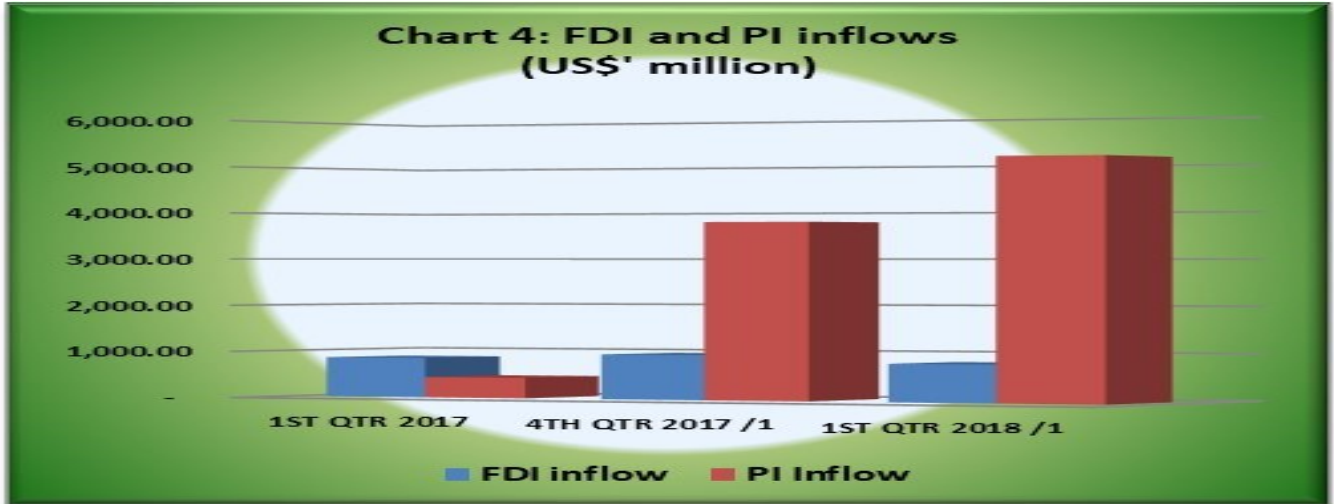
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Financial Account:

Provisional Q1 2018 estimates for the Financial Account showed an increase in net acquisition of financial assets from US\$3,858.67 million recorded in Q4 2017 to US\$10,292.68 million in the review period. It also indicated an improved position when compared to the net incurrence of financial liabilities recorded in the corresponding period of 2017 (Table 1, Chart 1).

Direct, Portfolio and Other Investments:

Direct Investments inflow declined by 15.7 per cent and 5.3 per cent to US\$808.56 million when compared with the preceding quarter and corresponding period of 2017. On the other hand, Portfolio Investments inflow to the economy increased to US\$5,141.95 million in Q1 2018 from US\$3,787.16 million and US\$438.47 million when compared with the preceding quarter and corresponding period of 2017, respectively. Also, other investment liabilities increased to US\$6,637.92 million when compared with the level in the preceding quarter of US\$23.71 million (Table1, chart 4).



External Reserves:

The stock of external reserves as at end March 2018 stood at US\$46,730.54 million, indicating an accretion of 18.7 per cent when compared with the preceding quarter. When compared with the corresponding period of 2017, it recorded a higher accretion of 55.8 per cent. The reserves could finance approximately 16.2 months of imports, compared with 15.6 and 11.7 months of imports cover for the preceding quarter and corresponding period of 2017, respectively. These were however, above the WAMZ and global benchmarks of 6 and 3 months, respectively (Table 1, Chart 5).

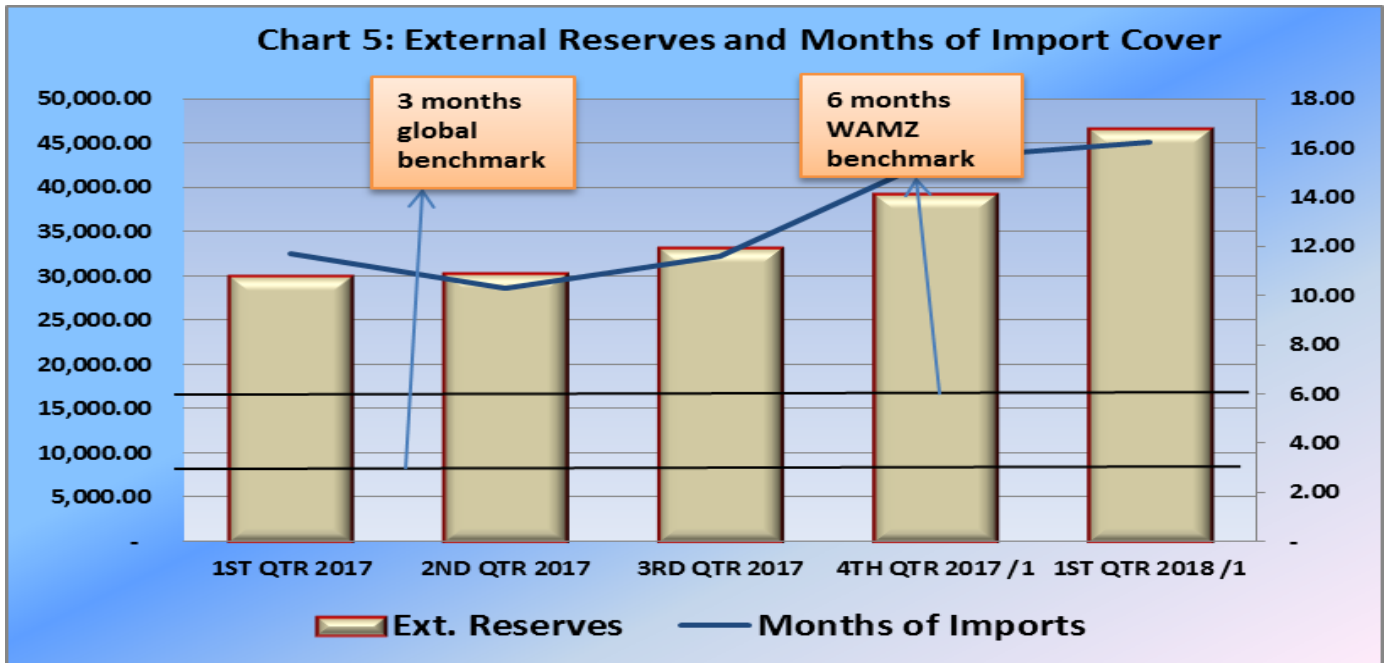


Table 1: Q1 2018 Balance of Payments Summary (US\$ 'Million)

	1ST QTR 2017	2ND QTR 2017	3RD QTR 2017	4TH QTR 2017 /1	1ST QTR 2018 /1	% CHANGE BETWEEN	
	(1)	(2)	(3)	(4)	(5)	(4) & (5)	(1) & (5)
CURRENT ACCOUNT BALANCE	3,417.37	1,351.07	1,973.62	3,656.15	4,468.61	22.2	30.8
Goods	2,271.18	1,988.04	3,416.19	5,472.74	5,752.01	5.1	153.3
<i>Exports fob</i>	9,965.75	10,810.73	11,983.81	13,057.21	14,393.61	10.2	44.4
<i>Crude oil & Gas</i>	9,260.21	9,568.56	11,271.82	12,196.27	13,426.53	10.1	45.0
<i>Non-oil and Electricity</i>	705.53	1,242.17	711.99	860.94	967.08	12.3	37.1
<i>Imports fob</i>	(7,694.57)	(8,822.68)	(8,567.62)	(7,584.47)	(8,641.60)	13.9	12.3
<i>Crude oil & Gas</i>	(2,420.87)	(2,214.54)	(2,228.08)	(1,291.65)	(2,576.68)	99.5	6.4
<i>Non-oil</i>	(5,273.70)	(6,608.14)	(6,339.54)	(6,292.82)	(6,064.91)	(3.6)	15.0
Services(net)	(1,475.92)	(2,814.26)	(4,257.90)	(4,686.20)	(4,445.49)	(5.1)	201.2
Income(net)	(2,278.33)	(3,265.72)	(2,983.73)	(2,983.45)	(3,272.17)	9.7	43.6
Current Transfers(net)	4,900.44	5,443.01	5,799.06	5,853.07	6,434.25	9.9	31.3
CAPITAL AND FINANCIAL ACCOUNT BALANCE	355.88	2,914.85	(3,739.94)	(3,858.67)	(10,292.68)	166.7	(2,992.2)
Capital account(net)	-	-	-	-	-		
Financial account(net)	355.88	2,914.85	(3,739.94)	(3,858.67)	(10,292.68)	166.7	(2,992.2)
Assets	(4,013.65)	(927.88)	(8,676.45)	(8,629.07)	(22,881.12)	165.2	470.1
Direct Investment Abroad	(328.69)	(313.71)	(322.23)	(321.55)	(337.24)	4.9	2.6
Portfolio Investment	(0.33)	(1.33)	(0.34)	(5.24)	(0.27)	(94.9)	(19.1)
Other Investment	(708.64)	(314.18)	(5,566.76)	(2,121.88)	(15,221.65)	617.4	2,048.0
Trade credits	(1,494.86)	(1,621.61)	(1,797.57)	(1,958.58)	(2,159.04)	10.2	44.4
Currency and Deposits	941.27	1,295.04	(3,631.48)	61.92	(12,837.84)	(20,834.4)	(1,463.9)
Reserve Assets	(2,975.99)	(298.66)	(2,787.13)	(6,180.40)	(7,321.96)	18.5	146.0
Liabilities	4,369.52	3,842.73	4,936.51	4,770.40	12,588.43	163.9	188.1
Direct Investment in Reporting Economy	853.87	891.25	798.35	959.52	808.56	(15.7)	(5.3)
Portfolio Investment	438.47	984.30	3,320.84	3,787.16	5,141.95	35.8	1,072.7
Other Investment Liabilities	3,077.19	1,967.17	817.32	23.71	6,637.92	27,892.0	115.7
NET ERRORS AND OMISSIONS	(3,773.24)	(4,265.93)	1,766.32	202.52	5,824.07	2,775.8	(254.4)
Memorandum Items:						% CHANGE BETWEEN	
	1ST QTR 2017	2ND QTR 2017	3RD QTR 2017	4TH QTR 2017 /1	1ST QTR 2018 /1	(4) & (5)	(1) & (5)
	(1)	(2)	(3)	(4)	(5)		
Current Account Balance as % of G.D.P	4.01	1.53	2.05	3.58	4.79	34.0	19.6
Capital and Financial Account Balance as % of G.D.P	0.42	3.29	(3.88)	(3.78)	(11.04)	192.3	(2,745.9)
Overall Balance as % of G.D.P	3.49	0.34	2.89	6.05	7.85	29.8	125.1
Crude Oil and Gas Export as % of Total Export	92.92	88.51	94.06	93.41	93.28	(0.1)	0.4
External Reserves - Stock (US \$ million)	29,996.38	30,340.96	33,159.73	39,353.49	46,730.54	18.7	55.8
External Debt Stock (US\$ million)	13,807.59	15,047.00	15,352.13	15,352.13	18,913.44	23.2	37.0
Number of Months of Imports Equivalent	11.7	10.3	11.6	15.6	16.2	4.2	38.7

Trade numbers include BOP coverage adjustment for informal/unrecorded trade. However, it excludes goods sent for processing abroad and the products of such processing brought back to the country as captured in International Merchandise Trade Statistics

1/ Provisional