

Fourth Quarter 2018

BRIEF ON BALANCE OF PAYMENTS STATISTICS



HIGHLIGHTS

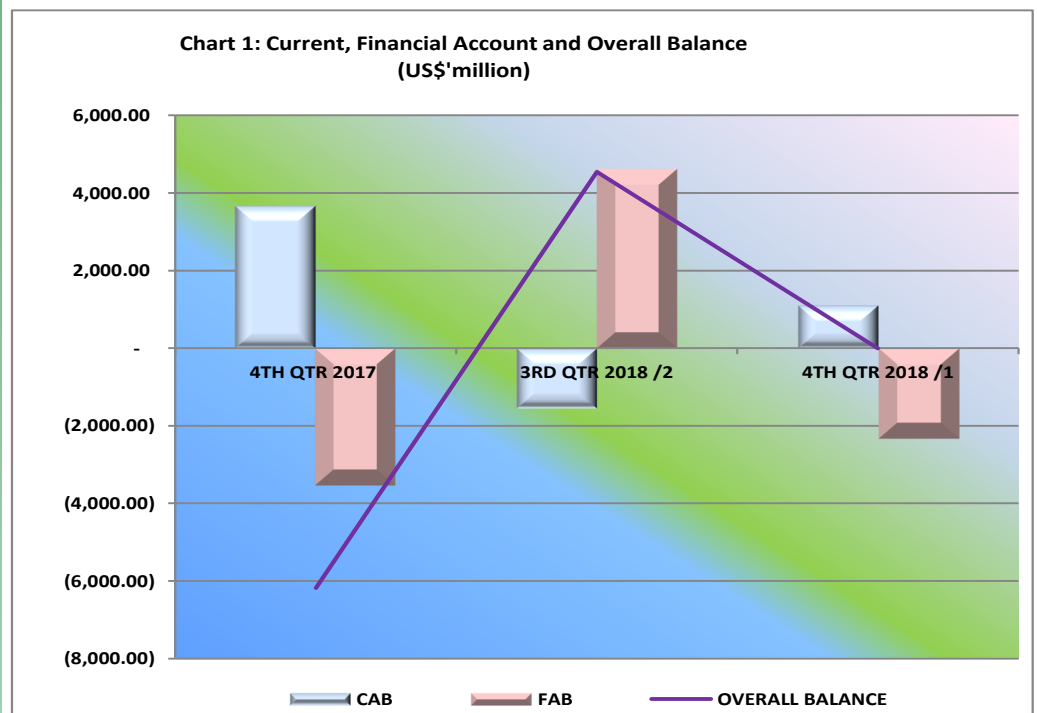
- ◆ Q4 2018 records an overall BOP surplus
- ◆ Current account is in surplus
- ◆ Export earnings increase slightly while imports decreased
- ◆ The Financial account indicated a net acquisition of financial assets
- ◆ Both Foreign Direct Investment inflows and Foreign Portfolio inflows decreased
- ◆ External reserves decreased slightly

Overview:

The provisional Balance of Payments (BOP) estimates for Q4 2018 showed a significant improvement in the BOP outcome as the overall balance of payments recorded a surplus of US\$2.80 million compared to a huge deficit of US\$4,542.08 million and a surplus of US\$6,180.40 million recorded in the preceding quarter and corresponding period of 2017, respectively. The current account balance (CAB) improved from a deficit of US\$1,544.41 million in Q3 2018 to a surplus of US\$1,104.57 million in Q4 2018. The financial account balance indicated a net acquisition of financial assets of US\$2,327.91 million in the review period as against a net incurrence of financial liabilities of US\$4,615.17 million recorded in the preceding period (Table 1, chart 1).

Current Account Balance:

The current account indicated a positive outcome during the review period, recording a surplus of US\$1,104.57 million as against a deficit of US\$1,544.41 million and a surplus of US\$3,657.18 million in the previous quarter and corresponding period of 2017, respectively. This development was largely attributable to the decrease in imports and payments on income (net) (Table 1, chart 1).



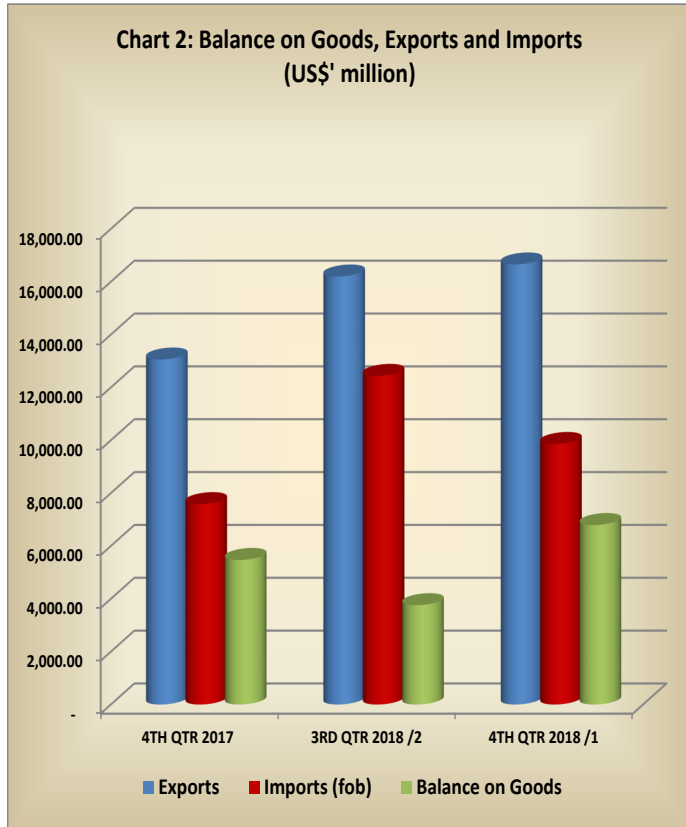
/1 Provisional
/2 Revised

Goods Account:

The surplus in the Goods Account increased significantly to US\$6,793.60 million in Q4 2018 from surpluses of US\$3,759.88 million in the preceding quarter and US\$5,472.74 million recorded in the corresponding period of 2017 (Table 1, chart 2).

Export earnings rose by 2.8 per cent to US\$16,655.49 million in Q4 2018 when compared with Q3 2018. It also indicated an increase of about 27.6 per cent when compared to corresponding Period of 2017. Earnings from crude oil and gas, which accounted for 93.8 per cent of total export earnings during the review period, increased by 2.1 per cent to US\$15,620.90 million in Q4 2018 when compared with the preceding quarter. Earnings from non-oil and electricity exports increased by 15.0 per cent to US\$1034.59 million in Q4 2018 when compared with the preceding quarter.

Available data showed that payments for import of goods (fob) to the economy in the review period decreased significantly by 20.7 per cent to US\$9,861.89 million below the level recorded in the preceding quarter. This was largely as a result of 19.9 per cent decrease in the imports of non-oil products (Table 1, chart 2).



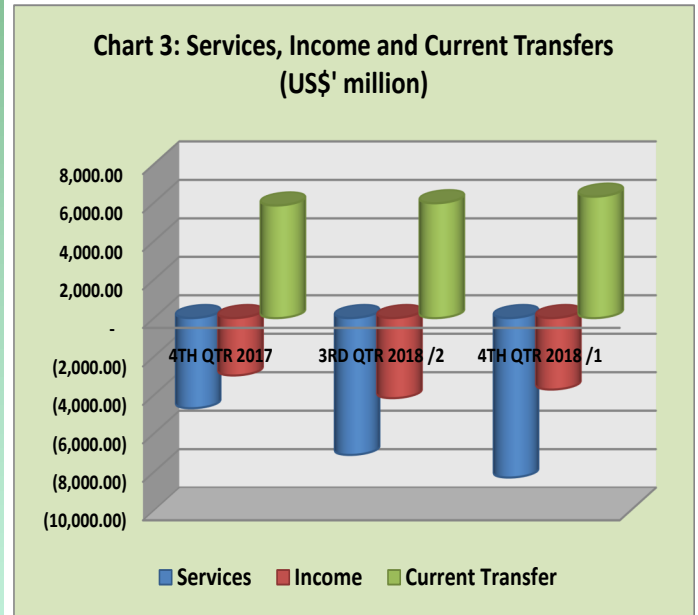
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Services, Income and Current Transfers:

Net out-payments for services during the review period increased by 16.5 per cent to a deficit of US\$8,287.57 million when compared with the level recorded in Q3 2018. When compared with the corresponding period of 2017, it indicated a much higher increase of about 76.9 per cent.

However, the deficit in the income account (net) decreased by 10.8 per cent to US\$3,713.84 million in the review period from a deficit of US\$4,161.76 million recorded in the preceding quarter. When compared with the level in the corresponding period of 2017 it indicated an increase of about 24.5 per cent.

The surplus in the current transfers (net) increased by 5.7 per cent to US\$6,312.39 million in Q4 2018 when compared with the preceding quarter. However, the level of surplus was 7.8 per cent higher than the level recorded in the corresponding period of 2017, (Table 1, chart 3).

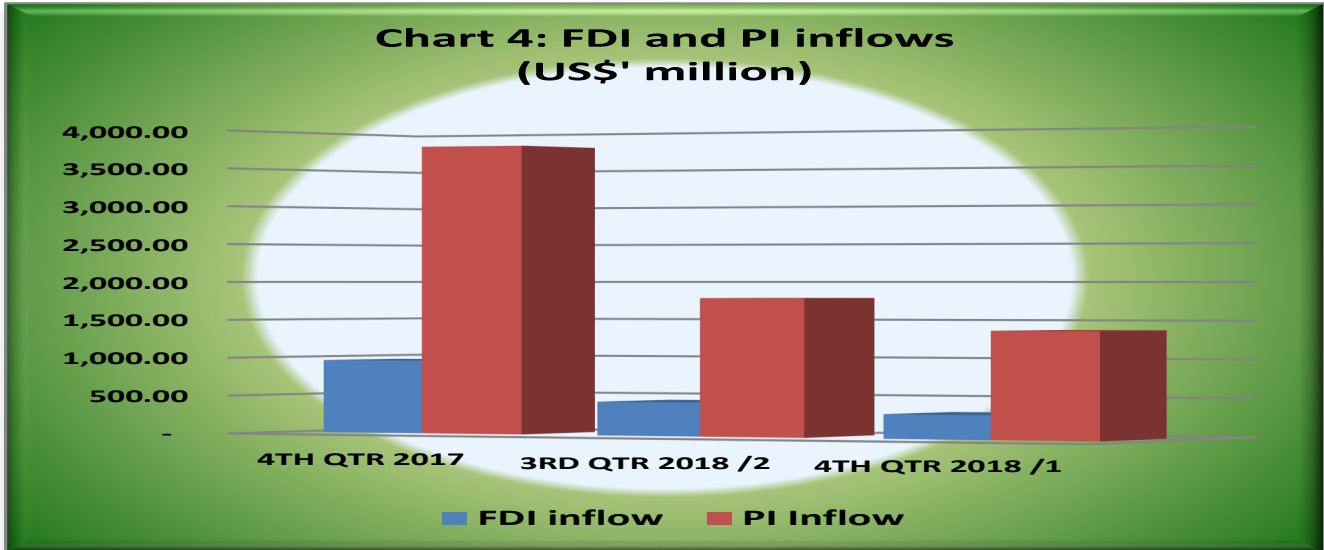


Financial Account:

Provisional Q4 2018 BOP estimates for the Financial Account showed a overturn from a net incurrence of financial liabilities of US\$4,615.17 million recorded in Q3 2018 to a net acquisition of financial assets of US\$2327.91 million in the review period. This is also significantly lower than the net acquisition of financial assets of US\$3,528.62 million recorded in the corresponding period of 2017 (Table 1, Chart 1).

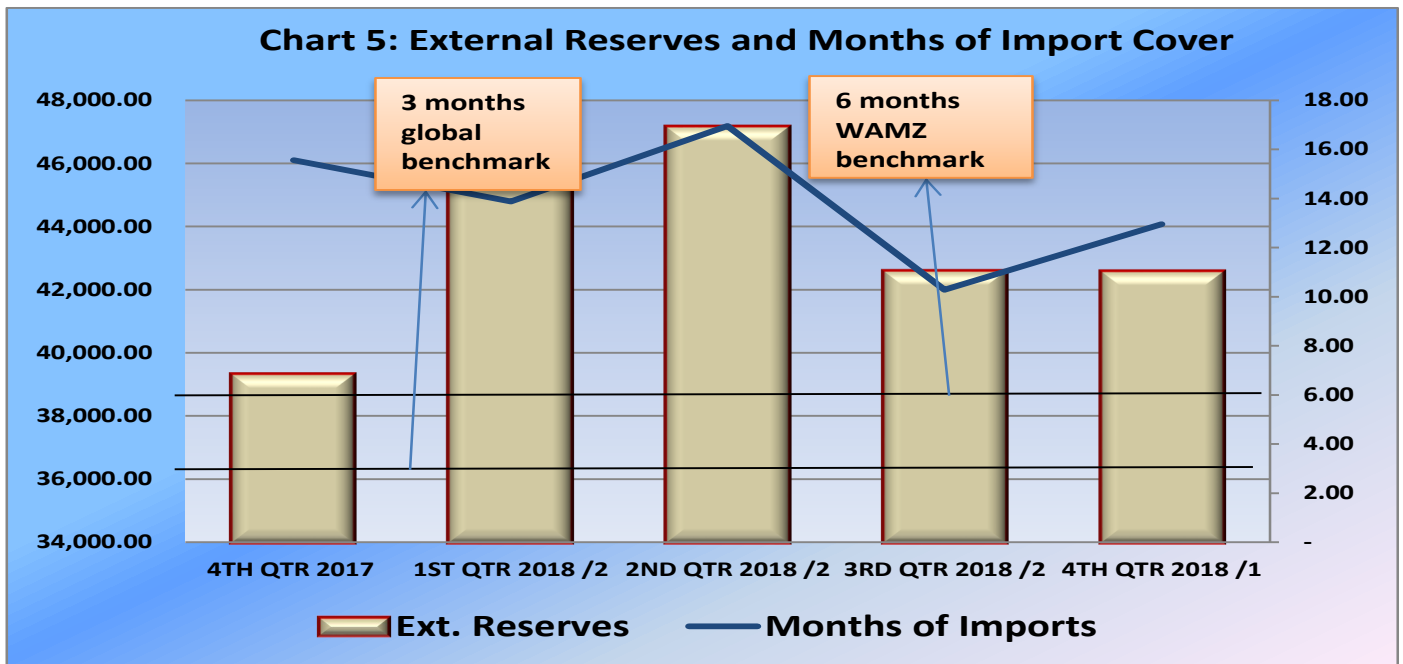
Direct, Portfolio and Other Investments:

Direct Investments inflow decreased by 28.3 per cent to US\$314.44 million when compared with the preceding quarter of 2018. It however, indicated a decline of 67.2 per cent when compared to the corresponding period of 2017. Portfolio Investments inflow to the economy decreased significantly to US\$1,382.40 million in Q4 2018 from US\$1,790.83 million and US\$3,787.16 million in the preceding quarter and the corresponding period of 2017, respectively. However, other investment liabilities increased to US\$1,421.26 million when compared with a reversal of US\$3,070.76 million recorded in the preceding quarter (Table1, chart 4).



External Reserves:

The stock of external reserves as at end-December 2018 stood at US\$42,594.84million, indicating a depletion of 0.03 per cent when compared with the level in the preceding quarter. However, when compared with the corresponding period of 2017, it indicated an accretion of 8.2 per cent. The level of external reserves could finance approximately 13.0 months of imports, compared with 10.3 and 15.6 months of imports cover recorded in 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).



/1 Provisional
/2 Revised

Table 1: Q4 2018 Balance of Payments Summary (US\$ 'Million)

	4TH QTR 2017	1ST QTR 2018 /2	2ND QTR 2018 /2	3RD QTR 2018 /2	4TH QTR 2018 /1	% CHANGE BETWEEN	
	(1)	(2)	(3)	(4)	(5)	(4) & (5)	(1) & (5)
CURRENT ACCOUNT BALANCE	3,657.18	1,410.72	4,363.55	(1,544.41)	1,104.57	(171.5)	(69.8)
Goods	5,472.74	4,358.14	7,424.92	3,759.88	6,793.60	80.7	24.1
<i>Exports fob</i>	13,057.21	14,463.14	15,772.26	16,199.35	16,655.49	2.8	27.6
<i>Crude oil & Gas</i>	12,196.27	13,495.40	13,979.67	15,299.99	15,620.90	2.1	28.1
<i>Non-oil and Electricity</i>	860.94	967.74	1,792.59	899.36	1,034.59	15.0	20.2
<i>Imports fob</i>	(7,584.47)	(10,105.01)	(8,347.33)	(12,439.47)	(9,861.89)	(20.7)	30.0
<i>Crude oil & Gas</i>	(1,291.65)	(3,868.34)	(2,169.79)	(3,124.42)	(2,403.82)	(23.1)	86.1
<i>Non-oil</i>	(6,292.82)	(6,236.67)	(6,177.54)	(9,315.04)	(7,458.07)	(19.9)	18.5
Services(net)	(4,686.20)	(5,475.23)	(5,190.32)	(7,112.78)	(8,287.57)	16.5	76.9
Income(net)	(2,982.42)	(3,295.89)	(3,898.80)	(4,161.76)	(3,713.84)	(10.8)	24.5
Current Transfers(net)	5,853.07	5,823.71	6,027.76	5,970.24	6,312.39	5.7	7.8
CAPITAL AND FINANCIAL ACCOUNT BALANCE	(3,528.62)	(501.12)	(879.36)	4,615.17	(2,327.91)	(150.4)	(34.0)
Capital account(net)	-	-	-	-	-		
Financial account(net)	(3,528.62)	(501.12)	(879.36)	4,615.17	(2,327.91)	(150.4)	(34.0)
Assets	(10,903.57)	(14,225.30)	(5,319.98)	4,040.06	(5,446.00)	(234.8)	(50.1)
Direct Investment Abroad	(321.55)	(337.24)	(353.03)	(345.37)	(345.23)	(0.0)	7.4
Portfolio Investment	(5.24)	(0.27)	(0.34)	(0.07)	(0.05)	(31.8)	(99.1)
Other Investment	(4,396.38)	(6,565.83)	(4,462.63)	(156.58)	(5,097.92)	3,155.8	16.0
Trade credits	(1,958.58)	(2,169.47)	(2,365.84)	(2,429.90)	(2,498.32)	2.8	27.6
Currency and Deposits	(2,212.58)	(4,171.60)	(1,981.01)	2,413.05	(2,341.90)	(197.1)	5.8
Reserve Assets	(6,180.40)	(7,321.96)	(503.97)	4,542.08	(2.80)	(100.1)	(100.0)
Liabilities	7,374.95	13,724.17	4,440.62	575.11	3,118.09	442.2	(57.7)
Direct Investment in Reporting Economy	959.52	808.56	435.64	438.84	314.44	(28.3)	(67.2)
Portfolio Investment	3,787.16	5,141.95	4,233.38	1,790.83	1,382.40	(22.8)	(63.5)
Other Investment Liabilities	2,628.26	7,773.66	(228.41)	(1,654.56)	1,421.26	(185.9)	(45.9)
NET ERRORS AND OMISSIONS	(128.56)	(909.60)	(3,484.20)	(3,070.76)	1,223.34	(139.8)	(1,051.5)
Memorandum Items:						% CHANGE BETWEEN	
	4TH QTR 2017	1ST QTR 2018 /2	2ND QTR 2018 /2	3RD QTR 2018 /2	4TH QTR 2018 /1	(4) & (5)	(1) & (5)
	(1)	(2)	(3)	(4)	(5)		
Current Account Balance as % of G.D.P	3.58	1.50	4.30	(1.40)	0.95	(167.9)	(73.5)
Capital and Financial Account Balance as % of G.D.P	(3.45)	(0.53)	(0.87)	4.17	(2.00)	(147.9)	(42.1)
Overall Balance as % of G.D.P	6.05	7.79	0.50	(4.11)	0.00	(100.1)	(100.0)
Crude Oil and Gas Export as % of Total Export	93.41	93.31	88.63	94.45	93.79	(0.7)	0.4
External Reserves - Stock (US \$ million)	39,353.49	46,730.54	47,157.90	42,608.95	42,594.84	(0.0)	8.2
External Debt Stock (US\$ million)	18,913.44	22,071.91	22,083.44	21,591.68	21,591.68	-	14.2
Number of Months of Imports Equivalent	15.6	13.9	16.9	10.3	13.0	26.1	(16.8)
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							
2/Revised							