

Second Quarter

BRIEF ON BALANCE OF PAYMENTS STATISTICS



HIGHLIGHTS

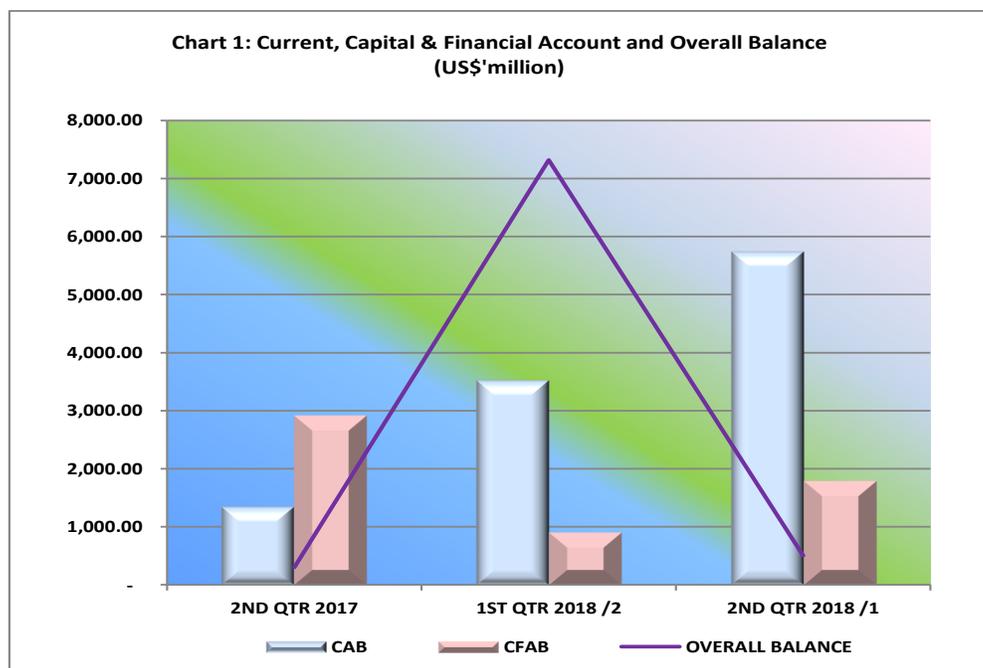
- ◆ Overall BOP indicated a surplus in Q2 2018
- ◆ Current account recorded a higher surplus
- ◆ Export earnings increased while payments for imports decreased
- ◆ The Financial account indicated a net incurrence of financial liabilities
- ◆ Foreign Direct Investment and Foreign Portfolio inflows decreased
- ◆ External reserves increased marginally

Overview:

The provisional Balance of Payments (BOP) estimates for Q2 2018 indicated a positive outcome, although the overall balance of payments surplus decreased to US\$503.97 million as against a higher surplus of US\$7,321.96 million in the first quarter of 2018. However, the outcome was a major improvement when compared to a surplus of US\$298.66 million recorded in the corresponding period of 2017. The current account balance (CAB) improved significantly from a surplus of US\$3,523.00 million in the preceding quarter to a surplus of US\$5,735.86 million in Q2 2018. The financial account balance indicated a higher net incurrence of financial liabilities of US\$1,792.62 million in the review period as against US\$909.16 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\$5,735.86 million as against a surplus of US\$3,523.00 million and US\$1,351.07 million in the previous quarter and corresponding period of 2017, respectively. This development was largely attributable to the increased export earnings and decline in import payments (Table 1, chart 1).



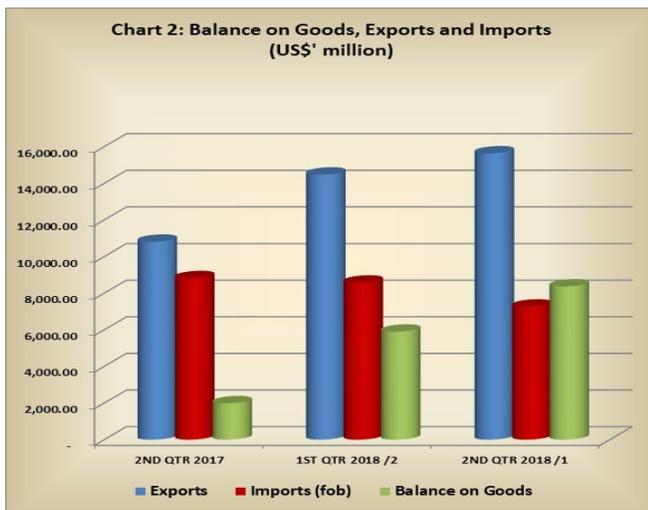
/1 Provisional
/2 Revised

Goods Account:

The surplus in the Goods Account increased to US\$8,368.80 million in Q2 2018 from a surplus of US\$5,901.31 million in the preceding quarter and US\$1,988.04 million recorded in the corresponding period of 2017 (Table 1, chart 2).

Export earnings rose by 8.0 per cent to US\$15,637.90 million in Q2 2018 when compared with Q1 2018. It also indicated an increase of 44.7 per cent when compared to the corresponding Period of 2017. Earnings from crude oil and gas, which accounted for 88.6 per cent of total export earnings during the review period, increased by 2.5 per cent to US\$13,847.83 million when compared with the level in the preceding quarter. Earnings from non-oil and electricity exports also increased by 84.9 per cent to US\$1,790.07 million in Q2 2018 when compared with the preceding quarter.

Available data also showed that payments for imports of goods (fob) to the economy in Q2 2018 decreased by 15.3 per cent to US\$7,269.09 million when compared to the level recorded in the preceding quarter. This was largely as a result of the 54.2 per cent decrease in the imports of petroleum products into the country (Table 1, chart 2).



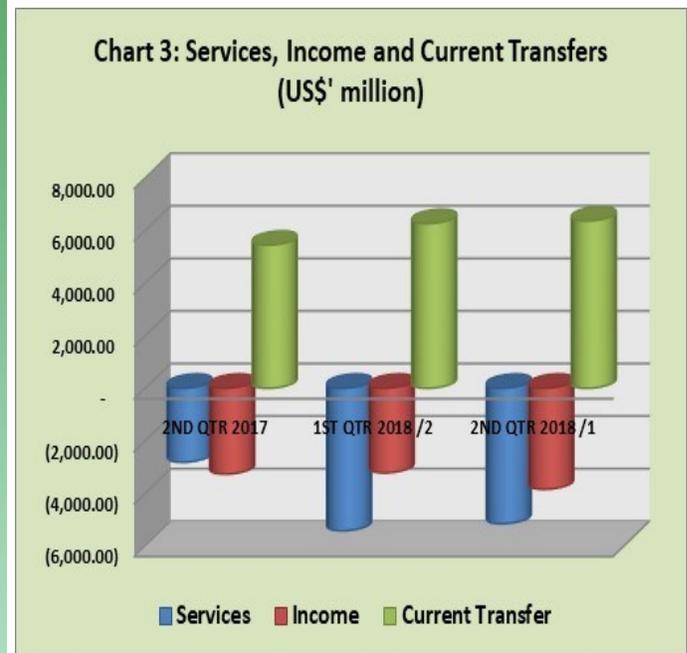
Services, Income and Current Transfers:

The net out-payments for services during the review period decreased by 5.0 per cent to a deficit of US\$5,152.01 million when compared with the level recorded in Q1 2018. However, when compared with the level in the corresponding period of 2017 it indicated a significantly increase of about 83.1 per cent.

/1 Provisional
/2 Revised

The deficit in the income account increased by 19.4 per cent to US\$3,843.56 million in Q2 2018 from a deficit of US\$3,219.03 million recorded in the preceding quarter. This was also significantly higher than a deficit of US\$3,265.72 million recorded in the corresponding period of 2017.

Current transfers (net) increased by 1.6 and 16.9 per cents to a surplus of US\$6,362.62 million in Q2 2018 when compared with the levels in the preceding quarter of 2018 and corresponding period of 2017, respectively (Table 1, chart 3).

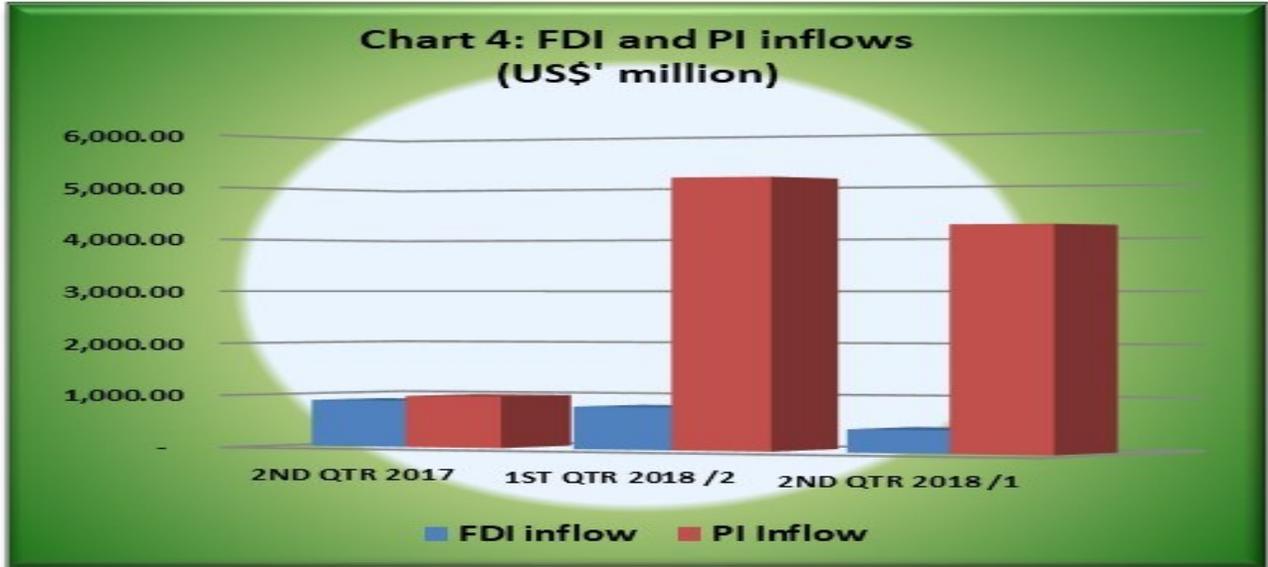


Financial Account:

The provisional Q2 2018 BOP estimates for the Financial Account indicated an increase in net incurrence of financial liabilities from US\$909.16 million recorded in Q1 2018 to US\$1,792.62 million in the review period. However, the financial account balance was significantly lower than a net incurrence of financial liabilities of US\$2,914.85 million recorded in the corresponding period of 2017 (Table 1, Chart 1).

Direct, Portfolio and Other Investments:

Direct Investments inflow declined by 46.1 per cent and 51.1 per cent to US\$435.64 million when compared with the preceding quarter of 2018 and corresponding period of 2017. Portfolio Investments inflow to the economy also decreased to US\$4,233.38 million in Q2 2018 from US\$5,141.95 million in preceding quarter. It however, indicated a significant jump from the US\$984.30 million recorded in the corresponding period of 2017. Also, other investment liabilities decreased to US\$2,432.08 million when compared with the US\$8,995.91 million recorded in Q1 2018 (Table1, chart 4).



External Reserves:

The stock of external reserves as at end June 2018 stood at US\$47,157.90 million, indicating an accretion of 0.9 per cent when compared with the preceding quarter. When compared with the corresponding period of 2017, it recorded a higher accretion of 55.4 per cent. The reserves could finance approximately 19.5 months of imports, compared with 16.3 and 10.3 months of imports cover for the preceding quarter and corresponding period of 2017, respectively. The estimated level of import cover were however, above the WAMZ and global benchmarks of 6 and 3 months, respectively (Table 1, Chart 5).

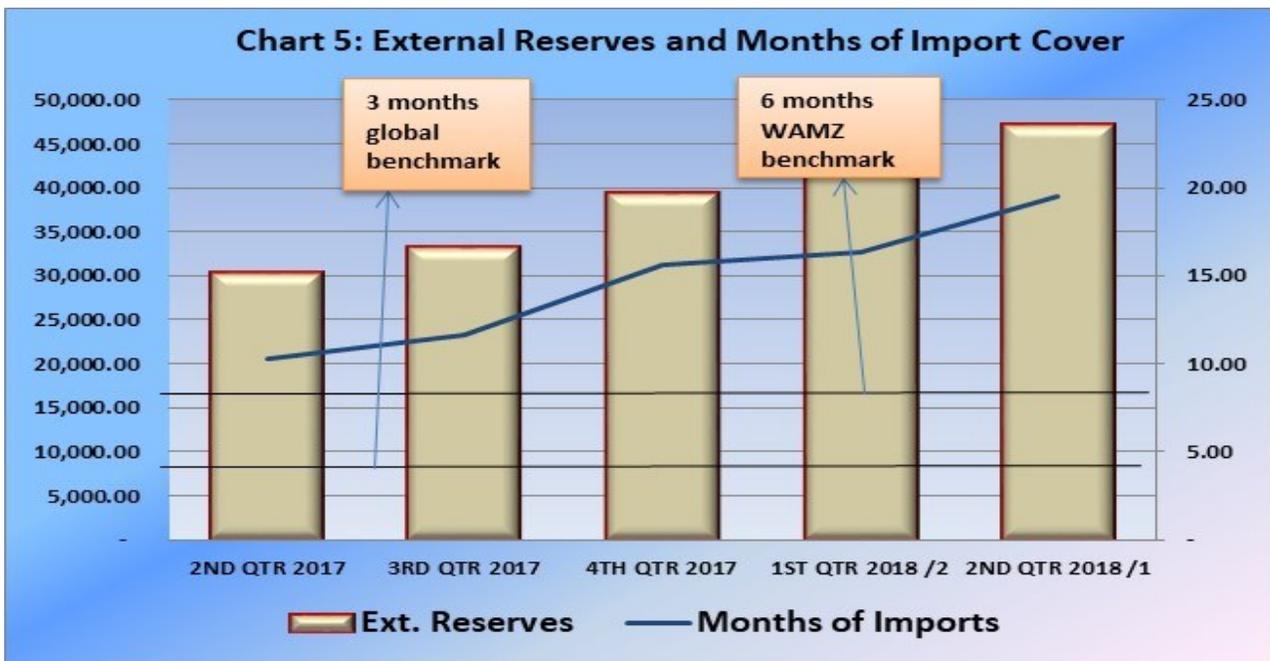


Table 1: Q2 2018 Balance of Payments Summary (US\$ Million)

	2ND QTR 2017	3RD QTR 2017	4TH QTR 2017	1ST QTR 2018 /2	2ND QTR 2018 /1	% CHANGE BETWEEN	
	(1)	(2)	(3)	(4)	(5)	(4) & (5)	(1) & (5)
CURRENT ACCOUNT BALANCE	1,351.07	1,973.62	3,656.15	3,523.00	5,735.86	62.8	324.5
Goods	1,988.04	3,416.19	5,472.74	5,901.31	8,368.80	41.8	321.0
<i>Exports fob</i>	10,810.73	11,983.81	13,057.21	14,479.86	15,637.90	8.0	44.7
<i>Crude oil & Gas</i>	9,568.56	11,271.82	12,196.27	13,511.95	13,847.83	2.5	44.7
<i>Non-oil and Electricity</i>	1,242.17	711.99	860.94	967.91	1,790.07	84.9	44.1
<i>Imports fob</i>	(8,822.68)	(8,567.62)	(7,584.47)	(8,578.56)	(7,269.09)	(15.3)	(17.6)
<i>Crude oil & Gas</i>	(2,214.54)	(2,228.08)	(1,291.65)	(2,519.06)	(1,152.69)	(54.2)	(47.9)
<i>Non-oil</i>	(6,608.14)	(6,339.54)	(6,292.82)	(6,059.49)	(6,116.40)	0.9	(7.4)
Services(net)	(2,814.26)	(4,257.90)	(4,686.20)	(5,421.42)	(5,152.01)	(5.0)	83.1
Income(net)	(3,265.72)	(2,983.73)	(2,983.45)	(3,219.03)	(3,843.56)	19.4	17.7
Current Transfers(net)	5,443.01	5,799.06	5,853.07	6,262.14	6,362.62	1.6	16.9
CAPITAL AND FINANCIAL ACCOUNT BALANCE	2,914.85	(3,739.94)	(3,858.67)	909.16	1,792.62	97.2	(38.5)
Capital account(net)	-	-	-	-	-		
Financial account(net)	2,914.85	(3,739.94)	(3,858.67)	909.16	1,792.62	97.2	(38.5)
Assets	(927.88)	(8,676.45)	(8,629.07)	(14,037.26)	(5,308.49)	(62.2)	472.1
Direct Investment Abroad	(313.71)	(322.23)	(321.55)	(337.24)	(353.03)	4.7	12.5
Portfolio Investment	(1.33)	(0.34)	(5.24)	(0.27)	(0.34)	26.8	(74.2)
Other Investment	(314.18)	(5,566.76)	(2,121.88)	(6,377.79)	(4,451.15)	(30.2)	1,316.7
Trade credits	(1,621.61)	(1,797.57)	(1,958.58)	(2,171.98)	(2,345.68)	8.0	44.7
Currency and Deposits	1,295.04	(3,631.48)	61.92	(3,981.05)	(1,989.68)	(50.0)	(253.6)
Reserve Assets	(298.66)	(2,787.13)	(6,180.40)	(7,321.96)	(503.97)	(93.1)	68.7
Liabilities	3,842.73	4,936.51	4,770.40	14,946.42	7,101.11	(52.5)	84.8
Direct Investment in Reporting Economy	891.25	798.35	959.52	808.56	435.64	(46.1)	(51.1)
Portfolio Investment	984.30	3,320.84	3,787.16	5,141.95	4,233.38	(17.7)	330.1
Other Investment Liabilities	1,967.17	817.32	23.71	8,995.91	2,432.08	(73.0)	23.6
NET ERRORS AND OMISSIONS	(4,265.93)	1,766.32	202.52	(4,432.16)	(7,528.47)	69.9	76.5
Memorandum Items:						% CHANGE BETWEEN	
	2ND QTR 2017	3RD QTR 2017	4TH QTR 2017	1ST QTR 2018 /2	2ND QTR 2018 /1	(4) & (5)	(1) & (5)
	(1)	(2)	(3)	(4)	(5)		
Current Account Balance as % of G.D.P	1.53	2.05	3.58	3.75	5.66	51.0	270.7
Capital and Financial Account Balance as % of G.D.P	3.29	(3.88)	(3.78)	0.97	1.77	82.8	(46.3)
Overall Balance as % of G.D.P	0.34	2.89	6.05	7.79	0.50	(93.6)	47.4
Crude Oil and Gas Export as % of Total Export	88.51	94.06	93.41	93.32	88.55	(5.1)	0.0
External Reserves - Stock (US \$ million)	30,340.96	33,159.73	39,353.49	46,730.54	47,157.90	0.9	55.4
External Debt Stock (US\$ million)	15,047.00	15,352.13	18,913.44	22,071.91	22,071.91	-	46.7
Number of Months of Imports Equivalent	10.3	11.6	15.6	16.3	19.5	19.1	88.6
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							