



# BRUNEI DARUSSALAM

## STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

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## FUND RELATIONS

(As of June 30, 2022)

**Membership Status:** Joined October 10, 1995; Article VIII

### General Resources Account

	SDR Millions	Percent of Quota
Quota	301.30	100.00
Fund holdings of currency (exchange rate)	266.31	88.39
Reserve position in Fund	35.20	11.68

### SDR Department

	SDR Millions	Percent of Allocation
Net cumulative allocation	492.29	100.00
Holdings	506.41	102.87

**Outstanding Purchases and Loans:** None

**Latest Financial Arrangements:** None

**Projected Obligations to Fund:** None

**Implementation of HIPC Initiative:** Not applicable

**Safeguards Assessments:** Not applicable

### Exchange Arrangements

Brunei Darussalam's exchange rate arrangement is a currency board arrangement, with the Brunei dollar exchanged at par with the Singapore dollar. Brunei has accepted the obligations under Article VIII, Sections 2(a), 3 and 4, and maintains an exchange system that is free of restrictions on the making of payments and transfers for current international transactions and multiple currency practices.

### Article IV Consultation

Brunei is on the 12-month consultation cycle. The Executive Board concluded the 2021 Article IV consultation on September 1, 2021.

**FSAP Participation:** Not applicable

**Technical Assistance**

**FAD:** A Medium-Term Strategy for Fiscal Sustainability (June 1998)

**FAD:** Public Financial Management (December 2006, June 2011, April 2014)

**FAD:** Fuel Subsidy Reform (April 2016)

**MFD:** Developing the Financial System of Brunei Darussalam (December 1997)

**MCM/MFD:** Establishment of Brunei Darussalam Monetary Authority (January 2006, December 2006, August 2008)

**MCM:** Payment and Settlement Systems/Liquid Payment and Settlement Systems (May 2012), Liquidity Monitoring (January 2015), Monetary and Financial Statistical (March 2015), Scoping mission on the systemic risk monitoring and macroprudential policy frameworks (April 2018), Framework for bank resolution and crisis management (April 2018)

**STA:** Monetary and Financial Statistics (October 1998, January 2006, July-August 2008, October 2009, July 2010, November 2011)

**STA:** Balance of Payments Statistics (May 1996, June-July 2003, June 2004)

**STA:** Government Finance Statistics (October 2011, May 2017)

**STA:** Enhanced General Data Dissemination System (June 2019)

**STA:** External Sector Statistics (July 2020)

**MCM:** Review of Macro Stress Testing (April 2022)

## STATISTICAL ISSUES

### Assessment of Data Adequacy for Surveillance

**General:** Data provision continues to improve and is broadly adequate for surveillance, with some shortcomings due to timeliness issues. However, data dissemination delays have shortened for a number of indicators with the introduction of an Advance Release Calendar (ARC) in 2015 by the Department of Statistics (DOS), in line with international standards for national statistics releases. The DOS is also working on providing data to all users through several links such as [www.data.gov.bn/](http://www.data.gov.bn/). The National Statistics Committee is working to strengthen data collection and compilation processes across relevant agencies. The authorities remain committed to continue improving statistical capacity to enhance data quality and progressing toward international standards and best practices. The use of the IMF's Data Quality Assessment Framework for all national statistics is recommended.

**National accounts:** Quarterly GDP is available with a one-period lag. In 2015, GDP estimates were rebased to 2010. The 2010 rebased series incorporated data from the most recent benchmark censuses and surveys, such as the 2010/11 Household Expenditure Survey, the 2011 Population and Housing Census, and the 2011 Economic Census. These source data need to be updated to better reflect the current economic realities. GDP too needs to be rebased from 2010 base year to a more recent year. The coverage of the government sector was extended to include statutory bodies. GDP by Income Approach as well as Gross National Income and Savings are also released.

**Price statistics:** Monthly CPI is available with a one-period lag. The CPI weights were derived using the 2015/16 Household Expenditure Survey, and should ideally be updated to reflect more recent expenditure patterns in the country. The compilation of producer and construction material price indices is planned. The feasibility of compiling import and export price indices is being assessed.

**Labor statistics:** The DEPS conducts annual Labor Force Survey since 2014 which was designed and implemented with technical assistance from the International Labor Organization using the latest international standards. For the first time, an inter-censal update was conducted in 2016 to update the housing and household frame to be used for the Labor Force Survey. Data on wages are limited. There is still scope to enhance data quality.

**Sales statistics:** Quarterly retail sales index, and food and beverage index statistics are available with a one-period lag. The compilation is based on the Quarterly Survey of Business conducted by the Department of Planning and Statistics, with weights obtained from the 2017 Annual Census of Enterprises.

**Government finance statistics:** Shortcomings exist mainly in classification of some flows and in consolidation of major government institutional units. Deficiencies in budgetary central government data include: recording taxes net of subsidies and omission of key fiscal flows, e.g., property income on assets, unrecorded subsidy schemes, and some capital transfers to extra-budgetary institutions. Currently, the Treasury's priority is to ensure that the GFS cash flow statement for the budgetary central government is updated quarterly. Data sources generated from Treasury Accounting Financial Information System are continuously monitored and enhanced. The coverage could be expanded to general government by consolidating the financial accounts for the budgetary central government, the extra-budgetary units, and the social security funds. Government finance statistics are not reported for publication in either the *Government Finance Statistics Yearbook* or the *International Financial Statistics*. The authorities are committed to improving their capacity to compile GFS, including through participating in IMF training courses on GFS.

**Monetary statistics:** The Brunei Darussalam Central Bank (BDCB) compiles and reports to STA monthly monetary data for the central bank, other depository corporations (ODCs), and other financial corporations (OFCs) using the standardized report forms (SRFs). The data are comprehensive and reported on a regular and timely basis. The BDCB is working to further improve data compilation and reduce dissemination lags. Brunei Darussalam reports data on some key series and indicators of the Financial Access Survey (FAS), including the two indicators (commercial bank branches per 100,000 adults and ATMs per 100,000 adults) adopted by the United Nations to monitor Target 8.10 of the Sustainable Development Goals.

**Financial sector surveillance:** The BDCB reports quarterly financial soundness indicators (FSIs) to the Fund, which are published on the IMF's FSI website. The reported FSIs comprise all the core (12) and 10 encouraged FSIs for deposit takers.

**External sector statistics:** Quarterly balance of payments statistics have been reported to STA in BPM6 format since the end of 2015. The main compilation challenges are that (i) the reported data in the balance of payments lack the granularity recommended by best practices, hindering basic cross-checks to improve validations; and (ii) a few items in the standard presentation of the balance of payments contain a very large number of embedded transactions, making the compilation task prone to imprecisions. Compilation of international investment position on BPM6 basis has finished but has not been released. In 2021, the Ministry of Finance and Economy reported data to the Coordinated Direct Investment Survey for the first time, covering inward direct investment for 2016-2020.

### Data Standards and Quality

Participant in the Enhanced General Data Dissemination System (e-GDDS), Brunei Darussalam launched the National Summary Data Page in August 2019.

<b>Brunei Darussalam: Table of Common Indicators Required for Surveillance</b> (As of July 5, 2022)					
	Date of Latest Observation	Date Received	Frequency of Data <sup>8</sup>	Frequency of Reporting <sup>8</sup>	Frequency of Publication <sup>8</sup>
Exchange rates	06/2022	07/2022	M	M	M
International reserve assets and reserve liabilities of the Monetary Authorities <sup>1</sup>	03/2022	05/2022	M	M	M
Reserve/base money	03/2022	06/2022	M	M	M
Broad money	04/2022	06/2022	M	M	M
Central bank balance sheet	03/2022	05/2022	M	M	M
Consolidated balance sheet of the banking system	03/2022	05/2022	M	M	M
Interest rates <sup>2</sup>	04/2022	06/2022	M	M	M
Consumer price index	02/2022	06/2022	M	M	M
Revenue, expenditure, balance and composition of financing <sup>3</sup> – general government <sup>4</sup>	NA	NA	NA	NA	NA
Revenue, expenditure, balance and composition of financing <sup>3</sup> – budgetary central government	Q4/FY2021/22	05/2022	Q	I	A
Stocks of central government and central government-guaranteed debt <sup>5</sup>	Q4/FY2021/22	05/2022	M	M	M
External current account balance	2020Q4	11/2021	Q	Q	Q
Exports and imports of goods	01/2022	05/2022	M	M	M
GDP/GNP	Q4/2021	05/2022	Q	Q	Q
Gross external debt <sup>6</sup>	NA	NA	NA	NA	NA
International investment position <sup>7</sup>	2018	06/2019	A	I	NA

<sup>1</sup> Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

<sup>2</sup> Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

<sup>3</sup> Foreign, domestic bank, and domestic nonbank financing. Central government data are on FY basis.

<sup>4</sup> The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

<sup>5</sup> Including currency and maturity composition.

<sup>6</sup> No reported external debt.

<sup>7</sup> Includes external gross financial asset and liability positions vis-à-vis nonresidents.

<sup>8</sup> Daily (D), Weekly (W), Monthly (M), Quarterly (Q), Semi-annually (S), Annually (A), Irregular (I); Not Available (NA).