

Summary of the Economic Report

Through its usual six parts, this economic report presented the most significant economic, financial, monetary and banking developments in the Kuwaiti economy during 1998, and highlighted their most salient reflections on the national economic sectors. The report analyzed the impact of these developments on the performance of the domestic economy during 1998 in the areas of national accounts, domestic prices, population and labour force, as well as the CBK efforts and directions in drawing and implementing the monetary policy and the impact thereof on the key monetary and banking indicators. Furthermore, the report analyzed the financial positions of the banking and financial system by year end, along with the developments in public finance, foreign trade and balance of payments statistics of the State of Kuwait and the main indicators of the activity in the Kuwait Stock Exchange. The most significant of these developments can be highlighted in the following:

First - Performance of the Domestic Economy:

The report started with reviewing the performance of the domestic economy during 1998 as indicated by data on national accounts, prices, and population and labour force during that year. In this regard, the report highlighted the developments in the Gross Domestic Product (GDP) at current prices during 1998 which reached KD 7671.2 million from KD 9163.3 million in 1997, i.e. a decrease of KD 1492.1 million or 16.3%. The value added by the crude oil and natural gas production sector in 1998 reached KD 2370.4 million, thus recording a decrease of KD 1313.4 million or 35.7% below its previous year level. This decrease reflects the decline in world oil prices during that year compared to 1997.

Furthermore, the report pointed to a growth in the total value added by non-oil sectors, including the refined petroleum products industry, to KD 4613.8 million during 1998 against KD 4489.5 million in 1997, i.e. a limited growth of KD 124.3 million or 2.8%. Within the performance of the non-oil sectors, the report indicated that the value added to the GDP by the transport, storage and communications sector grew markedly by 14% from KD 407.4 million in 1997 to KD 464.3 million in 1998, in addition to a growth of 4.5% in the community, social and personal services sector to KD 2026.2 million, representing 26.4% of the GDP for that year. Meanwhile, the value added to the GDP by the non-oil manufacturing

industries sector increased to KD 319.8 million in 1998 from KD 315.1 million in 1997, i.e. a growth of KD 4.7 million or 1.5%. Moreover, the value added to the GDP by the financial institutions sector increased in 1998 to KD 399.5 million from KD 382.7 million in 1997, i.e. a growth of KD 16.8 million or 4.4%.

Concerning the Gross National Product (GNP) at current prices, the report pointed out to a decline of KD 1609.1 million or 14.5% in that product in 1998 to KD 9.5 billion from KD 11.1 billion in 1997. In addition to the effect of the decline in GDP at current prices, the decrease in GNP at current prices essentially reflected the decline by KD 117 million or 6.1% in net factor income from abroad to KD 1787 million in 1998 from KD 1904 million in 1997. As the decrease in GNP by far surpassed the decline in the expenditures on final consumption, the net savings declined in 1998 by KD 1525.4 million or 47.6% to KD 1682.5 million from KD 3207.9 million in 1997.

Concerning the expenditures on the GDP at current prices, the report pointed out to some decline in the items of those expenditures in 1998 compared to 1997. Specifically, the total expenditures by residents (consumption and investment) reached KD 7797.2 million in 1998 from KD 7942.3 million in 1997, i.e. a decrease of KD 145.1 million or 1.8%. Expenditures on imports of goods and services decreased by KD 61 million or 1.7% to KD 3584 million in 1998 from KD 3645 million in 1997. On the other hand, the value of exports of goods and services decreased to KD 3458 million in 1998 from KD 4866 million in 1997, i.e. a marked decrease of KD 1408 million or 28.9%.

In addition to highlighting the developments in the national accounts, the first part of the report addressed the general levels of domestic prices in 1998 as shown by the available data on both the consumer and wholesale price indices. In this regard, the report pointed to a marked deceleration in the growth rate of consumer prices (domestic inflation) to 0.2% in 1998 compared to 0.7% in 1997 on the one hand, and a 1.6% decrease in the wholesale price index during the same period on the other. Available data show that the mentioned decrease in the growth rate of consumer prices during 1998 reflects the overall decrease in the price levels of the group of expenditure items concerning “transport and communications services”, by 5.8% on the one hand, along with the deceleration in the growth rate of prices of many other items of consumption expenditure, ahead of which were, clothing, footwear, foodstuffs and other goods and services, on the other hand. The developments in wholesale prices reflected the outcome of the decline in the wholesale prices of imported goods by 2.3%

and their rise for locally produced goods by 0.5% during 1998 compared to 1997.

The last section of the first part of the report addressed the developments in population and labour force in Kuwait during 1998, by pointing out first to a 2.8% growth in population from 2.209 million at end of 1997 to 2.271 million at end of 1998, following the growth in both the Kuwaiti population by 3.6% and non-Kuwaiti population by 2.4% during that period. Furthermore, the report addressed the developments in the size of labour force and its distribution by sector, division of economic activity and educational qualification, particularly highlighting the developments regarding growth in the labour force in government sector and its distribution during 1998 compared to 1997.

Second- The Central Bank of Kuwait and the Monetary Policy and the developments in the Monetary Indicators:

In its second part, the report reviewed the CBK continued efforts in drawing and implementing the monetary policy aimed at enhancing the bases of monetary stability in the country, thereby contributing to the enhancement of the elements and opportunities for self-generated growth in the domestic economy in line with the objectives of the general economic policy. The report also highlighted CBK's sustained efforts in enhancing its tools and methods in the supervision and oversight of the banking and financial system units, along with directing and rationalizing the credit policy of banks and investment companies subject to its supervision, with a view to ensuring the adherence of these units to sound banking and financial practices and their compliance with the supervisory instructions and regulations issued by the CBK, along with ascertaining the soundness of their financial positions.

Worth noting in this regard is that the CBK issued in 1998 several supervisory instructions and regulations, most salient among which were the instructions concerning the adjustment of the currently used information systems to incorporate the amendments necessary for making them year-2000 compatible; in addition to the instructions concerning the accounting treatment of the amortisation of goodwill resulting from acquiring shares in other companies and institutions for the purpose of gaining controlling interest in them.

In addition, this part analyzed the most significant developments witnessed in 1998

regarding the main monetary indicators and aggregates, which can be summed up in the following:

- 1- Within its endeavours to enhance the monetary stability in the country by enhancing the residency of domestic savings, the CBK issued a decision setting a new rate for the discounting and rediscounting of commercial papers presented to it by local banks and which it accepts to discount or rediscount. By virtue of this decision, the discount rate was reduced by 0.5 percentage point from 7.50% to 7% effective 22 November 1998.
- 2- With regard to the efforts aimed at maintaining the monetary stability by regulating the levels of domestic liquidity in line with the requirements of the domestic economic activity, money supply in its broad definition (M2) reached KD 7556.5 million at end of 1998, thus recording a limited decrease of KD 59.4 million or 0.8% compared to its level of KD 7615.9 million at end of the previous year. This decrease is totally attributable to the decline in Money (M1) by KD 104 million or 8.3%. Meanwhile, quasi-money recorded a limited increase of KD 44.6 million or 0.7%, and money supply in its broader definition (M3) stood at KD 7569.9 million, thus representing a decrease of KD 70.2 million or 0.9% below its level of KD 7639.9 million at end of the previous year.
- 3- The KD exchange rate maintained its relative stability against major currencies during 1998 in light of the exchange rate policy based on the “basket of currencies” system. Accordingly, the movements of the US dollar against the Kuwaiti dinar were within narrow margins compared to its fluctuations against the other major currencies. With regard to monthly fluctuations, it was noticed that while the highest rise and lowest decrease of the US dollar against the Kuwaiti dinar during 1998 did not exceed 0.56% and 1.11% respectively, it fluctuated against other major currencies by much higher rates. For example, the highest rise and lowest decrease of the US dollar against the Japanese yen reached 5.22% and 12.47% respectively, and 2.57% and 3.67% respectively against the Sterling pound.
- 4- Balances of utilized cash credit facilities extended by local banks and the

Kuwait Finance House to the domestic economic sectors stood at KD 4801.6 million at end of 1998, i.e. a growth of KD 477.4 million or 11% above their level of KD 4324.2 million at end of the previous year.

- 5- With regard to the CBK efforts in issuing Public Debt Instruments on behalf of the Ministry of Finance, 28 issues of Treasury Bills and 13 issues of Treasury Bonds valued at KD 1776.1 million and KD 1010 million respectively were made in 1998. Meanwhile, 30 previous issues of Treasury Bills valued at KD 1937.3 million and 13 previous issues of Treasury Bonds valued at KD 1057 million matured during that year. Accordingly, the outstanding balance of public debt instruments reached KD 2025.8 million at end of 1998, distributed between KD 787.4 million for Treasury Bills and KD 1238.4 million for Treasury Bonds.
- 6- The volume of transactions (buying and selling), between the CBK and local banks and domestic investment companies in the secondary market for Public Debt Instruments, continued to decrease for the fifth consecutive year, as it reached KD 788.2 million in 1998 from KD 1145.7 million during the previous year. Therefore, the direction of transactions continued to be that of a net injection of liquidity by KD 136.3 million in 1998 compared to KD 668.9 million in the previous year. Furthermore, the interbank KD deposit market of local banks witnessed an increasing activity in 1998. Thus, the volume of transactions in this market reached KD 13.2 billion in 1998 compared to KD 12.1 billion in the previous year.

Third - Financial Indicators of the Banking and Financial System:

In its third part, the report analyzed the developments in the financial and banking indicators as shown by the available data on the aggregate balance sheets of local banks (along with the Kuwait Finance House), and local investment and exchange companies subject to CBK's supervision at end of 1998. The analysis of these developments covered several aspects which included the analysis of financial flows and ratios as follows:

- 1- The local banks continued to achieve a balanced growth within the framework of a more developed structure in terms of sources and uses of funds, whereby

the aggregate balance sheet of local banks reached KD 12875.1 million at end of 1998, realizing a growth of KD 185.2 million or 1.5% compared to KD 12689.9 million at end of the previous year.

Worth noting among the most significant elements of that growth, is the marked increase on the assets side in the balances of claims on the private sector (credit facilities and financial investments) by KD 558.4 million or 11.8%, which raised their relative weight in the total assets to 41.2%, against the decrease in the total claims on the government (Public Debt Instruments and Debt Purchase Bonds) by KD 222.3 million or 5.1%, which reduced their relative weight in the total assets to 32.2%. On the liabilities side, the balances of interbank deposits increased by KD 248.8 million or 23.9%. Meanwhile, there was a limited decrease of KD 62.9 million (0.9%) in the private sector deposits, which was accompanied with a decrease in the relative weight of these deposits in the total liabilities to 56%, despite the noticeable increase of KD 53.3 million or 0.9% in KD deposits. Moreover, foreign liabilities decreased by KD 138.2 million or 11.3%, and shareholders' equity rose by KD 61.4 million or 4.4%.

The analysis of financial flows reveals that a large portion totalling KD 1070.6 million of the financial resources made available to local banks resulted from their local and foreign money market operations, particularly in the interbank deposit market. Meanwhile, the increase of KD 477.4 million in the balances of the utilized portion of the cash credit facilities extended to the domestic economic sectors constituted the most salient use of funds in 1998.

On the other hand, some financial ratios and indicators derived from the analysis of available data on the commercial and specialized banks at end of 1998 show a marked stability in their liquidity and capital adequacy levels above the required international standards. The average capital adequacy standard for these banks reached 22.4% in 1998 compared to the minimum requirement (8%) according to the international standards or the 12% minimum standard according to the CBK instructions. Furthermore, the financial ratios concerning the uses of funds rose above their previous year level, thereby leading to a continuing firming of the performance of these banks in terms of profitability standards, despite the developments witnessed in the national economy in 1998, particularly the developments in the KSE activity. Thereby, the net profit generated from the activity of these banks during 1998 stood at

KD 164.5 million, i.e. 1.51%, 12.66% and 26.03% of the total assets, total shareholders' equity and paid-up capital respectively.

2- Available data on the aggregate balance sheet of local investment companies at end of 1998 show that these companies continued to enhance their structures with regard to the sources and uses of funds, along with concentrating their investments in financial investments and increasing their operations in the money and financial markets, locally and internationally, either for borrowing or using funds. At end of 1998, the number of investment companies registered with the CBK reached (34), and their aggregate balance sheet stood at KD 3430.8 million, compared to (28) companies with an aggregate balance sheet of KD 2770.6 million at end of 1997, i.e. a growth of KD 660.2 million or 23.8%. The total aggregate balance sheet of investment companies (22 companies for which data were available) recorded a marked growth of KD 372.8 million or 15.9% to KD 2717.6 million at end of 1998 against KD 2344.8 million for the same twenty-two companies at end of the previous year. Concerning the relative importance of the elements of the mentioned balance sheet at end of 1998, the relative importance of capital and reserves in the total liabilities reached 38.8%. Meanwhile, the relative importance in the total assets reached 18.9% for domestic investments (of which 18.1% for financial investments), and 44% for foreign assets.

3- The aggregate balance sheet of local exchange companies amounted to KD 56.9 million at end of 1998 (27 companies) against KD 49 million at end of the previous year (26 companies), i.e. an increase of KD 7.8 million or 16%. The report indicated that the developments in this balance sheet reflect a marked improvement in the liquidity and profitability positions of these companies. Furthermore, their "capital adequacy" remained at an appropriate level despite its slight decrease compared to the previous year.

Fourth - Developments in Public Finance:

The report reviewed in its fourth part the developments in public finance as reflected in the general budget of ministries and governmental bodies. For this purpose, the report followed up the developments in the actual revenues and expenditures of the general budget for the fiscal year 1997/98, presented the estimated revenues and expenditure allocations in the general budget for the fiscal year 1998/99 and reviewed the portion

executed thereof from 1/7/1998 to 31/12/1998.

In this regard, the report indicated that the actual revenues in the general budget for the fiscal year 1997/98 decreased by KD 783.2 million or 17.8% to KD 3607.8 million from KD 4391 million during the fiscal year 1996/97. On the other hand, the actual expenditures in the general budget for the fiscal year 1997/98 amounted to KD 3977.8 million, i.e. a limited increase of KD 89.2 million or 2.3% compared to the actual expenditures in the general budget during the fiscal year 1996/97. Accordingly, the general budget for the fiscal year 1997/98 realized a deficit of KD 370 million, before deducting the allocations for the Reserve Fund for Future Generations.

The report highlighted the role played by the decrease in actual oil revenues during the fiscal year 1997/98 in the occurrence of the above deficit, whereas these revenues decreased by KD 727.5 million or 18.5% to KD 3208.4 million during the fiscal year 1997/98 from KD 3935.9 million during the fiscal year 1996/97, following the slump in world oil prices during that fiscal year. Furthermore, the actual non-oil revenues decreased to KD 399.4 million during the fiscal year 1997/98 from KD 455.1 million for the fiscal year 1996/97, i.e. a decrease of KD 55.7 million or 12.2%. Within this decrease, the report indicated that the actual revenues collected from government services rose to KD 230.5 million during the fiscal year 1997/98, thus accounting for 57.7% of the total actual non-oil revenues for the mentioned fiscal year. Meanwhile, the actual revenues collected from taxes and customs duties levied on trade and international transactions amounted to KD 83.3 million during the fiscal year 1997/98, i.e. a marginal increase of KD 0.2 million or 0.2% compared to the previous fiscal year.

Furthermore, the report pointed out that the actual expenditures in the general budget for the fiscal year 1997/98 were lower by KD 400.2 million or 9.1% than their general budget allocations, thus reflecting the saving realized during that fiscal year. The limited increase in the total actual expenditures of the general budget during the fiscal year 1997/98 compared to the fiscal year 1996/97 resulted essentially from the increase of KD 105.4 million in the actual expenditures under the first four chapters of that budget which surpassed the decrease of KD 16.2 million in the actual expenditures under the fifth chapter (encompassing miscellaneous expenditures and Domestic and Foreign transfers).

Moreover, the report addressed the general features of revenue estimates and expenditure

allocations in the general budget for the fiscal year 1998/99, indicating that the estimated revenues within that budget amounted to KD 2443.5 million while the allocations for expenditures reached KD 4362 million. Accordingly, the enacted general budget for the fiscal year 1998/99 encompassed a deficit estimated at KD 1918.5 million before deducting the allocations for the Reserve Fund for Future Generations.

In this regard, the report reviewed the government fiscal operations within the general budget for the fiscal year 1998/99 as reported in the monthly follow-up statements of the actual budgetary revenues and expenditures during the first half of that fiscal year (1/7/1998 to 31/12/98), indicating that the actual revenues collected during that period amounted to KD 1358.4 million, thus representing a decrease of KD 736 million or 35.1% below those collected during the corresponding period of the fiscal year 1997/98. On the other hand, the total actual expenditures in the general budget for the first half of the fiscal year 1998/99 amounted to KD 1526.1 million, thus recording a decrease of KD 15.7 million or 1% below their level in the corresponding period of the fiscal year 1997/98. Accordingly, during the first half of the fiscal year 1998/99, the general budget recorded a deficit of KD 167.7 million before deducting the allocations for the Reserve Fund for Future Generations, against a surplus of KD 552.6 million during the corresponding period of the fiscal year 1997/98.

Fifth - Developments in Foreign Trade and Balance of Payments:

The report analyzed in its fifth part the most important developments in trade and financial relations between the domestic economy and other countries, as reflected by the available data on Kuwait's foreign trade and balance of payments statistics for 1998.

As for the developments in Kuwait's foreign trade, the report highlighted the impact of the decline in world oil prices in 1998 on the value of the merchandise balance surplus. Consequently, this surplus reached KD 580 million in 1998 (representing 7.6% of the GDP at current prices for that year) and was therefore lower by KD 1402 million or 70.7% than the previous year surplus of KD 1982 million (representing 21.6% of the GDP at current prices for 1997). The above decrease resulted from a decline of KD 1401 million or 32.3% in the (fob) value of exports and re-exports (which reached KD 2931 million during 1998 compared to KD 4332 million during the previous year), along with the stability in the (fob) value of imports at its previous year level, notwithstanding a slight increase of KD one million (KD 2351 million in 1998 compared to KD 2350 million in the previous year). Moreover, the

above decrease in exports value is totally attributable to the marked decrease by KD 1503 million or 36.8% in the value of oil exports which totalled KD 2582 million during 1998 compared to KD 4085 million during the previous year.

Furthermore, the “services account (net)” recorded a deficit of KD 1134 million, while the “investment income account (net)”, which was separated from the services account according to the fifth edition of the BOP manual, recorded a surplus of KD 1788 million during 1998 compared to a surplus of KD 1904 million during the previous year. Meanwhile, the value of “current transfers abroad (net)” amounted to KD 463 million. The outcome of the developments in these items, added to the value of the merchandise balance surplus, brought about a substantial decrease of KD 1636 million or 68% in the “current account” surplus which reached KD 771 million in 1998, compared to KD 2407 million in 1997. It can be said that the increase in the deficit in the “current transfers abroad (net)” in 1998 was limited as it did not exceed KD 6 million. Accordingly, the above decrease in the “current account” surplus in 1998 is actually attributable to the increase in the deficit of the “services account (net)” by KD 112 million or 11%, and the decrease of KD 116 million or 6.1% in the surplus of the “investment income (net)”, along with the decrease in the merchandise balance surplus and the ensuing decrease in the current account as mentioned above.

The mentioned decrease in the “current account” surplus reflected on all elements of both the “capital account” (which was introduced in the fifth edition of the BOP manual - BOPM5- to reflect capital transfers and changes in non-produced non-financial assets) and the “financial account” (the BOPM5 new designation for the previous capital account in the manual’s previous edition, with all its elements). The “capital account” recorded a net inflow of KD 24 million in 1998, compared to an outflow of KD 29 million in 1997. The financial account recorded a net outflow of KD 890 million in 1998, compared to an outflow of KD 1884 million in 1997. A major portion of the financial flows in 1998 (KD 1453 million) was concentrated in the item “portfolio investment (net)”, while the “direct investment” item recorded a net inflow of KD 587 million. The item “other (net)” which reflects the value of net transactions not recorded by way of error or omission, along with the net value of financial flows of the non-financial private sector which were not incorporated in any of the BOP’s various items, recorded an inflow of KD 156 million in 1998, compared to an outflow of KD 510 million in the previous year.

The above mentioned developments in the elements of the “capital and financial account”

as well as in the “other (net)” item, which represented a net outflow of KD 866 million against the current account surplus of KD 771 million, led to a surplus to the tune of KD 61 million in the overall position of the balance of payments. This, in turn, was reflected into an increase by the same amount, i.e. KD 61 million in the “(CBK) reserve assets” item.

If the overall position of the Balance of Payments is considered from a broader perspective and a different analytical angle to include all the elements of change in the State of Kuwait foreign reserves, which encompass the change in net foreign assets and liabilities of some governmental institutions and authorities under the “general government” item together with the change in the total reserve assets of the CBK, the overall position of the balance of payments shows an actual surplus of KD 713.3 million in 1998, compared to a surplus of KD 2085.6 million in 1997, i.e. a decrease of KD 1372.3 million or 65.8%.

Sixth - Developments in the Kuwait Stock Exchange Activity:

In its sixth part, the report pointed out to the developments in the Kuwait Stock Exchange (KSE) during 1998, represented in the market correction which followed the upsurge in activity in 1997 and reflected markedly on the trading and price indices. The total value of traded shares in the market witnessed a noticeable decrease of 68.1% (from KD 10487 million to KD 3341 million), while the volume of traded shares and number of transactions decreased by 59% (from 34 billion shares to 13.9 billion) and 40.5% (from 588 thousand transactions to 350 thousand), respectively during that year. Furthermore, the general price index decreased markedly by 40.3% to 1582.7 points at end of 1998 compared to 2651.8 points at end of the previous year.

Within its discussion of the factors and indices related to the KSE activity in 1998, the report addressed in some detail the reflections of the market correction on the listed companies, and the role of the investment portfolios.

Furthermore, the report pointed out to the developments in the share issue base of companies listed on the KSE and market capitalization, whereby the number of issued shares reached 23.4 billion shares with a total capital value of KD 5.8 billion at end of 1998, against KD 21.3 billion shares valued at KD 9 billion at end of the previous year.

The number of companies listed on the KSE reached 78 at end of 1998 (of which 9 non-Kuwaiti companies) against 74 companies (of which 9 non-Kuwaiti companies) at end of the previous year, following the unlisting from the market of one company and listing of 5 new companies in 1998 (with a total capital of KD 93.2 million), thereby increasing the share issue base in the market by 1124.6 million shares.

Table (59)

**Development in Main Economic, Financial
and Monetary Indicators and Variables**

(KD million)

Item	1994	1995	1996	1997	1998
National Accounts:					
GDP at Current Prices:	7379.7	7925.3	9178.2	9163.3	7671.2
Crude Oil & Natural Gas Sector	2829.9	3136.8	4127.4	3683.8	2370.4
Non-oil Sectors	4549.8	4788.5	5050.8	5479.5	5300.8
of which: Petroleum Products	493.7	580.6	798.1	906.8	594.9
Domestic Prices:					
CPI (1978 = 100)	186.1	191.1	197.9	199.2	199.5
Monetary and Banking Aggregates and Indicators:					
Money Supply (M2)	6742.9	7374.7	7330.8	7615.9	7556.5
Money (M1)	1126.0	1184.9	1242.6	1247.5	1143.5
Quasi-money	5616.9	6189.8	6088.2	6368.5	6413.1
Private Sector Deposits with Local Banks	6391.6	7063.2	6980.7	7270.7	7207.8
of which: KD Deposits	5282.9	5755.3	5724.1	6117.1	6170.4
Credit Facilities Extended by Local Banks to Residents	1703.2	2436.3	3173.1	4324.2	4801.6
of which: Consumer Loans	522.8	525.3	515.6	551.3	541.7
Net Foreign Assets of Local Banks	1213.2	1461.4	1407.5	895.2	703.6
Aggregate Balance Sheet of Local Banks	10966.5	11592.1	11460.1	12689.9	12875.1
KD Exchange Rate at Year End (fils per US dollar)	300.02	298.93	299.79	304.44	301.56
Public Debt Instruments:					
Value of Issues:	6703.1	6851.7	4428.4	3894.7	2786.1
Treasury Bills	6012.8	6042.5	3101.4	2636.3	1776.1
Treasury Bonds	690.3	809.2	1327.0	1258.4	1010.0
Balances at Year End:	2781.0	2832.3	2494.2	2234.0	2025.8
Treasury Bills	2090.7	2023.1	1167.2	948.6	787.4
Treasury Bonds	690.3	809.2	1327.0	1285.4	1238.4

.....Cont'd.

Table (59) Cont'd.

**Development of Main Economic, Financial
and Monetary Indicators and Variables**

(KD Million)

Item	1994	1995	1996	1997	1998
Public Finance (Fiscal Years): ⁽¹⁾	(1994/95)	(1995/96)	(1996/97)	(1997/98)	(1998/99)
Revenues	3100.7	3473.1	4391.0	3607.8	2443.5
Expenditure	4193.2	4126.5	3888.6	3977.8	4362.0
Surplus or Deficit ⁽²⁾	-1092.5	-653.4	502.4	-370.0	-1918.5
Foreign Trade:					
Total Value of Exports	3342.3	3814.5	4458.0	4314.3	2911.3
Value of Oil Exports ⁽³⁾	3112.7	3597.1	4231.3	4085.4	2581.8
Total Value of Imports (cif)	1988.2	2323.1	2507.2	2501.6	2626.2
Balance of Payments:					
Merchandise Balance	1386	1665	2095	1982	580
Services Account (Net)	-925	-1188	-1072	-1022	-1134
Income Account (Net)	941	1457	1551	1904	1788
Current Transfers (Net)	-444	-437	-446	-457	-463
Current Account	958	1497	2128	2407	771
Kuwait Stock Exchange:					
(Monthly Average):					
Value of Transactions (KD Million)	48.7	159.0	479.7	873.9	278.4
Volume of Trading (Million Shares)	209.9	754.6	2142.6	2832.3	1159.8
Number of Deals (Deal)	3669	8786	25659	49014	29156

(1) Data are taken from the closing accounts except for 1998/99 which is an approved budget.

(2) Before deducting the allocations for the Reserve Fund for Future Generations.

(3) CBK estimates.