

## “Press Release”

### Key Developments in the Balance of Payments of the State of Kuwait for the First Quarter of 2021

The Central Bank of Kuwait (CBK) published today the preliminary data of the State of Kuwait’s Balance of Payments (BoP) for Q1 2021, and the revised data of Q4 2020. The data revealed a surplus during Q1 2021 of KD 1,599.5 million in the Current Account (that sums up receipts and payments on transactions between the domestic economy and other economies in terms of goods, services and income) against a surplus of KD 3,648.1 million during the previous quarter, i.e. a drop by 56.2% equivalent to KD 2,048.6 million. This downturn is attributable to the decline in the total value of receipts on the credit side of the Current Account by KD 2,287.4 million or 25.9% compared with the previous quarter, and the decrease in the total value of payments on the debit side of the Current Account by KD 238.8 million or 4.6% compared with the previous quarter.

Furthermore, preliminary data indicate an increase in the surplus of the Balance on Goods by KD 808.6 million or 70.7% to reach KD 1,952.2 million during Q1 2021 against KD 1,143.7 million during the previous quarter. This upsurge is mainly attributable to the higher crude oil exports.

The Services Account (net value of services transactions between residents and non-residents that include transportation, travel, communications, construction, other services as well as government services and goods) recorded a decrease in the deficit by KD 47.4 million or 5.6% to reach KD 794.3 million during Q1 2021 against a deficit of KD 841.7 million during the previous quarter.

Preliminary data of the Financial Account (recording transfers of financial assets and liabilities between residents and non-residents) indicate net capital outflows (growth in residents’ net investments abroad) of KD 2,745.6 million during Q1 2021 against net capital outflows of KD 3,358.7 million during the previous quarter.

As a result, the overall position of Kuwait’s BoP recorded a deficit of KD 1,197.5 million during Q1 2021 against a deficit of KD 0.9 million during the previous quarter.

From a broader perspective, and taking into consideration the change in the net value of external assets of some institutions listed under “General Government” and changes in CBK’s reserve assets, the BoP’s overall position, in a broad definition, indicates a surplus of KD 4,961.0 million during Q1 2021 against a surplus of KD 993.5 million during the previous quarter.

### Summary of the Balance of Payments of the State of Kuwait (KD Million)

Item	Q4 2020*	Q1 2021**
<b>Current Account, of which:</b>	3,648.1	1,599.5
- Balance on Goods	1,143.7	1,952.2
<b>Capital Account*</b>	190.5	229.4
<b>Financial Account**</b>	-3,358.7	-2,745.6
<b>Overall Balance</b>	-0.9	-1,197.5

Source: Central Bank of Kuwait.

\* Revised data.

\*\* Provisional data.

- Negative numbers of Capital Account data indicate net capital outflows, while positive numbers indicate the opposite.
- Negative numbers of Financial Account data indicate capital outflows i.e. an increase in external assets or a decrease in foreign liabilities. Positive numbers indicate the opposite.

20/9/2021