

“Press Release”

Key Developments in the Balance of Payments of the State of Kuwait for the Third 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 Q3 2021, and the revised data of Q2 2021. The data revealed a surplus during Q3 2021 of KD 2,606.3 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 3,262.3 million during the previous quarter, i.e. a decrease by 20.1% equivalent to KD 656.0 million. This drop is attributable to the rise in the value of receipts on the credit side of the Current Account by KD 385.8 million or 4.8% compared with the previous quarter, and the increase in the value of payments on the debit side of the Current Account by KD 1,041.8 million or 21.5% compared with the previous quarter.

Furthermore, preliminary data indicated a rise in the surplus of the Balance on Goods by KD 244.0 million or 8.3% to reach KD 3,179.0 million during Q3 2021, against KD 2,935.0 million during the previous quarter.

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 deficit reached to KD 1,002.8 million during Q3 2021, against a deficit of KD 530.7 million during the previous quarter.

Regarding the Financial Account (recording transfers of financial assets and liabilities between residents and non-residents), the preliminary data indicate net capital outflows (growth in residents' net investments abroad) of KD 2,214.6 million during Q3 2021 against net capital outflows of KD 2,662.2 million during the previous quarter.

As a result, the overall position of Kuwait's BoP recorded a surplus of KD 296.0 million during Q3 2021 against a surplus of KD 278.1 million during the previous quarter.

From a broader sense, 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 1,945.3 million during Q3 2021 compared with a surplus of KD 3,503.2 million during the previous quarter.

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

Item	Q2 2021	Q3 2021
Current Account, of which:		
- Balance on Goods	3,262.3	2,606.3
Capital Account*	2,935.0	3,179.0
Financial Account**	316.4	531.7
Overall Balance	-2,662.4	-2,214.6
Overall Balance	278.1	296.0

Source: Central Bank of Kuwait.

* 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.

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