

## **“Press Release”**

### **Key Developments in the Balance of Payments of the State of Kuwait for the Second Quarter of 2020**

The Central Bank of Kuwait (CBK) published today the preliminary data of the State of Kuwait's Balance of Payments (BoP) for 2Q 2020, and the revised data of 1Q 2020. The data revealed a surplus during 2Q 2020 of KD 108.3 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) compared with a surplus of KD 220.3 million during the previous quarter, i.e. a drop by 50.8% equivalent to KD 112.0 million. This downturn is mainly attributable to the decline in the total value of receipts on the credit side of the Current Account by KD 2,269.3 million or 37.4% compared with the previous quarter, and the decrease in the total value of payments on the debit side of the Current Account by KD 2,157.3 million or 36.9% compared with the previous quarter.

Furthermore, preliminary data indicated a drop in the surplus of the Balance on Goods by KD 1,681.1 million or 84.1% to reach KD 318.6 million during 2Q 2020, compared with KD 2,000.4 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 decline in the deficit by KD 1,293.4 million or 78.5% to reach KD 354.9 million during 2Q 2020, compared with a deficit of KD 1,648.2 million during the previous quarter.

Regarding the Financial Account (recording transfers of financial assets and liabilities between residents and non-residents), preliminary data indicate net capital outflows (growth in residents' net investments abroad) of KD

748.0 million during 2Q 2020, against net capital inflows of KD 679.4 million during the previous quarter.

As a result, the overall position of Kuwait's BoP recorded a surplus of KD 1,734.6 million during 2Q 2020 against a surplus of KD 91.3 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 247.4 million during 2Q 2020 against a deficit of KD 87.7 million during the previous quarter.

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

<b>Item</b>	<b>1Q 2020</b>	<b>2Q 2020</b>
<b>Current Account, of which:</b>	220.3	108.3
<b>- Balance on Goods</b>	2,000.4	318.6
<b>Capital Account*</b>	-55.6	-11.2
<b>Financial Account**</b>	679.4	-748.0
<b>Overall Balance</b>	91.3	1,734.6

Source: Central Bank of Kuwait.

\* Minus signs of Capital Account values indicate net capital outflows, while positive signs indicate the opposite.

\*\* Negative numbers in the Financial Account statements reflect capital outflows, indicating an increase in external assets or a decrease in foreign liabilities. Positive numbers indicate the opposite.

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