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Country Outlook: Kuwait

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In a nutshell

- Kuwait's economy is set to moderate in the near term, in tandem with the uneven recovery in advanced and emerging economies. The economy rebounded in 2011, with gross domestic product (GDP) growth accelerating to 6.3% year-on-year (y-o-y) after suffering an unexpected downward revision of a 2.4% contraction in the preceding year, from the strong 11.8% growth initially reported. The oil-sector remains the main pillar of the economy, expanding as much as 14.2% y-o-y in 2011, in response to higher crude oil prices, from a mere 0.5% expansion in 2010. Meanwhile, the non-oil sector grew by a marginal 0.9% in the same period as key sectors continued to feel the fallout from the financial crisis. Going forward, the economy is expected to have moderated in 2012 and to continue to soften in 2013 due to softer global oil market fundamentals as well as slower oil output growth.

- With growth momentum slowing amidst weaknesses in the global economy, price pressures in Kuwait appear to be dissipating with the rate of increase in the consumer price index (CPI) slowed to an average of 2.3% in the first five months of 2013, vis-à-vis an average of 2.9% recorded last year (2011: 4.8%). As in many other countries, Kuwait's inflation is mainly driven by food prices, which increased 5.6% in 2012 and 9.7% in 2011. Thus far in the first five months of the year, food prices have gained by a mere 1.6% over the corresponding period last year.

- The Central Bank of Kuwait (CBK) has been aggressive in its response to the global financial crisis, cutting its benchmark Discount Rate by a total of 425 basis points (bps) to 2.0% since late 2007, with the latest cut implemented in October 2012. As such, average lending rates have declined to an average of 5.1% in 2012, from 8.5% in 2007, in tandem with the movement in the policy rate. Liquidity conditions remain healthy, with M1 and M2 monetary aggregates growing at 16.3% and 10.3% respectively in April 2013 (Mar: 17.3% and 8.7% respectively). Meanwhile, lending activities tentatively showed signs of recovery, as total loans extended to residents grew by 6.4% in May 2013, more than double the average expansion recorded in the past three years.

- The current account balance is expected to remain strongly in surplus, having averaged 35.9% of GDP in the five years through 2011. Despite lower average oil prices in 2012, the current account surplus climbed to an all-time high of KWD 22.4 billion compared to KWD 19.5 billion registered in the preceding year. These structural surpluses reflect relatively high national savings which have been used for various investment activities abroad, mainly through Kuwait's sovereign wealth fund, and an increase in the foreign reserves of the central bank.

- In terms of external debt, the latest available data shows that Kuwait's external exposure has declined to 25.9% of GDP as at end 2010, compared to 42.8% of GDP in the preceding year. Almost 90% of these debts are liabilities of the private sector with the remainder held by the government, indicating both the underdevelopment of the financial sector and public sector dominance of the oil and gas sector as the major contributor to GDP. Going forward, total external debt is expected to rise, reflecting the financing needs for Kuwait's long-due 4-year Development Plan, especially in infrastructure projects as well as developing the private sector.

- As in other Gulf Cooperation Council (GCC) countries, Kuwait's government finances continued to experience a huge surplus, standing at 29.8% of GDP in the fiscal year 2011-12 compared to 15.4% of GDP in the preceding year, with oil revenue representing about 94.5% of total revenue in the same period. As a ratio to GDP, government revenues averaged a whopping 60.0% of GDP over the last five years, with over 98% from non-tax sources. Meanwhile, government expenditure stood at an average 39.6% of GDP over the same period, of which almost half of it came from miscellaneous expenditure and transfer payment category. The public debt level, on the other hand, continued to drift lower, from as high as 45% of GDP in the early 1990s to a mere 4.4% of GDP in 2011. Going forward, fiscal challenges remain should oil prices head south, as this could potentially constrain the government budgetary position given the generous oil and non-oil related subsidies.

Introduction

Kuwait is among the richest nations in the world, and is located at the top of the Persian Gulf. With a land area of 17,818 sq km, it is also one of the smallest non-island nations, and it borders Saudi Arabia to the south, Iraq to the north and the Persian Gulf to the east, while Iran lies some 20km across the Gulf. Kuwait has long hot summer seasons with little precipitation, and flat desert plains make up most of its land area, of which less than 1% is arable. Kuwait is currently home to a population of 2.6 million, of which about 55% are non-citizens and almost all of whom live in Kuwait City. The median age is a youthful 28.6 years, and literacy rates are high at about 93.3%. Arabic is the official language, although English is also widely used.

Figure 1: Map of Kuwait

Source: CIA World Fact Book.

Modern Kuwait has its beginnings in the early 18th century on the establishment of a settlement and fort on the present location of Kuwait City (the name Kuwait can be roughly translated as "little fort"). The location had the advantage of having one of the best natural harbours in the Gulf, as well as a supply of fresh water. It was also on the edge of the territory of the Ottoman Empire and straddled the maritime and overland trade routes from the east and west. The early Kuwaiti economy was thus built on trade, as well as pearl diving in the nearby waters of the Gulf.

In 1897, the ruling Sheikh of Kuwait invited British intervention in the region on account of Ottoman claims on Kuwait, culminating in Kuwait becoming a British protectorate on the conclusion of the First World War. Oil was discovered in Kuwait in 1938, which later prompted a full-fledged British takeover during World War II.

Kuwait gained its independence in 1961 and was almost immediately was embroiled in a confrontation with Iraq, which claimed to have inherited the Ottoman Empire's claim over Kuwait. Intervention from the British and Saudi governments helped forestall an invasion, but tensions between the two countries remained, occasionally erupting in border clashes. The 1979 revolution in Iran prompted a reappraisal of the countries' relationship, with Kuwait lending assistance and monies to Iraq in its subsequent war with Iran. The rapprochement was temporary however, as Kuwait's refusal to forgive Iraqi debt provided an incentive for a revival of Iraqi territorial claims, leading to the invasion and annexation of Kuwait in 1990.

The international response was swift and decisive, with a coalition of military forces led by the United States driving out Iraqi forces within six months of the invasion. Damage to Kuwait's economy was extensive, however, as was the trauma to the population, requiring extensive rebuilding efforts. Kuwait later became a staging area for the United States (US) invasion of Iraq, and continues to support Western intervention in the region.

The government and legal system

Kuwait is governed by a constitution, with the hereditary Amir of Kuwait as head of state and Prime Minister as head of government. Both the Amir and Prime Minister are descendents of the Al-Sabah family, which has ruled Kuwait from its modern beginnings, while ministers are generally, though not always, selected from the same family.

The legislature (the Majlis al-Umma) is a unicameral chamber with 66 members, of which 50 are elected for a 4-year term. Political parties are banned in practice, and the Amir has the right to dissolve the legislature at any time with the proviso that elections must be called within 60 days. Over the last six years, the Majlis has been dissolved five times. The main legislative check against the Amir's authority is the right of the Majlis to select the Crown Prince.

The Kuwaiti legal system is derived from Islamic, English, and French laws. Administratively, Kuwait is divided into six districts, although there are no firm borders between these administrative areas.

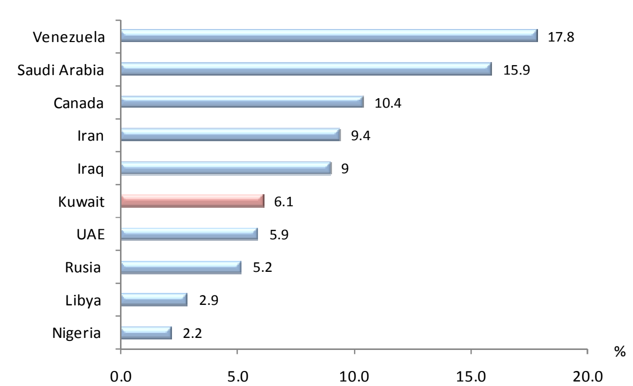
Economic background and structure

Kuwait's economy revolves almost wholly around crude oil, being the world's eighth largest oil producer and with the world's sixth largest proven oil reserves. In 2011, over 40% of the economy was directly involved in the oil & gas sector, including half the very small manufacturing sector revolving around refinery activities. The other three major sectors are social and personal services (2011: 21.7%), transport, storage & communications (2011: 13.2%), and finance (2011: 9.6%); taken together, services account for 49.8% of the economy. Even this lopsided economic structure is an improvement over the past – just ten years ago, oil & gas represented nearly half the economy, and no other sector apart from social and personal services had more than an 8% share; services in aggregate contributed less than oil& gas.

While there has thus been some diversification, Kuwait's economy is highly vulnerable to volatility in global crude oil prices. This is even more true considering that 90% of the private sector is manned by foreign labour (with correspondingly less job security) while the majority of citizens are employed in the public sector. Kuwaiti citizens are also given to access to a wide variety of benefits (healthcare, education, housing) that is unavailable to non-citizens, but these benefits are dependent on government finances. Since taxes are not levied on personal income or corporate income, this social largesse is subject to the profitability of Kuwait's oil production. Moreover, the labour divide poses a challenge for national competitiveness, with little incentive given to much of the domestic talent pool to upgrade their skills given the role of the public sector as employer of first and last resort.

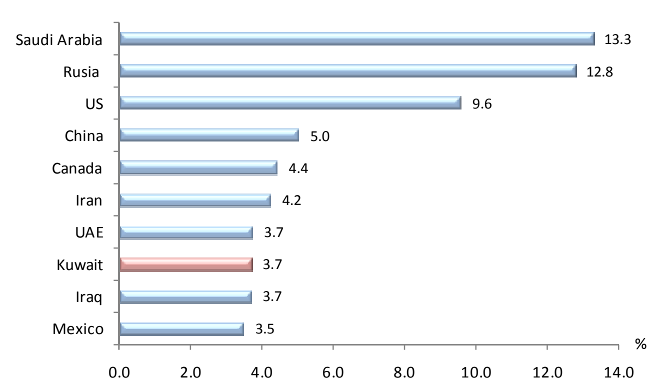
Recognising this, Kuwait has embarked on a four-year development plan to turn the country into a regional trade and finance hub, with KWD37 billion (approximately USD130 billion) to be invested by 2015. Most of the investment will directed towards infrastructure, which is acknowledged to be poor relative to the country's per capita GDP, and is slated to include both private and public sector capital expenditure.

Chart 1: Global oil proven reserves % of total - 2012



Source: BP Statistical Review 2013.

Chart 2: Global oil production % of total - 2012



Source: BP Statistical Review 2013.

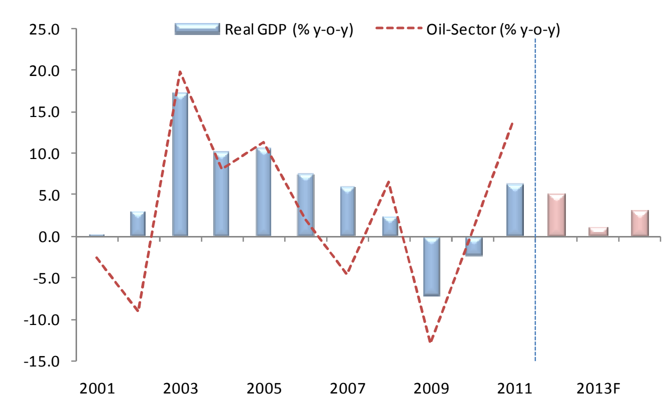
The economy in detail

Growth momentum slowing

Kuwait's economy rebounded in 2011, with GDP growth accelerating to 6.3% y-o-y after suffering an unexpected downward revision of a 2.4% contraction in the preceding year, from the strong 11.8% growth initially reported. The revision came from the utilities, communication and finance sector, as total output was revised downward by a combined KWD2.3 billion. In addition, the revision resulted in lower economic growth for all years back to 2006 than previously reported. The oil-sector remains the main pillar of the economy, expanding as much as 14.2% y-o-y in 2011, in response to higher crude oil prices, from a mere 0.5% expansion in 2010. Meanwhile, the non-oil sector grew by a marginal 0.9% in the same period as key sectors continued to feel the fallout from the financial crisis. Looking at the details, electricity, gas and water continued to post a remarkable growth in 2011, expanding 10.9% y-o-y, albeit lower than the 11.5% growth recorded in the preceding year, while the services sector rebounded in the same period, growing 1.3% following two consecutive years of contraction.

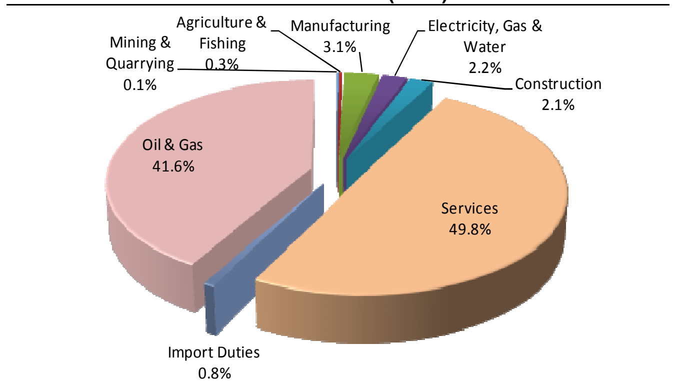
On the demand side, the economy is largely driven by exports and government spending, while investment remains weak. For 2011, exports contributed 6.7 percentage points to growth followed by 2.4 percentage points from public consumption. Investment, on the other hand, was a major drag on the economy, subtracting 1.2 percentage points from growth in 2011. The economy is expected to have moderated in 2012 and to continue to soften in 2013 due to softer global oil market fundamentals as well as slower oil output growth.

Chart 3: Annual GDP growth



Source: CEIC,IMF, MARC Economic Research.
Note: 2012-14 GDP are IMF forecast figure.

Chart 4: Kuwait economic structure (2011)

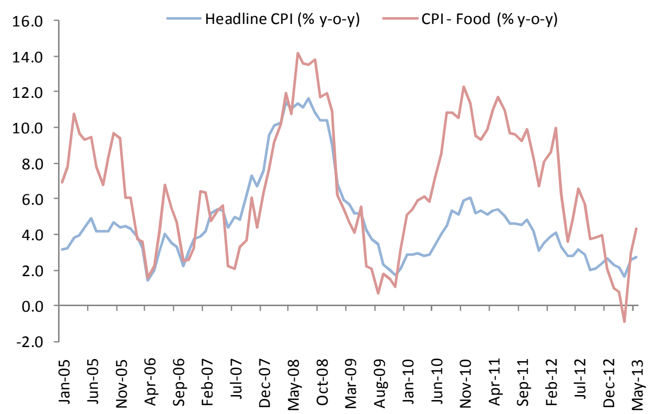


Source: CEIC, MARC Economic Research.

Inflation has peaked

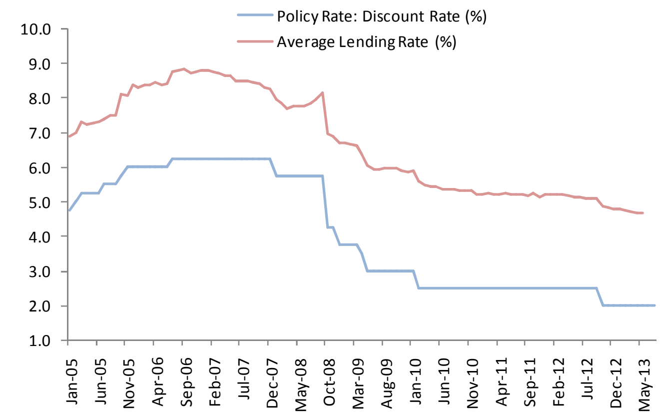
Inflationary pressure, which has slowly built up during the years following the global financial crisis, is set to dissipate in 2013 as economic activity continues to moderate. Year-to-date, the consumer price index grew by an average of 2.3% y-o-y, vis-à-vis an average of 2.9% recorded in 2012 (2011: 4.8%). As in many other countries, Kuwait's inflation is mainly driven by food prices, which increased 5.6% in 2012 and 9.7% in 2011. Thus far in the first five months of the year, food prices have gained by a mere 1.6% over the corresponding period last year.

Chart 5: Headline CPI and Food CPI



Source: CEIC, MARC Economic Research.

Chart 6: CBK policy rate and average lending rate



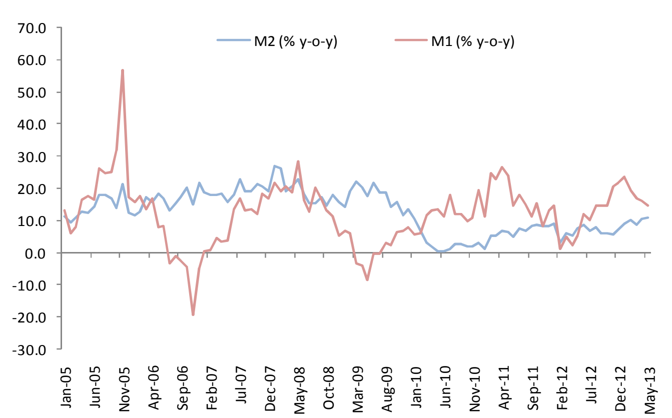
Source: CEIC, CBK.

Monetary policy and the financial sector

The CBK has been aggressive in its response to the global financial crisis, cutting its benchmark Discount Rate by a total of 425 bps to 2.0% since late 2007. Generally, its policy interest rate follows those in advanced economies, and the latest cut implemented in October 2012. Average lending rates have declined to an average of 5.1% in 2012, from 8.5% in 2007, in tandem with the movement in the policy rate. Liquidity conditions remain healthy, with M1 and M2 monetary aggregates growing at 16.3% and 10.3% respectively in April 2013 (Mar: 17.3% and 8.7% respectively).

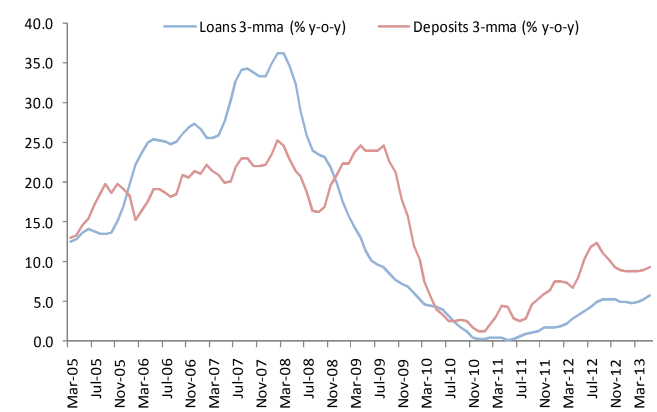
Credit growth edged up through much of 2012, but overall remained soft, averaging at 4.0% y-o-y as compared to a mere 0.9% growth registered in the preceding year. As of May this year, lending activities tentatively showed signs of recovery, as total loans extended to residents grew by 6.4%, more than double the average expansion recorded in the past three years. Growth was driven by increases in personal facilities, which climbed by 12.4%, followed by loans to construction (11.3%) as well as lending for the real estate sector (6.9%). Meanwhile, bank deposits registered relatively higher growth in May, rising 10.2% versus an 8.6% expansion at the end of last year. As such, the loan-to-deposit ratio trended lower to 78.2% in May compared to 80.3% in December 2012.

Chart 7: Monetary aggregates



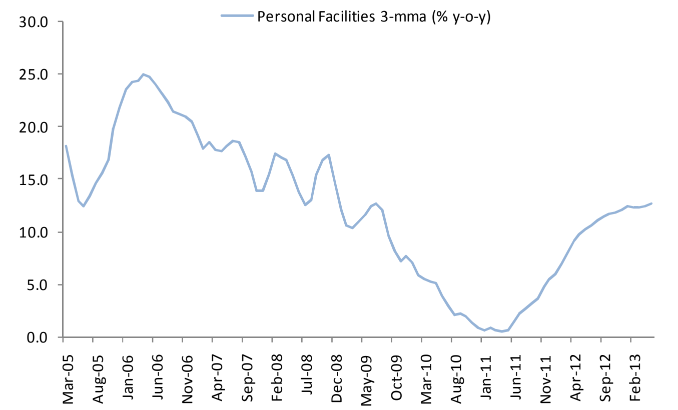
Source: CEIC, MARC Economic Research.

Chart 8: Loan and deposit growth 3-month moving average



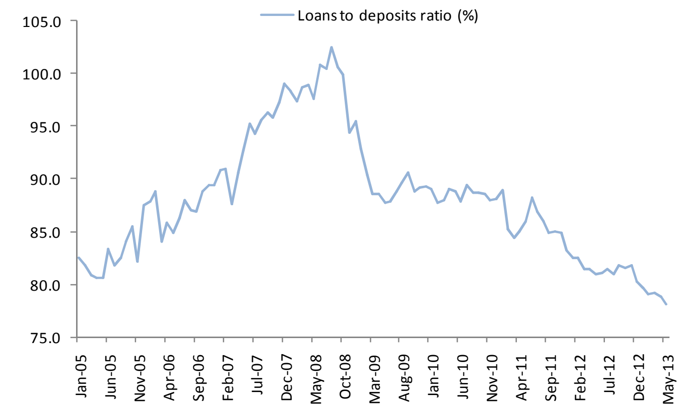
Source: CEIC, MARC Economic Research.

Chart 9: Personal facilities growth 3-month moving average



Source: CEIC, MARC Economic Research.

Chart 10: Loan-to-deposit ratio



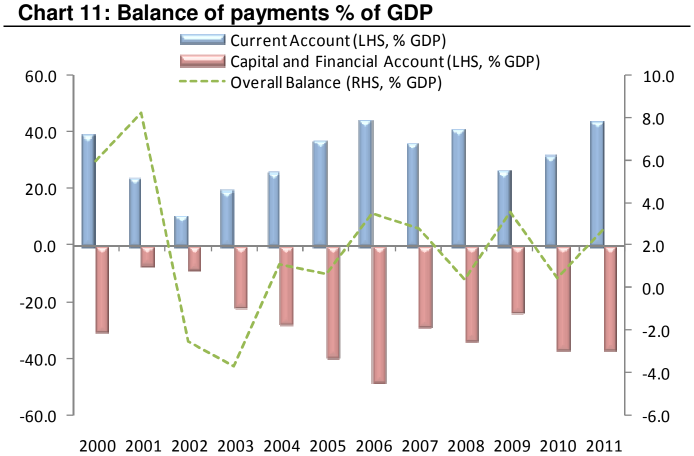
Source: CEIC, MARC Economic Research.

Balance of payments and external debt

The current account balance is expected to remain strongly in surplus, having averaged 35.9% of GDP in the five years through 2011. Despite lower average oil prices in 2012, the current account surplus climbed to an all-time high of KWD 22.4 billion compared to KWD 19.5 billion registered in the preceding year. These structural surpluses reflect relatively high national savings which have been used for various investment activities abroad, mainly through Kuwait's sovereign wealth fund, and an increase in the foreign reserves of the central bank.

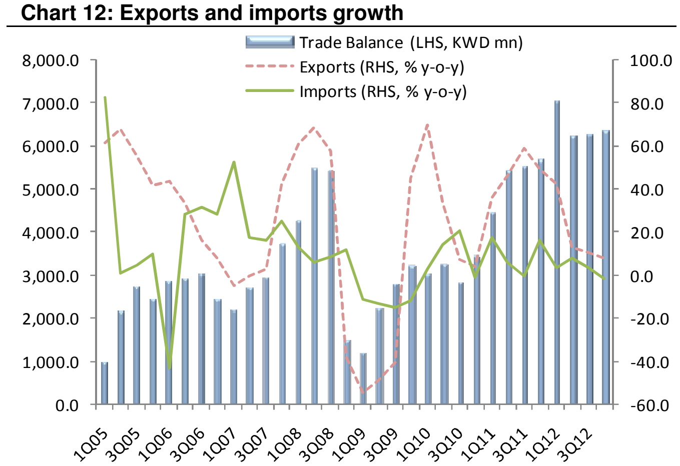
The country is highly vulnerable to volatility in oil prices as oil shipments represent more than 90% of Kuwait's total exports. The resurgence of oil prices in 2011 gave a boost to the trade balance, which surged 68.3% y-o-y in that year to KWD21.1 billion, before accelerating to a KWD25.9 billion surplus in 2012. Meanwhile, export growth has moderated in 2012, rising 17.7% from a 47.7% expansion recorded in the year earlier, largely due to lower average oil prices. Import growth, on the other hand, slowed to 3.3% in the same period, from 7.9% in 2011.

Chart 11: Balance of payments % of GDP



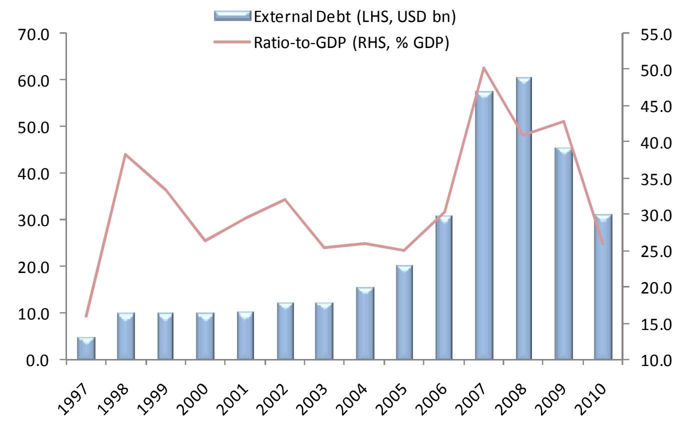
Source: CEIC, MARC Economic Research.

Chart 12: Exports and imports growth



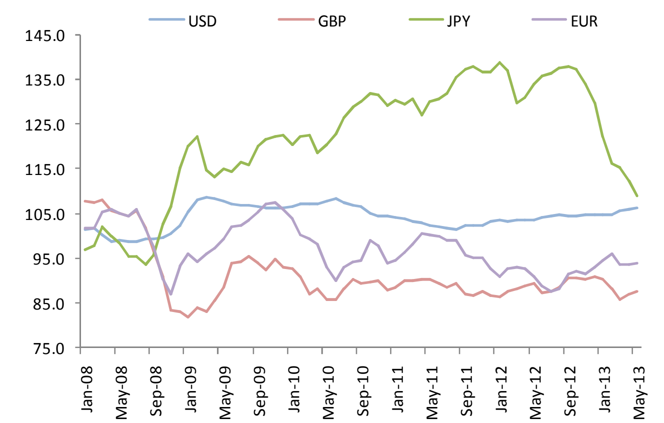
Source: CEIC, MARC Economic Research.

Chart 13: Gross external debt and ratio-to-GDP



Source: CEIC,MARC Economic Research.

Chart 14: KWD major exchange rate (2008 = 100)



Source: CEIC, MARC Economic Research.

Kuwait's external debt declined to 25.9% of GDP as at end 2010, compared to 42.8% of GDP in the preceding year. Almost 90% of these debts are liabilities of the private sector, with the remainder held by the government, indicating both the underdevelopment of the financial sector and public sector dominance of the oil and gas sector as the major contributor to GDP. Going forward, total external debt is expected to rise, reflecting the financing needs for Kuwait's long-due 4-year Development Plan, especially in infrastructure projects as well as developing the private sector.

Table 1: Balance of payments

KWD million	***2007***	***2008***	***2009***	**2010**	***2011***	***2012***
Current Account	*11,747.0*	*16,195.0*	*8,138.0*	*10,975.0*	*19,531.0*	*22,409.0*
Capital and Financial Account	*-9,485.0*	*-13,321.0*	*-7,377.0*	*-12,716.0*	*-16,531.0*	*-22,826.0*
Net Errors and Omissions	*-1,345.0*	*-2,702.0*	*327.0*	*1,901.0*	*-1,769.0*	*1,518.0*
Overall Balance	*916.0*	*171.0*	*1,088.0*	*159.0*	*1,230.8*	*1,101.0*

Source: CEIC, CBK.

Government operations and debt

As in other GCC countries, Kuwait's government finances continued to experience a huge surplus, standing at 29.8% of GDP in the fiscal year 2011-12 compared to 15.4% of GDP in the preceding year, with oil revenue representing about 94.5% of total revenue in the same period. As a ratio to GDP, government revenues averaged a whopping 60.0% of GDP over the last five years, with over 98% from non-tax sources. Meanwhile, government expenditure stood at an average 39.6% of GDP over the same period, of which almost half of it came from miscellaneous expenditure and transfer payment category. Public debt level, on the other hand, continued to drift lower, from as high as 45% of GDP in the early 1990s to a mere 4.4% of GDP in 2011.

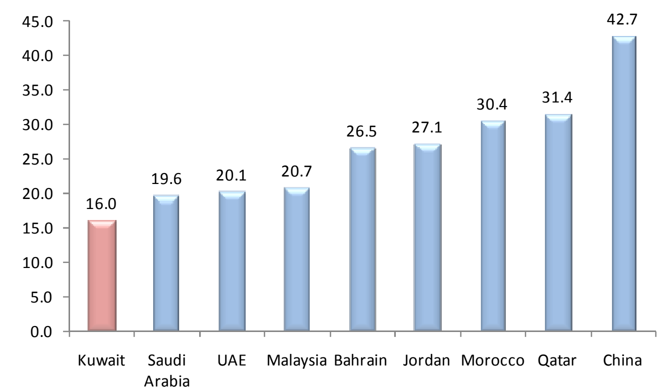
Going forward, fiscal challenges remain should oil prices head south, as this could potentially constrain the government budgetary position given the generous oil and non-oil related subsidies. In addition, the large surplus suggests that the government has the financial muscle to craft a credible and effective development agenda, which has been generally delayed by red-tape and bureaucracy.

Table 2: Government finances

KWD million	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total Revenue	15,509.3	19,022.6	21,005.8	17,687.9	21,502.0	30,236.1
Total Expenditure	10,306.4	9,698.0	18,262.3	11,250.7	16,221.0	17,007.4
Overall Balance	5,202.9	9,324.6	2,743.5	6,437.2	5,281.0	13,228.7
Overall Balance (% GDP)	17.7	28.6	6.9	21.1	15.4	29.8
Government Debt (% GDP)	7.8	7.0	5.4	6.7	5.9	4.4

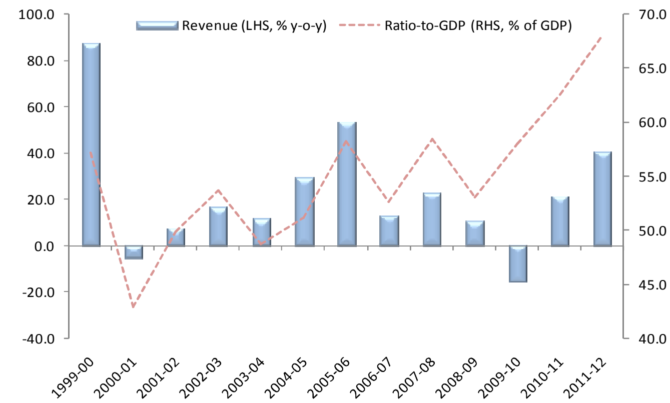
Source: CEIC, MARC Economic Research.

Chart 15: Average total investment % of total GDP (2005 – 2011)



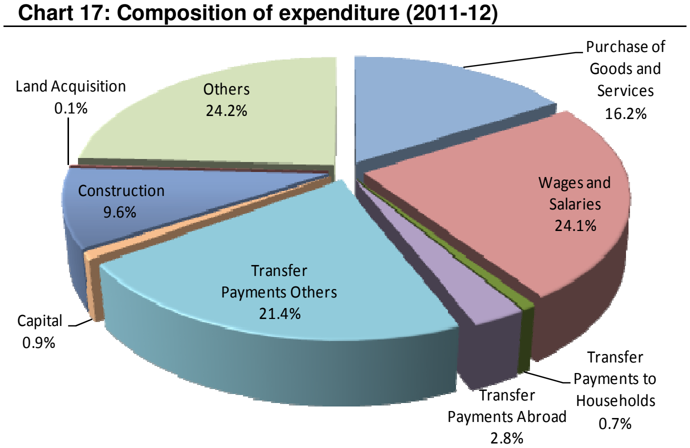
Source: IMF Article IV.

Chart 16: Government revenue growth and ratio-to-GDP



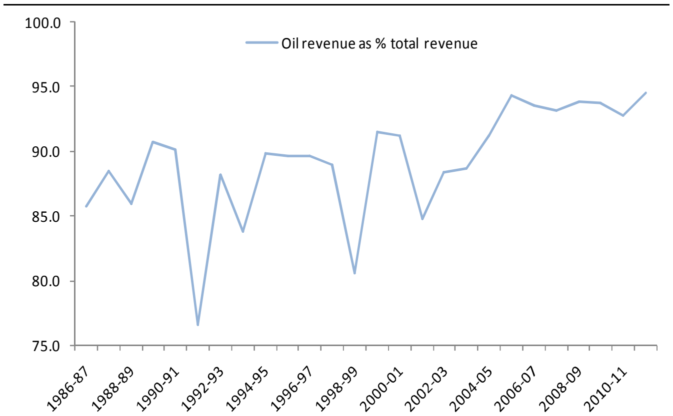
Source: CEIC, MARC Economic Research.

Chart 17: Composition of expenditure (2011-12)



Source: CEIC, MARC Economic Research.

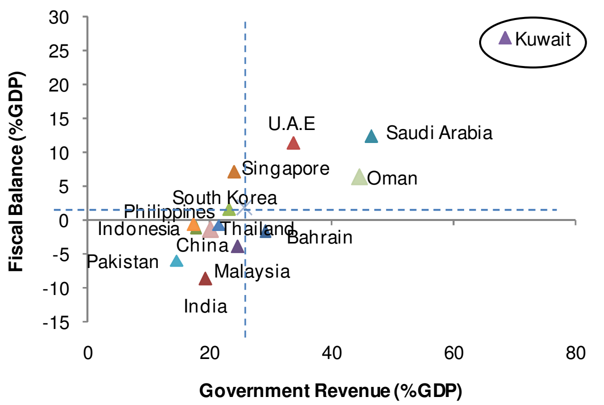
Chart 18: Oil revenue as percentage of total revenue



Source: CEIC, MARC Economic Research.

Comparison of five-year median macroeconomic matrices

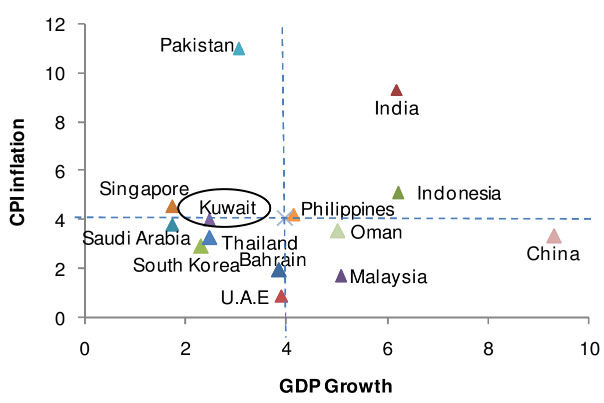
Chart 19: Government revenue % of GDP vs. fiscal balance % of GDP



Sources: IMF & MARC Economic Research.

- Kuwait is strongly located within the most favourable quadrant which separates it from the whole pack including other GCC members.
- The high fiscal surplus as well as sturdy revenue stream suggests higher flexibility to face potential economic adversities.
- Nonetheless, the imbalances stemming from continued reliance on oil revenue suggest that further action needs to be taken to diversify national income sources.

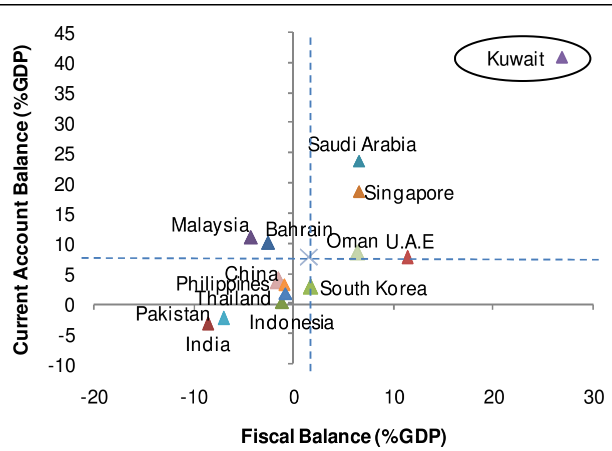
Chart 20: CPI vs. GDP growth



Sources: IMF &MARC Economic Research.

- Kuwait's rate of inflation is somewhat higher than the norm, but not overly so, while growth is around the median level of our sample.
- We expect inflation to be largely influenced by oil prices which indirectly contributes to demand-side price pressures rather than supply side as it would be in a non-oil producer. Import costs will also be a factor, as Kuwait does not produce many of the goods it consumes.

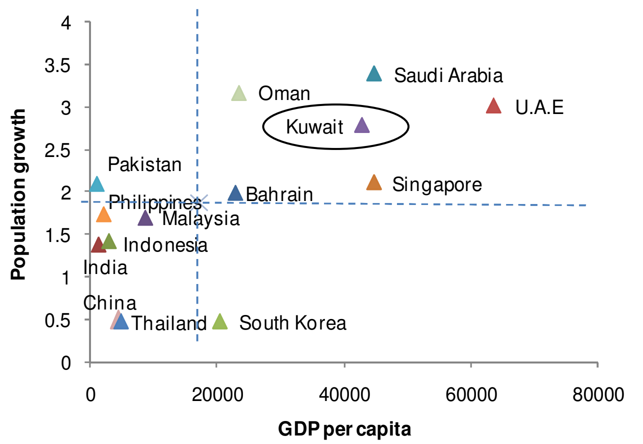
Chart 21: Current account % of GDP vs. fiscal balance % of GDP



Sources: IMF & MARC Economic Research.

- Kuwait's position in the current account and fiscal balance matrix is highly positive, with substantial savings generated both domestically and internationally.
- While stocks of international reserves are low, to a large extent the ability to service debt obligations by the government appears to be a non-issue, given its own resources.

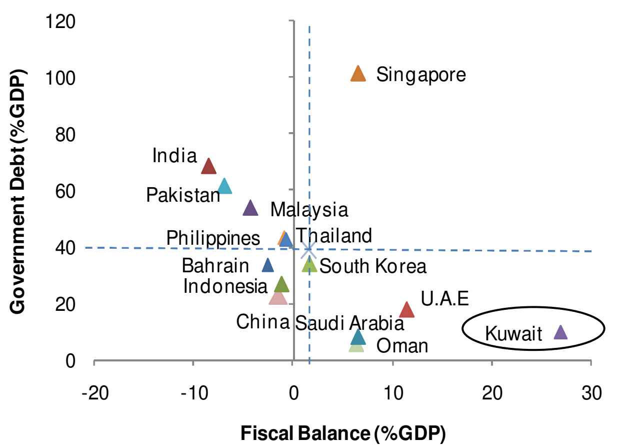
Chart 22: Population growth % vs. GDP per capita (USD)



Sources: IMF & MARC Economic Research.

- Kuwait lies within the most favourable quadrant with relatively high population growth and high per capita income.
- However, given the characteristics of the economy and the dominance of the public sector, productivity growth – the long-term basis of economic development – is problematic.
- This is supported by anecdotal evidence not just from Kuwait but also the rest of the Gulf region, where foreign expatriates form the bulk of the work force across the income spectrum.

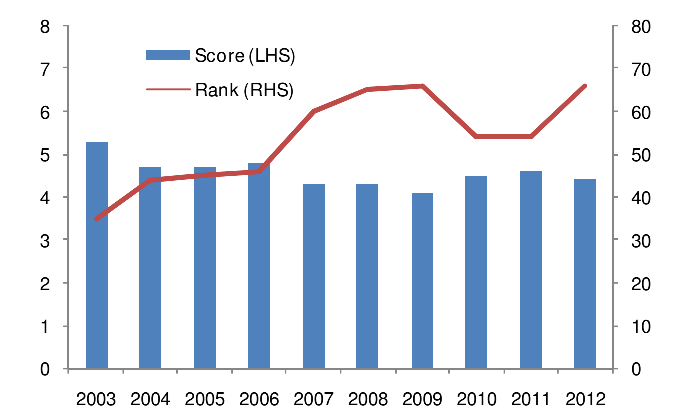
Chart 23: Govt. debt % of GDP vs. fiscal balance % of GDP



Sources: IMF & MARC Economic Research.

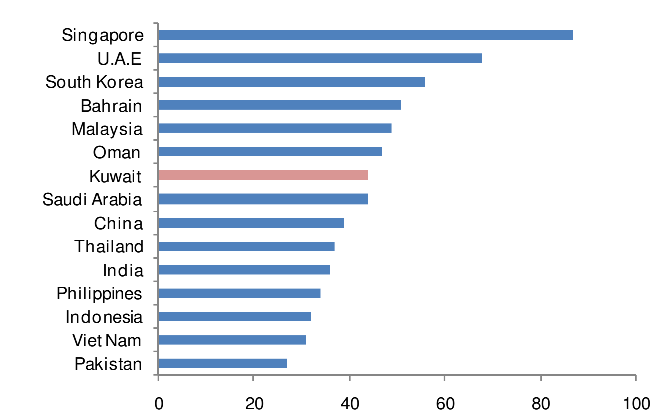
- In the debt to fiscal balance matrix, Kuwait is outperforming its peers with very low public debt as well as huge fiscal surpluses. The country does not need to resort to borrowings to finance development expenditure.
- Nevertheless, this does raise the question of the very long-term sustainability of Kuwait's governance and development model – while efforts have been made to diversify the economy, it is still largely reliant on oil revenues and thus vulnerable to price volatility. Questions over whether global "peak oil" has been passed are also highly relevant.

Chart 24: Kuwait's Corruption Perception Index score and rank (the higher the better)



Source: Transparency International.

Chart 25: Corruption perception index (the higher the better)



Source: Transparency International.

Despite its high human development indicators, Kuwait's corruption statistics are middle of the pack and have shown some deterioration from the country's initial inclusion in the Corruption Perception Index (CPIdx) by Transparency International in 2003. Kuwait's CPIdx score has consistently fallen below 5.0 since 2004 (on a scale of 0 to 10; the higher the better) and its 2012 rank barely makes the top third at 66 among 183 countries.

Table 3: Summary of critical macro matrices

Matrix	Explanation
Government revenue and fiscal balance	Kuwait lies in the most favourable quadrant with an extraordinarily high ratio of government revenue and surplus relative to the rest of the economy.
CPI and real GDP growth	Kuwait's growth is around the median, although accompanied by elevated levels of inflation.
Current account and fiscal balance	Kuwait is located in the best quadrant, with massive current account surplus and fiscal surpluses.
GDP per capita and population growth	Kuwait has relatively high GDP per capita and above median population growth.
Fiscal balance and government debt	Kuwait lies in the most favourable quadrant, with a large budget surplus and very low government debt.
Control of corruption	Kuwait's governance indicators aren't in keeping with its status as a high income economy.

Appendix

Vital statistics - Kuwait

	2007	2008	2009	2010	2011	2012F	2013F
National accounts							
Growth (%)							
GDP	**6.0%**	**2.5%**	**-7.1%**	**-2.4%**	**6.3%**	**5.1%**	**1.1%**
Supply side							
Oil & Gas	-2.8%	3.4%	-14.7%	1.3%	16.0%	n.a.	n.a.
Agriculture & fishing	-19.1%	-15.2%	28.6%	19.2%	7.1%	n.a.	n.a.
Mining & quarrying	9.7%	15.3%	36.2%	3.4%	0.7%	n.a.	n.a.
Manufacturing	-8.5%	16.7%	-10.4%	-0.5%	-2.8%	n.a.	n.a.
Electricity, gas & water	-49.9%	-4.2%	26.7%	11.5%	10.9%	n.a.	n.a.
Construction	-7.4%	5.6%	-8.0%	0.4%	1.8%	n.a.	n.a.
Services	17.4%	0.4%	-2.2%	-5.7%	1.3%	n.a.	n.a.
Demand side							
Total final consumption expenditure	10.2%	4.0%	-5.9%	-7.0%	5.2%	n.a.	n.a.
-Private final consumption expenditure	11.6%	1.7%	-11.8%	-11.1%	2.3%	n.a.	n.a.
-Government final consumption expenditure	7.3%	8.9%	6.2%	0.0%	9.7%	n.a.	n.a.
Gross capital formation	38.7%	1.5%	-18.9%	19.8%	-4.0%	n.a.	n.a.
Exports	-1.3%	2.2%	-6.3%	-0.5%	13.5%	n.a.	n.a.
Imports	24.7%	3.8%	-12.5%	6.3%	6.1%	n.a.	n.a.
Public finance (% of GDP) - Central government							
Total receipts	58.4%	53.0%	58.0%	62.6%	68.1%	70.3%	70.3%
-Tax revenue	1.1%	0.9%	1.0%	0.9%	0.7%	n.a.	n.a.
-Non tax revenue	57.3%	52.1%	57.0%	61.6%	67.4%	n.a.	n.a.
Total expenditure	29.8%	46.1%	36.9%	47.2%	38.3%	39.6%	43.3%
Fiscal balance	28.6%	6.9%	21.1%	15.4%	29.8%	30.6%	26.9%
Government debt	**7.0%**	**5.4%**	**6.7%**	**5.9%**	**4.4%**	n.a.	n.a.
Inflation rate							
Consumer Price Index (CPI)	5.5%	10.6%	4.0%	4.0%	4.8%	2.9%	3.3%
Wholesale Price Index (WPI)	3.9%	6.8%	0.0%	5.6%	3.1%	0.4%	n.a.
Money, banking and policy rates							
M1 growth	16.8%	5.4%	7.9%	19.3%	13.2%	21.7%	n.a.
M2 growth	19.1%	15.8%	13.4%	3.0%	8.2%	7.3%	n.a.
M3 growth	19.1%	15.9%	13.2%	3.0%	8.2%	6.5%	n.a.
Bank credit growth (residents)	34.8%	17.5%	6.1%	0.4%	1.6%	4.7%	n.a.
loan-to-deposit ratio (residents)	99.1%	95.5%	89.3%	88.1%	83.3%	80.3%	n.a.
NPL Ratio	3.8%	6.8%	11.5%	8.9%	7.3%	n.a.	n.a.
Base Rate (Discount rate)	6.25%	3.75%	3.00%	2.50%	2.50%	2.00%	n.a.
Balance of payments (% of GDP)							
Current account	36.1%	40.9%	26.7%	31.9%	44.0%	45.0%	40.8%
Capita & financial account	-29.1%	-33.6%	-24.2%	-37.0%	-37.2%	n.a.	n.a.
Overall balance	2.8%	0.4%	3.6%	0.5%	2.8%	n.a.	n.a.
International reserves (USD bn)	16.8	17.2	20.4	21.4	25.9	29.0	n.a.
Reserve-to-import (in months)	6.1	5.5	8.3	8.2	8.9	n.a.	n.a.
External debt - USD bn	57.6	60.5	45.5	31.1	n.a.	n.a.	n.a.
External debt - % of GDP	48.4%	42.1%	42.8%	25.9%	n.a.	n.a.	n.a.
Debt service ratio (% Reserves)	342.8%	350.5%	222.9%	145.5%	n.a.	n.a.	n.a.
Development indicators							
Population (in mn)	3.40	3.44	3.49	3.58	3.70	3.82	3.89
Population (growth)	6.8%	1.2%	1.2%	2.8%	3.2%	3.4%	1.7%
Human Development Index (HDI) -High human dev.	0.787	0.787	0.785	0.786	0.788	0.790	n.a.

Sources: CEIC, IMF, CBK, UNDP, MARC Economic Research.

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