



**Asia-Pacific  
Economic Cooperation**

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**2009/SOM1/006anx4**  
Agenda Item: IV

## **Presentation by Economy Under Review – Brunei Darussalam**

Purpose: Consideration  
Submitted by: APEC Secretariat



**First Senior Officials' Meeting – Plenary  
Session  
Singapore  
16 February 2009**

# APEC IAP Peer Review 2009 of Brunei Darussalam

13 February 2009  
Singapore

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## Overview

- a. policy statement
- b. macroeconomic background
- c. towards Bogor Goals
- d. Wawasan Brunei 2035
- e. conclusion

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## Policy Statement

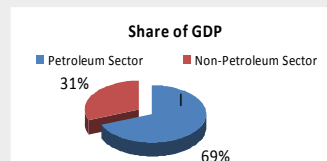
our trade and investment policy has been continually focused on...

- support for **rules-based multilateral trading system**
  - support for **open regionalism**
- support for **open investment regime**

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## Macroeconomic Background (1)

- Open economy
  - Trade to GDP ratio (2006-2008): 83.5
- Economy centred around **oil and gas**: 69% of GDP (*chart*), 95% of revenues, 74% of inward FDI, 96% of total exports. (2007)



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## Macroeconomic Background (2)

### Stable economic environment...

	2004	2005	2006	2007	2008
Real GDP Growth (%)	0.5	0.4	4.4	0.6	0.4(f)
Inflation (%)	0.9	1.1	0.2	0.3	2.3*

(f) - forecast

\* - first 6 months

### Strong fiscal position...

	2004/5	2005/6	2006/7	2007/8
Budget Surplus (% of GDP)	11.3	21.1	21.3	20.4

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## Towards Bogor Goals

Since 2004/5, progress in these key areas:

- Tariffs and Non-Tariff Measures
- Services
- Investment
- Standards
- Customs Procedures
- Intellectual Property Rights
- Regulatory Review
- Sustainable Development

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## Tariffs



	2004-2007	2008
Simple average applied MFN tariffs	4.8%	3.6%
Duty-free concessions	68.1%	74.7%

On 1st January 2008...

Import duties on 712 lines unilaterally eliminated

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## Tariffs & Non-Tariff Measures

Against the backdrop of current economic downturn..



~~raise tariffs~~

~~introduce new NTMs~~

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## Services (1)

- **Telecommunications**

- o Entry of a new service supplier into mobile telephony market.



- o Achieved fixed-line telephony penetration rate of **almost 100%** ; mobile telephony penetration rate at **101.8%**.



- o Ranked **30<sup>th</sup>** in the world in fixed-line telephony, mobile telephony and internet users per 1,000 people, according to *World Development Report*.

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## Services (2)

- **Financial Services**

- o Continued strengthening of regulatory and supervisory framework;
  - enactment of five (5) legislations since 2005.
- o Development of domestic capital market;
  - First issuance of short-term government *Sukuk al-Ijarah* securities in April 2006; to date, 23 issuances with a combined value of over BND 1.3 billion.

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## Investment (1)

- Enhancing investment climate;
  - since 2004, six (6) DTAs signed; four (4) more BITs added during this period.

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## Investment (2)



### Sungai Liang Industrial Park (SPARK)



- First major investment in SPARK – in 2007, a USD 450 million Methanol Plant to be developed by the *Brunei Methanol Company*. To be operational by 2010.

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### Investment (3)



### Pulau Muara Besar (PMB)



before



at full development

- In 2008, a consortium to develop an integrated master plan was appointed; similarly the appointment of a port operator for the container port that is to be developed.

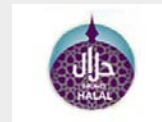
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### Investment (4)



Diversification into other 'niche' sectors:

- o *Building on Brunei's Biodiversity*: Tourism, Aquaculture, Agriculture.
- o *Leveraging on the Islamic brand*: Brunei Halal Brand, Islamic Banking.
- o *Building on Long-Term Capabilities*: Waste Management, Education, ICT.



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## Investment (5)

- Oil and Gas Sector
  - Maintains a transparent and open investment regime; open bidding and tender process for upstream activities.

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## Customs Procedures

- Launching of e-Customs System in February 2009
- Towards implementation of a National Single Window in conjunction with ASEAN Single Window



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## Intellectual Property Rights

- Sustained efforts to align national legislation with international standards through participation in international and regional agreements.
- Enforcement of IPR requires presence of copyright holders/representatives to lodge complaints in country.
- Police have *ex-officio* powers to take action; Customs responsible for border measures control.

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## Standards

- Formation of National Standards Centre (NSC)
  - Facilitate local entrepreneurs to develop products in line with global standards

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## Regulatory Review

- Creation of a statutory regulatory body in the telecommunications sector in 2006.



- Streamlining administrative procedures: Transfer of authority under the Broadcasting Act from Prime Minister's Office to Ministry of Communications in 2008.

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## Sustainable Development



- Environment
  - o Sustainable logging policy; promotion of biological diversity; CITES legislation to prevent illegal trade of endangered species.
- Energy Security
  - o Promotion of energy efficiency and conservation practices;
  - o Solar power as an alternative source of energy.

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## Wawasan Brunei 2035

- Key to ensuring continuing progress in future development of Brunei.
- Complements Bogor Goals.



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## WAWASAN BRUNEI 2035

Focuses on 3 goals

Accomplished,  
well educated and  
highly skilled people

Dynamic,  
Sustainable Economy

Quality of life

Supported by 8 sets of integrated and coordinated strategies to be developed and implemented

Education  
Strategy

Security  
Strategy

Economic  
Strategy

Local Business  
Development  
Strategy

Institutional  
Development  
Strategy

Social Security  
Strategy

Infrastructure  
Development  
Strategy

Environment  
Strategy

• Elaborated through 50 policy directions as outlined in the first out of three 10-years "Outline of Strategies and Policy Directions (OSPD 2007-2012)"

• As a guide to policy makers and implementers of development programs and projects

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## Conclusion

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- Brunei is committed, and on track, towards achieving Bogor Goals, by 2020 target.

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## Thank You

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Ministry of Foreign Affairs and Trade  
*on behalf of*  
Brunei Darussalam

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