



# **Brunei Freight Forwarders Association (BRUFA)**

**BRUNEI**

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**Country Report Year 2023  
For  
49<sup>th</sup>  
Executive Council Meeting  
of the  
THE FEDERATION OF ASIA PACIFIC AIR CARGO ASSOCIATIONS  
(FAPAA)**

**Hosted by the  
INDONESIAN LOGISTICS AND FORWARDERS ASSOCIATION  
& FEDERATION OF ASIA-PACIFIC AIR CARGO ASSOCIATIONS**

**Will be held on  
08<sup>th</sup> to 10<sup>th</sup> June, 2023  
at  
The Anvaya Resort, Bali, Indonesia**



## **BRUFA COUNCIL MEMBERS FOR YEAR 2018 TO 2023 (OFFICE BEARERS)**

### **SECRETARIAT**

#### **POSTAL ADDRESS :**

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BANDAR SERI BEGAWAN,  
NEGARA BRUNEI DARUSSALAM**

**WEBSITE : [www.brufa.com](http://www.brufa.com)**

#### **MAIN PERSONS TO CONTACT :**

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<b>VICE PRESIDENT</b>	<b>:</b>	<b>Mr. Lawrence Rathinam</b> Email : <a href="mailto:lawrecer2807@gmail.com">lawrecer2807@gmail.com</a>
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## **EVENTS DURING THE TERM 2022 TO PRESENT**

### **BRUNEI STILL IN THE PERIOD OF COVID-19 PANDEMIC**

**BRUFA** is still affected during this period as there are no restriction on “No mass gathering” in Brunei but BRUFA in trying to have few Council meetings this year. Meeting with the Government were minimize too.

However, we will report on the 2023 events/meetings that **BRUFA** participated.

01)

#### **MOFE MEETING ON LOGISTICS MATTERS IN BRUNEI**

DATE : 29/JAN/2022 (SAT)

TIME : 1.45PM

02)

#### **FINALIZATION OF THE MUARA PORT MASTERPLAN – STAKEHOLDER ENGAGEMENT- MICROSOFT TEAMS MEETING**

DATE : 22/MAR/2022 (TUE)

TIME : 3.30PM

MEETING ZOOM LINK

03)

#### **CURRENT ISSUES FACED BY LOGISTICS INDUSTRY**

DATE : 30/MAR/2022 (WED)

TIME : 10.30 – 11.30AM

04)

#### **MPABD – FORWARDING & TRANSPORT LICENSING COURSE**

DATE : 04/JUL/2022 (MON)

TIME : 8.30AM

VENUE : 1<sup>ST</sup> FLR, BILIK KARAMUNTING HALL, PORTS DEPARTMENT, MUARA

NOTE :

A MEETING WITH MPABD ON THE FORWARDING, TRANSPORT, SHIPPING & STEVEDORAGE LICENSING.



05)

**FAPAA ZOOM MEETING**

DATE : 15/JUL/2022 (FRI)

TIME : 8.30AM

VENUE : OFFICE ZOOM MEETING

06)

**BRUFA ZOOM MEETING ON AUDITING MATTERS**

DATE : 30/AUG/2022 (TUE)

VENUE : OFFICE ZOOM MEETING

07)

**DRIVING TOWARDS A GREENER NATION : EV DIALOGUE**

DATE : 08/SEP/2022 (THU)

TIME : 8.00AM

VENUE : PERFORMANCE THEATRE, PRO CHANCELLOR HALL, UNIVERSITI BRUNEI DARUSSALAM

08)

**INDUSTRY DIGITALISATION WORKSHOP 2022 – TRANSPORT & LOGISTICS INDUSTRIES**

DATE : 11/OCT/2022 (TUE)

TIME : 7.45AM

VENUE : DEWAN AMAR PAHLAWAN, MINISTRY OF TRANSPORT & INFOCOMMUNICATIONS

09)

**CONTAINER LINE (RCL) MAIDEN CALL CEREMONY**

DATE : 17/OCT/2022 (MON)

TIME : 8.30AM

VENUE : CRUISE SHIP CENTRE, MPC, MUARA

10)

**REFRESHER COURSE TO AUTHORIZED AGENTS REGISTERED WITH MARITIME AND PORT AUTHORITY OF BRUNEI DARUSSALAM(MPABD)**

DATE : (TUE & WED)

TIME : 8.30AM

VENUE : MPABD AL-FATH MALL, MUAR



11)

**32<sup>ND</sup> AFFA CONFERENCE/ANNUAL GENERAL MEETING**

**“BOOSTING ECONOMICS AND LOGISTICS INDUSTRY WITHIN ASEAN AND THE ASIA PACIFIC REGION IN POST PANDERMIC ERA THROUGH TRANSFORMATION”**

**TIME :** 09 TO 11/DEC/2022 (FRI, SAT & MON)

**VENUE :** VIENTIANE – LAO PDR

**AGENDA :** LAO PLANING TO LAUNCH THE LAND DEPORT. THERE WILL BE THAILAND & CHINA TRAINS CONNECTIONS AND THEY PLAN TO CUT ACROSS TO VIETNAM – TO BUILD A SEAPORT THAILAND IS GETTING RICE FROM VIETNAM

12)

**SESI MUZAKARAM ERSANA ASSOCIATIONS (SHIP & PORT COMMUNITY)**

**DATE :** 15/MAR/2023 (WED)

**TIME :** 09.00AM

**VENUE :** BILIK MESYURAT BAWAH, IBU PEJABAT MPABD, MUARA

13)

**BENGKEL LATIHAN “MONITORING AND CONTROL OF OZONE DEPLETING SUBSTANCES (ODSs) AND IT’S ALTERNATIVES UNDER THE HPMP STAGE 1, MONTREAL PROTOCOL**

**DATE :** 21/MAR/2023 (TUE)

**TIME :** 9.00AM TO 12.00 NOON

**VENUE :** Meeting Room 3 & 4, Level 4, The Rizqun International Hotel, Gadong, BSB  
(Hajah Martinah Binti Haji Tamit Ministry of Development)



**REFRESHER COURSE TO AUTHORIZED AGENTS REGISTERED WITH MARITIME AND PORT AUTHORITY OF BRUNEI DARUSSALAM(MPABD) - 15TH – 16TH NOVEMBER, 2022**



**BRUFA JOINING LAOS AFFA AGM - 09<sup>TH</sup> - 11<sup>TH</sup> DECEMBER, 2022**







**INDUSTRY DIGITALISATION WORKSHOP 2022 – TRANSPORT & LOGISTICS INDUSTRIES**  
**– 11<sup>TH</sup> OCTOBER, 2022 -**







**SESI MUZAKARAM ERSANA ASSOCIATIONS (SHIP & PORT COMMUNITY) – 15<sup>TH</sup> MARCH, 2023**



**BENGKEL LATIHAN “MONITORING AND CONTROL OF OZONE DEPLETING SUBSTANCES (ODSs) AND IT’S ALTERNATIVES UNDER THE HPMP STAGE 1, MONTREAL PROTOCOL – 21<sup>ST</sup> MARCH, 2023**





**THE MANAGEMENT OF MUARA PORT COMPANY SDN. BHD. (MPC)  
CORDIALLY INVITED FREIGHT FORWARDERS TO THEIR CORPORATE  
HARI RAYA OPEN HOUSE  
16<sup>TH</sup> MAY, 2023 AT THE GARDEN'S VERANDA BANQUET HALL &  
RESTAURANT**





## **NATIONAL DEVELOPMENT PLAN**

The National Development Plan (Rancangan Kemajuan Negara) has been formulated to realise Wawasan Brunei 2035 and to diversify the economy through the implementation of projects, programmes and activities.

### **Eleventh National Development Plan (RKN11)**

The Eleventh National Development Plan focuses on developmental efforts on the production of the Non-Oil and Gas Sector. The implementation of the Plan is centred on a theme which carries "Increasing Non-Oil & Gas Sector Output as Catalyst for Economic Growth".

A budget amounting BND3.5 billion has been allocated for the five-year period under the 11th National Development Plan to finance 186 projects. The selection of projects was based on their contribution to economic growth and development, as well as the capacity of the implementing agency in carrying out the project.

The Eleventh National Development Plan aims to increase output of the non-oil and gas sector, which requires all parties including those responsible for the delivery of the projects to implement the initiatives. The private sector can be strengthened through improving public governance, particularly in processes relevant to business. This will subsequently help attract foreign direct investment as well as accelerate the growth of Micro, Small and Medium Enterprises (MSMEs).

Additionally, the growth of the Non-Oil and Gas Sector will lead to increased trade, Government revenue and job creation. This will require intensified focus towards improving the quality of education and the skills of the labour force.

A conducive business environment will increase the ability of the private sector to generate innovative and high value products and services, and position themselves to reach out to international markets. This will help increase exports, which will result in a surplus in the trade balance.

The RKN was established to meet the patterns of economic growth and development over the last five years while anticipating future challenges which may be encountered. The current RKN conforms to the theme of increasing the capacity of the non-oil and gas sector, which can be achieved through strengthening the efficiency in governance, producing an able and resilient workforce and improving the dynamism of the private sector including local businesses.

The new approach for the selection of the RKN projects includes projects that are not only related to infrastructure and the rationale of the project must focus on improving the quality of the public and private sector whilst supporting the RKN theme.



## ECONOMIC OVERVIEW

### Brunei Darussalam Key Economic Developments (BKED) Q4 2022



A steady and sustained growth of the Non-Oil & Gas Sector was the highlight in Q4 2022, buoyed by encouraging developments in manufacturing, led particularly by the petrochemical industry. Several service subsectors also registered upturns in growth such as Wholesale and Retail Trade backed by increasing sales volume of several retail activities such as supermarket and petrol station; Air Transport buoyed by increasing air passenger volume in view of full removal of air travel restrictions; and Restaurants due to the lifting of pandemic-related restrictions which enabled dine-in activities. Nevertheless, declines in oil and gas production proved a major setback, inevitably weakening the overall growth of the economy.



The uptrend in consumer prices resumed in Q4 2022 with price gains seen in both the food and non-food categories. Price hikes in food were mainly seen in cooking oil, chicken, fish & seafood and rice & cereals with rising import costs as the primary factor. Meanwhile, elevated prices in the non-food category were among others mainly attributed to higher costs of vehicle insurance and restaurants with the latter citing increased costs of contract catering packages from costly food items.



Trade balance recorded a surplus in Q4 2022 as exports rose higher, offsetting the continued rise in imports. The rise in exports was mainly driven by exports of LNG, gaining primarily from higher prices despite lower volumes. In addition, the petrochemical industry continued to add value to the country's overall exports, mainly contributed by products such as automotive diesel fuels and other motor spirits (gasoline) as well as chemical products, particularly urea fertilizers and p-Xylene. On the other hand, the rise in imports corresponded with developments in the petrochemical industry, importing sizeable volumes of mineral fuels, required as feedstock for production.





Fiscal balance recorded a surplus in Q4 2022, marking the third consecutive quarter of surplus. The surplus was brought about by a significant increase in government revenues driven by higher oil and gas prices while expenditure fell on account of declines in other charges annual recurrent (OCAR) and personnel emoluments.

## ECONOMY OF BRUNEI

The **economy of Brunei**, a small and wealthy country, is a mixture of foreign and domestic entrepreneurship, government regulation and welfare measures, and village traditions. It is almost entirely supported by exports of crude oil and natural gas, with revenues from the petroleum sector accounting for over half of GDP. Per capita GDP is high, and substantial income from overseas investment supplements income from domestic production. The government provides for all medical services and subsidizes food and housing. The government has<sup>[citation needed]</sup> shown progress in its basic policy of diversifying the economy away from oil and gas. Brunei's leaders are concerned that steadily increased integration in the world economy will undermine internal social cohesion although it has taken steps to become a more prominent player by serving as chairman for the 2000 APEC (Asia-Pacific Economic Cooperation) forum. Growth in 1999 was estimated at 2.5% due to higher oil prices in the second half.

Brunei is the third-largest oil producer in Southeast Asia, averaging about 180,000 barrels per day (29,000 m<sup>3</sup>/d).<sup>[12]</sup> It also is the ninth-largest producer of liquefied natural gas in the world.<sup>[13]</sup>

In the 1970s, Brunei invested sharply increasing revenues from petroleum exports and maintained government spending at a low and constant rate. Consequently, the government was able to build its foreign reserves and invest them around the world to help provide for future generations. Part of the reserve earnings were reportedly also used to help finance the government's annual budget deficit. Since 1986, however, petroleum revenues have decreased, and government spending has increased. The government has been running a budget deficit since 1988. The disappearance of a revenue surplus has made Brunei's economy more vulnerable to petroleum price fluctuations.

Brunei's gross domestic product (GDP) soared with the petroleum price increases of the 1970s to a peak of \$5.7 billion in 1980. It declined slightly in each of the next 5 years, then fell by almost 30% in 1986.

This drop was caused by a combination of sharply lower petroleum prices in world markets and voluntary production cuts in Brunei. The GDP recovered somewhat since 1986, growing by 12% in 1987, 1% in 1988, and 9% in 1989. In recent years, GDP growth was 3.5% in 1996, 4.0% in 1997, 1.0% in 1998, and an estimated 2.5% in 1999. However, the 1999 GDP was still only about \$4.5 billion, well below the 1980 peak.

The [Asian financial crisis](#) in 1997 and 1998, coupled with fluctuations in the [price of oil](#) have created uncertainty and instability in [Brunei's](#) economy. In addition, the 1998 collapse of Amedeo





Development Corporation, Brunei's largest construction firm whose projects helped fuel the domestic economy, caused the country to slip into a mild recession.

This is a chart of trend of gross domestic product of Brunei Darussalam at market prices estimated<sup>[14]</sup> by the [International Monetary Fund](#) with figures in millions of [Bruneian dollars](#).

year	Gross Domestic Product	US Dollar Exchange	Inflation Index (2000=100)
1985	7,777	2.20 Bruneian Dollars	76
1990	6,509	1.81 Bruneian Dollars	82
1995	7,394	1.41 Bruneian Dollars	95
2000	7,441	1.72 Bruneian Dollars	100
2005	10,401	1.62 Bruneian Dollars	100

For purchasing power parity comparisons, the US dollar is exchanged at 1.52 Bruneian dollars only. Mean wages were \$25.38 per [man-hour](#) in 2009.

The government regulates the immigration of foreign labor out of concern it might disrupt Brunei's society. Work permits for foreigners are issued only for short periods and must be continually renewed. Despite these restrictions, foreigners make up a significant portion of the work force. The government reported a total work force of 122,800 in 1999, with an unemployment rate of 5.5%.



## BRUNEI EXPORTS TREEMAP (2009)

Oil and natural gas account for almost all exports. Since only a few products other than petroleum are produced locally, a wide variety of items must be imported. Brunei statistics show Singapore as the largest point of origin of imports, accounting for 25% in 1997. However, this figure includes some transshipments, since most of Brunei's imports transit Singapore. Japan and Malaysia were the second-largest suppliers. As in many other countries, Japanese products dominate local markets for motor vehicles, construction equipment, electronic goods, and household appliances. The United States was the third-largest supplier of imports to Brunei in 1998.

Brunei's substantial foreign reserves are managed by the Brunei Investment Agency (BIA), an arm of the [Ministry of Finance and Economy](#). BIA's guiding principle is to increase the real value of Brunei's foreign reserves while pursuing a diverse investment strategy, with holdings in the United States, Japan, western Europe, and the Association of South East Asian Nations (ASEAN) countries.

The Brunei Government actively encourages more foreign investment. New enterprises that meet certain criteria can receive pioneer status, exempting profits from income tax for up to 5 years, depending on the amount of capital invested. The normal corporate income tax rate is 30%. There is no personal income tax or capital gains tax.

One of the government's most important priorities is to encourage the development of Brunei Malays as leaders of industry and commerce. There are no specific restrictions of foreign equity ownership, but local participation, both shared capital and management, is encouraged. Such participation helps when tendering for contracts with the government or Brunei Shell Petroleum.

Companies in Brunei must either be incorporated locally or registered as a branch of a foreign company and must be registered with the Registrar of Companies. Public companies must have a minimum of seven shareholders. Private companies must have a minimum of two but not more than 50 shareholders. At least half of the directors in a company must be residents of Brunei.

Between 1981<sup>[15]</sup> and 2013 the Sultan owned cattle stations in [Australia](#) that supplied most of the country's beef.<sup>[16][17]</sup> In 1984 it was reported that at 2,262 square miles (5,860 km<sup>2</sup>), the total area of the stations was larger than Brunei itself.<sup>[18]</sup> Some of the stations were sold in 2006<sup>[15]</sup> and 2014.<sup>[19]</sup> As of 2019, the Sultan still owned the Opium Creek station.<sup>[20]</sup> Eggs and chickens are largely produced locally, but most of Brunei's other food needs must be imported. Agriculture and fisheries are among the industrial sectors that the government has selected for highest priority in its efforts to diversify the economy.



The following table shows the main economic indicators in 1983–2021 (with IMF staff estimates in 2022–2027). Inflation below 5% is in green.<sup>[21]</sup>

Year	GDP (in Bil. US\$PP P)	GDP per capita (in US\$ PPP)	GDP (in Bil. US\$nomina l)	GDP per capita (in US\$ nominal )	GDP growt h (real)	Inflatio n rate (in Percent)	Unemployme nt (in Percent)	Governme nt debt (in % of GDP)
1982	n/a	n/a	n/a	n/a	n/a	▲0.0%	n/a	n/a
1983	n/a	n/a	n/a	n/a	n/a	▲1.2%	n/a	n/a
1984	n/a	n/a	n/a	n/a	n/a	▲3.1%	n/a	n/a
1985	12.3	55,627. 7	4.8	21,606. 1	n/a	▲2.1%	n/a	0.0%
1986	—12.3	▼54,133. 4	▼3.3	▼14,434. 4	▼-2.7%	▲1.8%	n/a	—0.0%
1987	▲12.8	▲54,771. 6	▲3.8	▲16,435. 8	▲2.0%	▲1.2%	n/a	—0.0%
1988	▲13.4	▲55,520. 5	▼3.7	▼15,165. 5	▲1.1%	▲1.2%	n/a	—0.0%
1989	▲13.8	▲55,942. 4	▲4.1	▲16,557. 0	▼-1.1%	▲1.3%	n/a	—0.0%
1990	▲14.5	▲57,024. 3	▲4.9	▲19,281. 9	▲1.1%	▲2.1%	n/a	—0.0%
1991	▲15.4	▲59,154. 3	▲5.2	▲20,018. 8	▲3.1%	▲1.6%	n/a	—0.0%
1992	▲16.5	▲61,787. 9	▲5.5	▲20,523. 3	▲4.8%	▲1.3%	n/a	—0.0%
1993	▲17.0	▲61,983. 5	—5.5	▼20,275. 6	▲0.3%	▲4.3%	n/a	—0.0%
1994	▲17.9	▲63,533. 3	▲6.0	▲21,188. 9	▲3.1%	▲2.5%	n/a	—0.0%
1995	▲19.1	▲66,308. 1	▲7.1	▲24,707. 3	▲4.5%	▲6.0%	n/a	—0.0%
1996	▲20.0	▲67,767. 4	—7.1	▼24,275. 8	▲2.9%	▲2.0%	n/a	—0.0%

1997	—20.0	66,300.8	▼7.0	23,167.9	▼-1.5%	▲1.7%	n/a	—0.0%
1998	▲20.1	64,992.3	▼5.3	17,164.1	▼-0.6%	▲-0.4%	n/a	—0.0%
1999	▲21.0	66,333.7	▲5.7	18,099.1	▲3.1%	▲-0.4%	n/a	—0.0%
2000	▲22.1	68,072.5	▲6.7	20,473.3	▲2.8%	▲1.6%	n/a	—0.0%
2001	▲23.2	69,788.5	▼6.2	18,646.0	▲2.7%	▲0.6%	n/a	—0.0%
2002	▲24.5	72,049.2	▲6.5	19,037.8	▲3.9%	▲-2.3%	n/a	—0.0%
2003	▲25.7	74,229.5	▲7.3	20,975.5	▲2.9%	▲0.3%	n/a	—0.0%
2004	▲26.5	75,323.6	▲8.7	24,759.5	▲0.5%	▲0.8%	n/a	—0.0%
2005	▲27.5	76,638.4	▲10.6	29,459.7	▲0.4%	▲1.2%	n/a	—0.0%
2006	▲29.6	81,119.6	▲12.7	34,869.2	▲4.4%	▲0.2%	n/a	▲0.6%
2007	▲30.4	82,199.5	▲13.6	36,678.3	▲0.2%	▲1.0%	n/a	▲0.7%
2008	—30.4	81,056.2	▲15.9	42,529.7	▼-1.9%	▲2.1%	n/a	▲0.9%
2009	▼30.1	79,061.0	▼11.9	31,287.3	▼-1.8%	▲1.0%	n/a	▲1.1%
2010	▲31.2	80,668.9	▲13.7	35,437.3	▲2.6%	▲0.4%	n/a	—1.1%
2011	▲33.0	84,001.0	▲18.5	47,092.3	▲3.7%	▲0.1%	9.3%	▲2.1%
2012	▲35.2	88,311.7	▲19.0	47,776.4	▲0.9%	▲0.1%	▼8.5%	—2.1%
2013	▼33.9	84,019.1	▼18.1	44,865.2	▼-2.1%	▲0.4%	▼7.7%	▲2.2%
2014	▼33.3	81,806.0	▼17.1	41,947.5	▼-2.5%	▲-0.2%	▼6.9%	▲3.2%
2015	▼25.9	62,921.9	▼12.9	31,353.8	▼-0.4%	▲-0.5%	▲7.7%	▼3.0%
2016	▼23.6	56,638.	▼11.4	27,322.	▼-2.5%	▲-0.3%	▲8.5%	—3.0%

		3		0				
2017	▲25.9	60,281.7	▲12.1	28,237.9	▲1.3%	▲-1.3%	▲9.3%	▼2.8%
2018	▲26.5	59,953.3	▲13.6	30,666.6	▲0.1%	▲1.0%	▼8.7%	▼2.6%
2019	▲28.0	61,028.0	▼13.5	29,312.8	▲3.9%	▲-0.4%	▼6.8%	—2.6%
2020	▲28.7	63,276.0	▼12.0	26,467.8	▲1.1%	▲1.9%	—6.8%	▲2.9%
2021	▲29.4	68,416.7	▲14.0	32,573.3	▼1.6%	▲1.7%	—6.8%	▼2.5%
2022	▲31.9	74,196.0	▲18.5	42,939.4	▲1.2%	▲2.5%	—6.8%	▼1.9%
2023	▲34.1	79,408.5	▼17.9	41,713.0	▲3.3%	▲2.0%	—6.8%	—1.9%
2024	▲36.0	83,693.3	▲18.1	42,046.7	▲3.2%	▲1.5%	—6.8%	—1.9%
2025	▲37.8	88,002.0	▲18.4	42,711.8	▲3.2%	▲1.0%	—6.8%	—1.9%
2026	▲39.5	91,921.3	▲18.7	43,499.7	▲2.5%	▲1.0%	—6.8%	—1.9%
2027	▲41.7	96,927.8	▲19.3	44,913.6	▲3.4%	▲1.0%	—6.8%	▼1.8%

## OIL AND GAS INDUSTRY

Brunei Shell Petroleum (BSP), a joint venture owned in equal shares by the Brunei Government and the Royal Dutch/Shell group of companies, is the chief oil and gas production company in Brunei. It also operates the country's only refinery. BSP and four sister companies constitute the largest employer in Brunei after the government. BSP's small refinery has a distillation capacity of 10,000 barrels per day (1,600 m<sup>3</sup>/d). This satisfies domestic demand for most petroleum products.

The French oil company Elf Aquitaine became active in petroleum exploration in Brunei in the 1980s. Its affiliate Elf Petroleum Asia BV has discovered commercially exploitable quantities of oil and gas in three of the four wells drilled since 1987, including a particularly promising discovery announced in early 1990. Recently, UNOCAL, partnered with New Zealand's Fletcher Challenge has been granted concessions for oil exploration. Brunei is preparing to tender concessions for deep water oil and gas exploration.

Brunei's oil production peaked in 1979 at over 240,000 barrels per day (38,000 m<sup>3</sup>/d). Since then it has been deliberately cut back to extend the life of oil reserves and improve recovery rates. Petroleum production is currently averaging some 200,000 barrels per day (32,000 m<sup>3</sup>/d). Japan has traditionally been the main customer for Brunei's oil exports, but its share dropped from 45% of the total in 1982 to 19% in 1998. In contrast, oil exports to South Korea increased from only 8% of the total in 1982 to 29% in 1998. Other major customers include Taiwan (6%), and the



countries of ASEAN (27%). Brunei's oil exports to the United States accounted for 17% of the total exported.

Almost all of Brunei's natural gas is liquefied at Brunei Liquefied Natural Gas (LNG) plant, which opened in 1972 and is one of the largest LNG plants in the world. Over 82% of Brunei's LNG produced is sold to Japan under a long-term agreement renewed in 1993. The agreement calls for Brunei to provide over 5 million tons of LNG per year to three Japanese utilities. The Japanese company, Mitsubishi, is a joint venture partner with Shell and the Brunei Government in Brunei LNG, Brunei Coldgas, and Brunei Shell Tankers, which together produce the LNG and supply it to Japan. Since 1995, Brunei has supplied more than 700,000 tons of LNG to the Korea Gas Corporation as well. In 1999, Brunei's natural gas production reached 90 cargoes per day. A small amount of natural gas is used for domestic power generation. Brunei is the fourth-largest exporter of LNG in the Asia-Pacific region behind Indonesia, Malaysia, and Australia.

Brunei's proven oil and gas reserves are sufficient, as of 2015, to last until at least 2035.<sup>[22]</sup> Deep sea exploration may find significant new reserves but can be prohibitively expensive. The government sought in the past decade to diversify the economy with limited success.<sup>[23]</sup> Oil and gas and government spending still account for most of Brunei's economic activity. Brunei's non-petroleum industries include agriculture, forestry, fishing, and banking.

In 2015, Brunei registered its third year of economic recession, the only ASEAN nation to do so. Declining oil prices and a drop in production due to maintenance and repair work at major oil wells have dented the country's budget which will see a deficit in the fiscal years 2015-16 and 2016-17.<sup>[24]</sup>

In 2020, more than 99% of produced electricity in Brunei was based on fossil fuels, while electricity produced from renewable energy accounted for less than 1%.<sup>[25]</sup> It is advised for Brunei to diversify the economy away from the use of fossil fuels and focus more on renewable energy as part of climate change mitigation measures.<sup>[26]</sup>

## PETROCHEMICAL INDUSTRY

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In the western part of the country, Liang is currently experiencing a major development with the establishment of SPARK,<sup>[27]</sup> which is a 271-hectare (670-acre) site developed to be a world-class petrochemical hub. The first major investment at SPARK is the US\$450 million Methanol plant developed by the Brunei Methanol Company, a joint venture between Petroleum Brunei and two leading Japanese companies, Mitsubishi Chemical Holdings and Itochu. The plant design will give an output of 2,500t of methanol per day (850,000t annually). The plant was officially launched by Sultan of Brunei Hassanal Bolkiah on 25 May 2010.<sup>[28]</sup>

## HALAL BRAND

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Brunei Darussalam in July 2009 launched its national halal branding scheme Brunei Halal<sup>[29]</sup> which allows manufacturers in Brunei and in other countries to use the premium Brunei Halal trademark to help them penetrate lucrative markets in countries with significant numbers of Muslim consumers. The Brunei Halal brand is said to be the first proper attempt to put together a global halal brand that will reap the potential commercial returns of catering to the consumption needs of Muslims worldwide.<sup>[citation needed]</sup>





As envisioned by the Sultanate, the use of the Brunei Halal brand would signify to Muslim consumers the manufacturers' strict compliance with laws relating to Islamic teachings. Brunei also aims to build confidence in the brand through strategies that will both ensure the halal integrity of the products and unfaltering compliance with set rules governing the sourcing of raw materials, manufacturing process, logistics and distribution.<sup>[citation needed]</sup>

A new company, government-owned Brunei Wafirah Holdings Sdn Bhd, has been established as the owner of the Brunei Halal brand. Wafirah has entered into a joint venture with Brunei Global Islamic Investment and Hong Kong-based logistics firm Kerry FSDA Limited to form Ghanim International Food Corporation Sdn Bhd. Ghanim International manages the use of the Brunei Halal trademark. Producers that want to use the brand are required to first acquire the Brunei halal label (or the certification for compliance with accepted manufacturing and slaughtering practices under Islam) through the Department of Syariah Affairs' Halal Food Control Section. They can then approach Ghanim for their application to use the brand.<sup>[citation needed]</sup>

## BRUNEI PRICE CONTROLLED GOODS

There are currently 10 category of goods listed in the Act that are price controlled on a long term basis. These include:

- (1) Rice (acquired and supplied by the Treasury Department, Ministry of Finance and Economy)
- (2) Sugar (acquired and supplied by the Treasury Department, Ministry of Finance and Economy)
- (3) Cooking oil (canola, corn, palm, vegetable, sunflower and soya bean),
- (4) Formulated powdered milk (for infants to 6 years of age)
- (5) Motor Gasoline, RON 97
- (6) Motor Gasoline, RON 92
- (7) Motor Gasoline, RON 88
- (8) Automotive gas oil, Diesel
- (9) Kerosene
- (10) Liquefied petroleum gas (LPG).

These specific goods will be reviewed from time to time.

Businesses are required to comply with the price control regulations and must not to hike the price above the maximum.

**Below are the maximum prices set by JPES and other relevant sector regulators.**

1. Formulated Powder Milk
2. Cooking Oil

**Below are prices of monitored items by the DCA.**

1. Passenger Motor Vehicles
2. Cement



## **BRUNEI CUSTOMS PROHIBITED ITEMS**

### **Prohibited Items**

- Guns, explosives and ammunition.
- Knives and deadly weapons.
- Fire crackers.
- Cigarettes without health warnings written on the packages.
- Domestic pigs exported from Thailand.
- Plant and plant products – unless authorised.
- Meat and meat products –unless authorised.
- Pets and other animals – unless authorised.

## **BRUNEI CUSTOMS PROHIBITED & RESTRICTED ITEMS**

- Acids
- Batteries, Haz
- Bearer Documents
- Bio Products, Haz
- Compact discs
- Corrosives
- Cosmetics, Haz
- Dangerous Goods as defined by IATA (Intl. Air Transport Association)
- Drugs, Prescription and Non-Prescription
- Films: 8mm, 16mm & 35mm
- Films: entertainment
- Films: promotional, training
- Flammables
- Foodstuffs
- Gases
- Graphite Products
- Ice, Dry
- Ice, Wet
- Infectious Substances
- Knives



- Laser discs
- Liquor, Haz
- Lithium Batteries - includes cell phone and camcorder batteries that contain lithium
- Log and timber products from Liberia
- Magnetized Materials
- Military equipment
- Oxidizers
- Perfume, Haz
- Phones/modems
- Piranha Fish
- Plants and Plant Products
- Poisons
- Radar equipment
- Radio equipment
- Radioactives and Explosives
- Radios or parts thereof
- Soil
- Tapes, audio cassettes
- Tapes, video cassettes
- Telecommunications equipment
- Textile articles
- Toiletries, Haz
- Toys
- Turtle Eggs
- Works of art

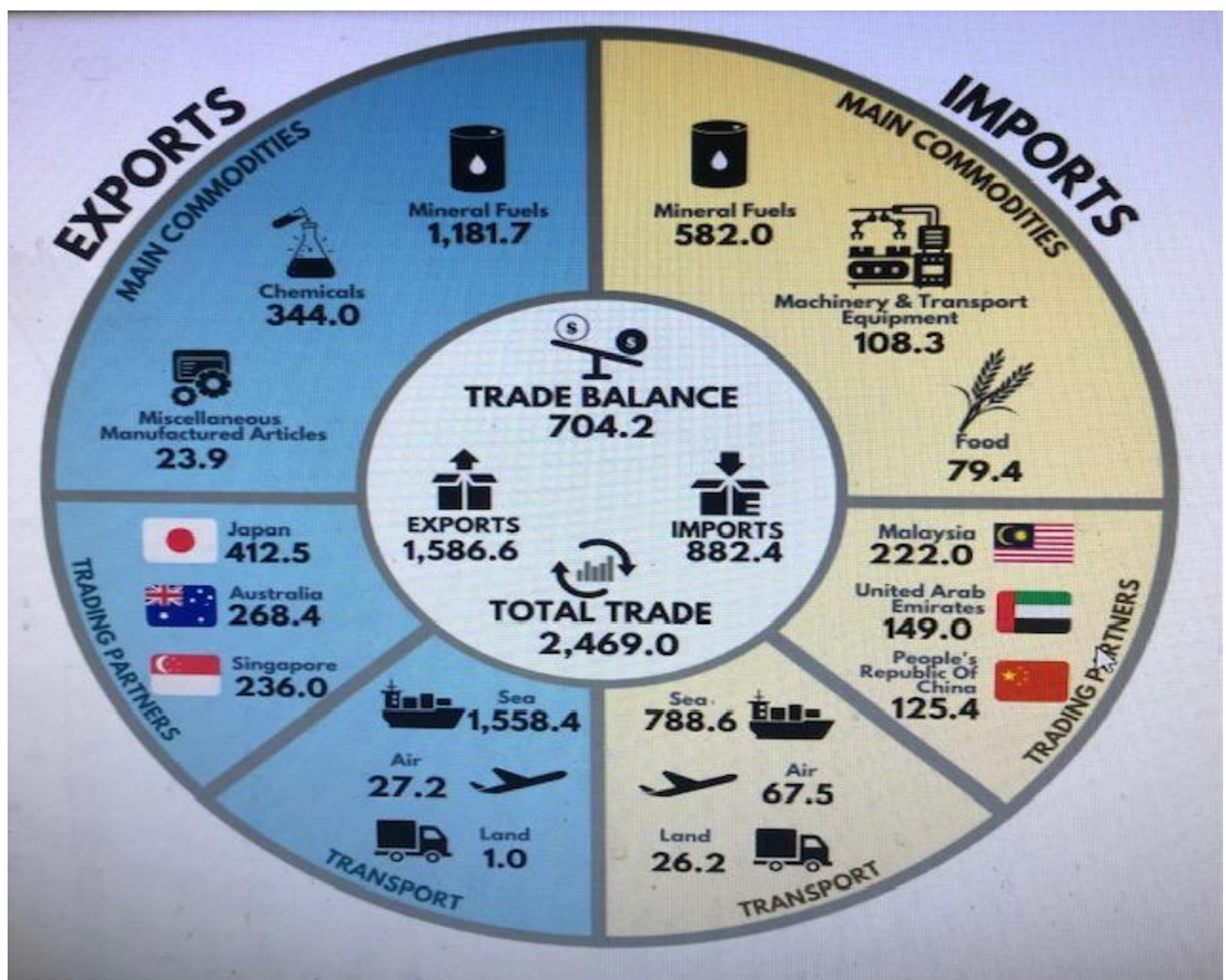


## INTERNATIONAL MERCHANISE TRADE

Total trade for the month of January 2023 was BND2,469.0 million, comprising exports valued at BND1,586.6 million and imports amounting to BND882.4 million. This represented an increase of 7.9 per cent year-on-year (y-o-y) from BND2,287.5 million in January 2022.

The trade balance recorded an increase of 108.2 per cent to BND704.2 million (January 2023) from BND338.3 million in January 2022.

On a month-on-month (m-o-m) basis, total trade recorded a minimal increase from BND2,468.6 million (December 2022) to BND2,469.0 million in January 2023.







## INTERNATIONAL MERCHANDISE TRADE STATISTICS (IMTS) January 2023

Highlights Total trade for the month of January 2023 was BND2,469.0 million, comprising exports valued at BND1,586.6 million and imports amounting to BND882.4 million. This represented an increase of 7.9 per cent year-on-year (y-o-y) from BND2,287.5 million in January 2022. The trade balance recorded an increase of 108.2 per cent to BND704.2 million (January 2023) from BND338.3 million in January 2022. On a month-on-month (m-o-m) basis, total trade recorded a minimal increase from BND2,468.6 million (December 2022) to BND2,469.0 million in January 2023. Notes: p = provisional r = revised Total Trade = Exports + Imports Total Balance = Exports – Import m-o-m = month on month y-o-y = year on year

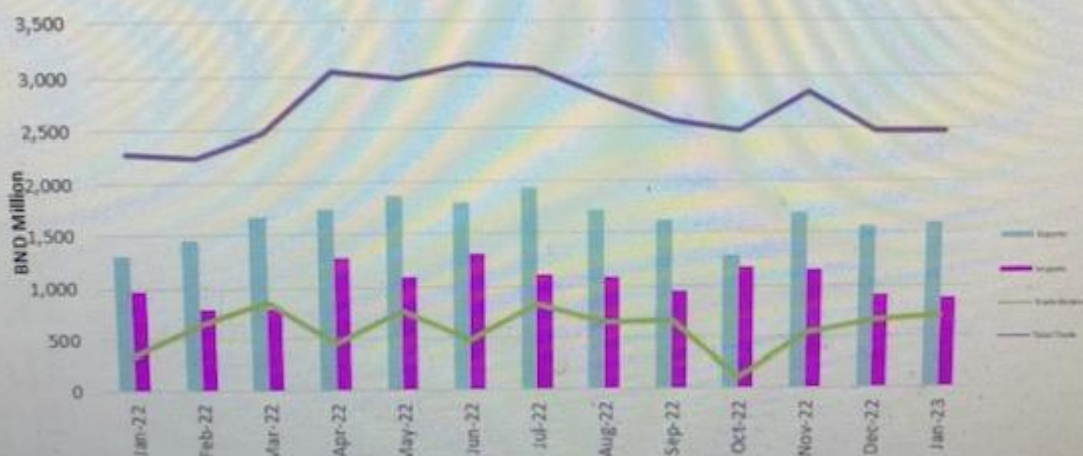
On a month-on-month (m-o-m) basis, total trade recorded a minimal increase from BND2,468.6 million (December 2022) to BND2,469.0 million in January 2023.

Table 1: Exports, Imports and Trade Balance

	Value (BND Million)			Change (%)	
	Jan-22 <sup>r</sup>	Dec-22	Jan-23 <sup>p</sup>	Jan-23 <sup>p</sup>	Jan-23 <sup>p</sup>
				Jan-22 <sup>r</sup> (y-o-y)	Dec-22 (m-o-m)
Total Trade	2,287.5	2,468.6	2,469.0	7.9	0.0
Exports	1,312.9	1,564.0	1,586.6	20.8	1.4
Imports	974.6	904.6	882.4	-9.5	-2.5
Trade Balance	338.3	659.4	704.2	108.2	6.8

Notes: p = provisional r = revised Total Trade = Exports + Imports  
Total Balance = Exports – Import m-o-m = month on month y-o-y = year on year

Chart 1: Exports, Imports, Total Trade and Trade Balance





The increase in the exports of Other Petroleum Product was mainly contributed by exports commodity under Automotive Diesel Fuels (BND277.8 million) and Other motor spirit, of other RON, unblended, unleaded (BND148.1 million). However, Other Gas Product recorded a decrease by 25.2 per cent, followed by decreases in the exports of methanol and crude oil by 7.2 per cent and 4.1 per cent respectively. On a m-o-m basis, major exports recorded a decrease by 0.2 per cent in January 2023. This was mainly due to a decrease in the exports of Mineral Fuels (9.7 per cent). Meanwhile, exports in chemicals increased by 56.3 per cent.

**Table 3: Main Domestic Exports**

	Month & Year			Jan-23 <sup>p</sup>	Jan-2023 <sup>p</sup>
	Jan-22 <sup>r</sup>	Dec-22	Jan-23 <sup>p</sup>	Jan-22 <sup>r</sup> (y-o-y)	Dec-22 (m-o-m)
<b>Exports</b>	<b>1,312.9</b>	<b>1,564.0</b>	<b>1,586.6</b>	<b>20.8</b>	<b>1.4</b>
<i>Of which</i>					
<b>Main Domestic Exports</b>	<b>1,273.7</b>	<b>1,527.0</b>	<b>1,523.9</b>	<b>19.6</b>	<b>-0.2</b>
<b>Mineral Fuels</b>	<b>1,040.0</b>	<b>1,307.9</b>	<b>1,181.6</b>	<b>13.6</b>	<b>-9.7</b>
Crude Oil:					
Value (BND Million)	179.4	216.8	172.1	-4.1	-20.6
Volume (kkbl/day)	46.64	58.55	47.23	1.3	-19.3
Price (USD/bbl)	92.1	88.3	88.5	-3.9	0.2
Liquefied Natural Gas:					
Value (BND Million)	365.3	502.9	484.4	32.6	-3.7
Volume (kkbl/day)	740,857	751,236	853,985	15.3	13.7
Price (USD/bbl)	11.8	16.0	13.8	17.4	-13.7
Other Petroleum Products:					
Value (BND Million)	432.9	537.0	478.4	10.5	-10.9
Other Gas Products:					
Value (BND Million)	62.4	51.2	46.7	-25.2	-8.7
<b>Chemicals</b>	<b>233.8</b>	<b>219.1</b>	<b>342.3</b>	<b>46.4</b>	<b>56.3</b>
Methanol:					
Value (BND Million)	29.3	21.4	27.2	-7.2	27.3
Chemical and Related Product:					
Value (BND Million)	204.4	197.7	315.1	54.1	59.4

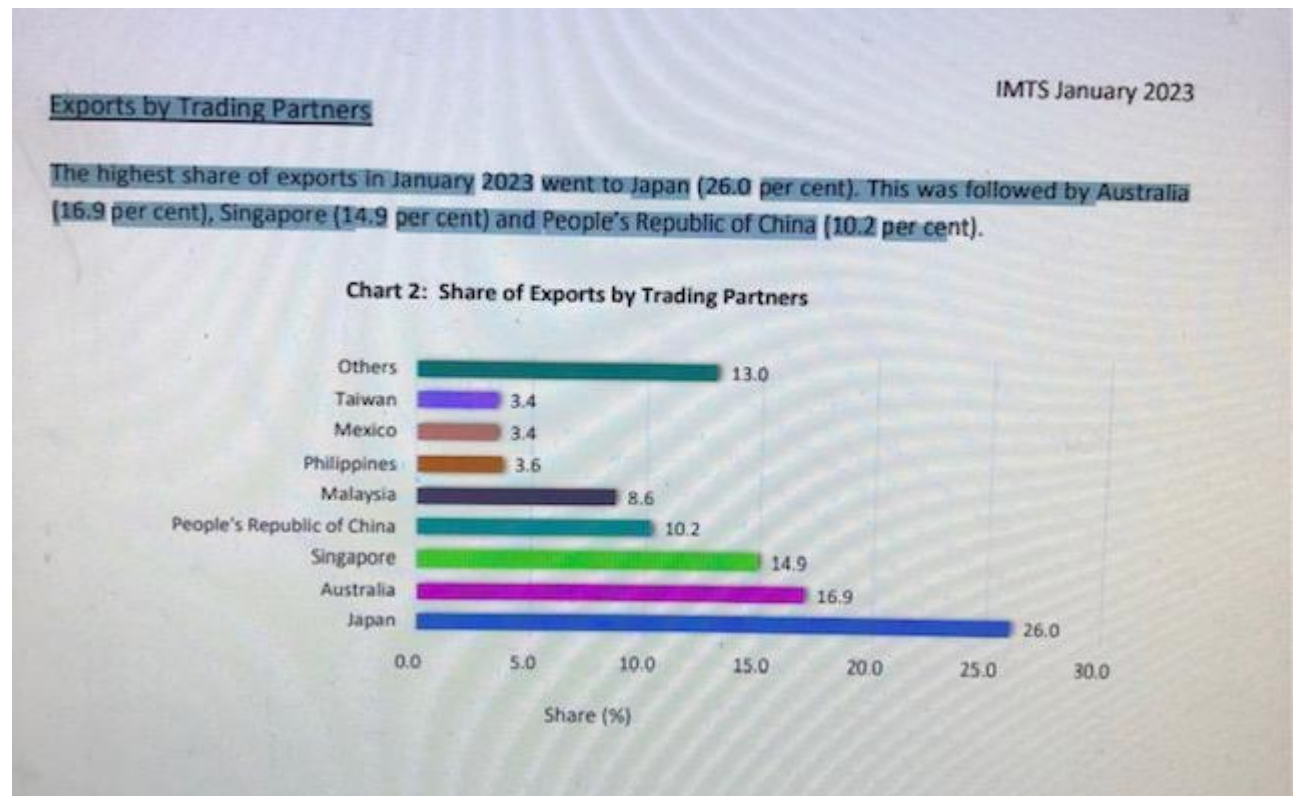
Source: Royal Brunei Customs and Excise Department, Ministry of Finance and Economy and Department of Energy, Prime Minister's Office

Notes: p = provisional r = revised y-o-y = year-on-year m-o-m = month-on-month  
kkbl = thousand barrels MMBtu = million metric British thermal units





**Exports by Trading Partners** The highest share of exports in January 2023 went to Japan (26.0 per cent). This was followed by Australia (16.9 per cent), Singapore (14.9 per cent) and People's Republic of China (10.2 per cent).



## MERCHANDIZE IMPORTS

**Imports by Commodity Section** In January 2023, merchandise imports decreased by 9.5 per cent (y-o-y) to BND882.4 million in January 2023 from BND974.6 million (January 2022). Mineral Fuels recorded the highest share of total imports with 66.0 percent (BND582.0 million) followed by Machinery and Transport Equipment (BND108.3 million) and Food (BND79.4 million). On a m-o-m basis, total imports also decreased by 2.5 per cent. The decrease was mainly contributed by the imports of Chemicals, Manufactured Goods, Miscellaneous Transactions, Crude Materials Inedible.



Table 4: Imports by Commodity Sections

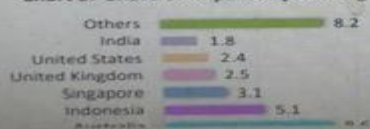
Section	Value (BND Million)			Change (%)		Contribution (%)
	Jan-22 <sup>p</sup>	Dec-22	Jan-23 <sup>p</sup>	Jan-23 <sup>p</sup> Jan-22 <sup>p</sup> (y-o-y)	Jan-23 <sup>p</sup> Dec-22 (m-o-m)	
Food	63.1	62.7	79.4	25.8	26.6	9.0
Beverages and Tobacco	4.1	4.9	4.8	17.1	-2.0	0.5
Crude Materials Inedible	5.1	2.6	2.0	-60.8	-23.1	0.2
Mineral Fuels	686.3	575.4	582.0	-15.2	1.1	66.0
Animal And Vegetable Oils and Fats	3.1	2.5	2.2	-29.0	-12.0	0.2
Chemicals	38.1	72.6	39.0	2.4	-46.3	4.4
Manufactured Goods	39.9	56.3	35.4	-11.3	-37.1	4.0
Machinery and Transport Equipment	98.0	93.9	108.3	10.5	15.3	12.3
Miscellaneous Manufactured Articles	36.4	31.7	27.8	-23.6	-12.3	3.2
Miscellaneous Transactions	0.5	2.0	1.5	216.2	-25.0	0.2
<b>TOTAL</b>	<b>974.6</b>	<b>904.6</b>	<b>882.4</b>	<b>-9.5</b>	<b>-2.5</b>	<b>100.0</b>

Notes: p = provisional y-o-y = year-on-year m-o-m = month-on-month YTD = Year to Date

#### Imports by Trading Partners

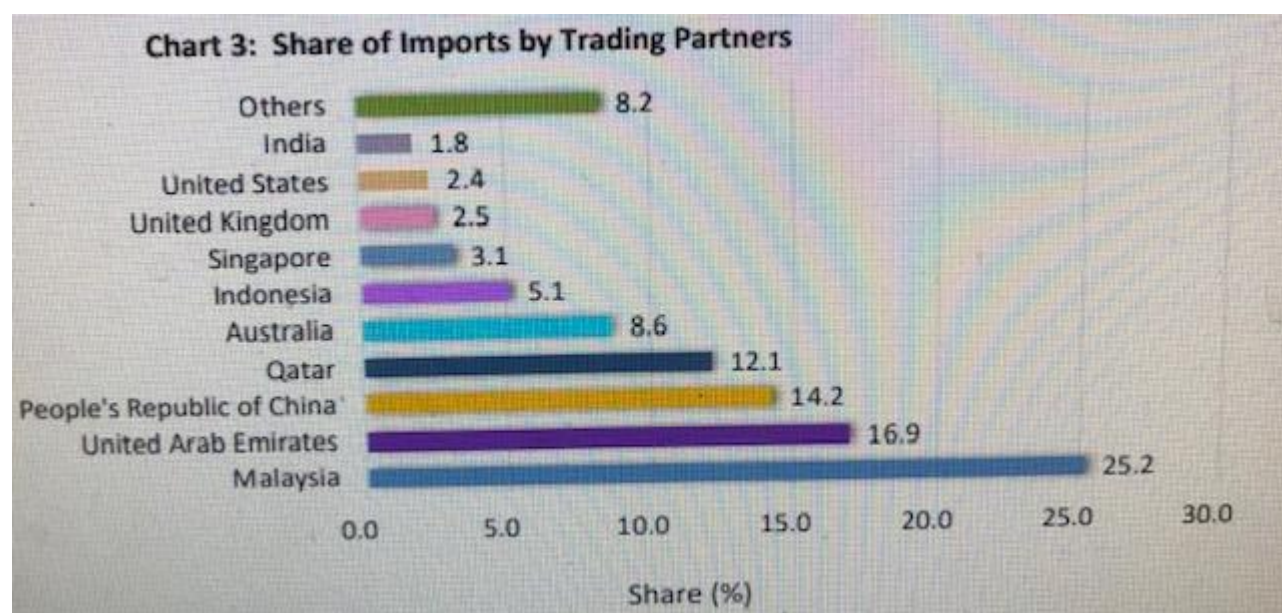
The highest share of imports in January 2023 came from Malaysia accounting for 25.2 per cent followed by United Arab Emirates by (16.9 per cent), People's Republic of China by (14.2 per cent), Qatar (12.1 per cent), and Australia (8.6 per cent).

Chart 3: Share of Imports by Trading Partners



## IMPORTS BY TRADING PARTNERS

The highest share of imports in January 2023 came from Malaysia accounting for 25.2 per cent followed by United Arab Emirates by (16.9 per cent), People's Republic of China by (14.2 per cent), Qatar (12.1 per cent), and Australia (8.6 per cent).







## IMPORTS BY END-USE CATEGORIES

In January 2023, imports of Intermediate Goods were valued at BND558.1 million, accounting for 63.2 per cent of the total imports. This was followed by Capital Goods (BND290.9 million or 33.0 per cent of total imports); and Consumption Goods (BND33.4 million or 3.8 per cent of total imports). Notes: p = provisional r = revised Figures may not tally due to rounding. 3.8 % 63.2 % 33.0 % Consumption Goods Intermediate Goods Capital Good

Table 4: Imports by Commodity Sections

Section	Value (BND Million)			Change (%)		Contribution (%)
	Jan-22 <sup>r</sup>	Dec-22	Jan-23 <sup>p</sup>	Jan-23 <sup>p</sup>	Jan-23 <sup>p</sup>	
				Jan-22 <sup>r</sup> (y-o-y)	Dec-22 (m-o-m)	
Food	63.1	62.7	79.4	25.8	26.6	9.0
Beverages and Tobacco	4.1	4.9	4.8	17.1	-2.0	0.5
Crude Materials Inedible	5.1	2.6	2.0	-60.8	-23.1	0.2
Mineral Fuels	686.3	575.4	582.0	-15.2	1.1	66.0
Animal And Vegetable Oils and Fats	3.1	2.5	2.2	-29.0	-12.0	0.2
Chemicals	38.1	72.6	39.0	2.4	-46.3	4.4
Manufactured Goods	39.9	56.3	35.4	-11.3	-37.1	4.0
Machinery and Transport Equipment	98.0	93.9	108.3	10.5	15.3	12.3
Miscellaneous Manufactured Articles	36.4	31.7	27.8	-23.6	-12.3	3.2
Miscellaneous Transactions	0.5	2.0	1.5	216.2	-25.0	0.2
<b>TOTAL</b>	<b>974.6</b>	<b>904.6</b>	<b>882.4</b>	<b>-9.5</b>	<b>-2.5</b>	<b>100.0</b>

Notes: p = provisional y-o-y = year-on-year m-o-m = month-on-month YTD = Year to Date

### Imports by Trading Partners

The highest share of imports in January 2023 came from Malaysia accounting for 25.2 per cent followed by United Arab Emirates by (16.9 per cent), People's Republic of China by (14.2 per cent), Qatar (12.1 per cent), and Australia (8.6 per cent).

Chart 3: Share of Imports by Trading Partners





## MAIN MODE OF TRANSPORT

The main mode of transport for Brunei Darussalam's international merchandise trading is sea transport, followed by air transport, land transport and other modes of transport. In January 2023, the total value of goods transported by sea for both exports and imports were BND2,347.0 million. The relative share of sea transport accounted for 98.2 per cent of goods exported from and 89.4 per cent of goods imported into Brunei Darussalam. Goods transported by air contributed about 1.7 per cent of goods exports and 7.6 per cent of goods imports, meanwhile cross border trading via land recorded 0.1 per cent of exported goods and 3.0 per cent of imported goods.

**Table 6: Exports and Imports by Mode of Transport**

Mode of Transport	Value (BND Million)			Contribution (%)		
	Jan-22 <sup>r</sup>	Dec-22	Jan-23 <sup>p</sup>	Jan-22 <sup>r</sup>	Dec-22	Jan-23 <sup>p</sup>
<b>Exports</b>	<b>1,312.9</b>	<b>1,564.0</b>	<b>1,586.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Air	9.3	5.7	27.2	0.7	0.4	1.7
Sea	1,300.8	1,556.0	1,558.4	99.1	99.5	98.2
Land	2.8	2.3	1.0	0.2	0.1	0.1
Others	-	-	-	-	-	-
<b>Imports</b>	<b>974.6</b>	<b>904.6</b>	<b>882.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Air	64.1	54.0	67.5	6.6	6.0	7.6
Sea	883.4	822.9	788.6	90.6	91.0	89.4
Land	27.0	27.7	26.2	2.8	3.1	3.0
Others	0.0	0.0	0.0	0.0	0.0	0.0

Notes: p = provisional r = revised '-' = Nil



## **BRUNEI EDUCATION & TRAINING REPORT**

The Education & training plans of the Brunei Forwarders Freight Association (BRUFA) has been discussed and planning on the Training is now in progress recently



- **END OF COUNTRY REPORT** -