



TRADE POLICY REVIEW

REPORT BY

BRUNEI DARUSSALAM

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Brunei Darussalam is attached.

Contents

1 INTRODUCTION	3
2 WAWASAN BRUNEI 2035 (NATIONAL VISION 2035)	3
3 BRUNEI DARUSSALAM ECONOMIC BLUEPRINT.....	4
4 DIGITAL ECONOMY MASTERPLAN 2025.....	5
5 GOVERNMENT RESTRUCTURING.....	5
6 INTERNATIONAL TRADE RELATIONS.....	6
6.1 Regional efforts.....	6
6.2 Free Trade Agreements	7
6.3 International tax treaties	8
7 MACROECONOMIC ENVIRONMENT	9
8 MONETARY AND FINANCIAL SECTOR POLICIES	11
9 REFORMS FOR SUSTAINABLE AND RESILIENT ECONOMIC DEVELOPMENT	12
10 TRADE POLICY FRAMEWORK	13
10.1 Tariffs	13
10.2 Trade facilitation.....	14
10.3 Investment.....	14
10.4 Standards.....	15
10.5 Competition	15
11 SECTORAL POLICIES AND DEVELOPMENT	16
11.1 Energy sector.....	16
11.2 Upstream industries	16
11.3 Downstream industries	16
11.4 Information and communications technology (ICT)	17
12 STRATEGY FOR FUTURE GROWTH.....	17
13 CONCLUDING REMARKS	17

1 INTRODUCTION

1.1. Since becoming a member of the World Trade Organization (WTO) on 1 January 1995, this will be Brunei Darussalam's fourth trade policy review. By 1 January 2025, Brunei Darussalam will also reach its 30th year of becoming a Member of the WTO.

1.2. To date, Brunei Darussalam continues to recognize the importance of a strong multilateral trading system in safeguarding trade expansion that serves as a source of economic growth, job creation, and sustainable development. Brunei Darussalam remains committed to continue to strengthen the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system as enshrined in the principles and values of the WTO.

1.3. Brunei Darussalam continues to pursue free trade policies aimed at promoting sustainable and inclusive economic growth and has implemented various programs as a means to facilitate trade liberalization and, at the same time, diversify its economy, including in the development of Small Medium Enterprises (SMEs). To date, Brunei Darussalam is a party to 10 Free Trade Agreements, having recently implemented ASEAN-Hong Kong, China FTA (2020), Regional Comprehensive Economic Partnership (2022) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (2023).

1.4. Since Brunei Darussalam's last Trade Policy Review in 2015, Brunei Darussalam has undertaken several key developments, namely progress under the *Wawasan Brunei 2035* (Brunei Vision 2035), the launching of Brunei Darussalam Economic Blueprint, Digital Economy Masterplan 2025, establishment of new agencies/bodies as well as the enactment and amendment of key legislations contributing to Brunei's socio-economic developments goals.

2 WAWASAN BRUNEI 2035 (NATIONAL VISION 2035)

2.1. In 2008, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam has consented to the establishment of a vision for the country called *Wawasan Brunei 2035* (Brunei Vision 2035).

2.2. By the year 2035, Brunei Darussalam aims to be recognized for the achievements of its people; educated and highly skilled, in accordance with the highest international standards; the high quality of life among the top 10 countries in the world; and an economy that is both dynamic and sustainable with a Gross Domestic Product (GDP) that is among the top 10 countries in the world, through 3 Goals:

2.3. **Goal 1:** Ensuring that the people of Brunei Darussalam are educated, highly skilled and accomplished. The Brunei Darussalam's workforce should match the needs of the country while upholding the values of Melayu Islam Beraja (MIB).¹ Towards achieving this, Brunei Darussalam aspires to have a first-class education system that is holistic, with a focus on ensuring students at all levels will be well-equipped with knowledge and 21st century skills. This includes primary, secondary, technical and vocational, as well as higher education.

2.4. **Goal 2:** Ensuring the highest quality of life, according to what is needed by a develop country. To achieve this aspiration, the main focus will be on developing key facilities and infrastructure, national security, environmental conservation and providing social safeguards and support needed by the community. High quality of life includes self-development, healthy lifestyle and access to facilities that enables the people to achieve social well-being aligned to the national development objectives.

2.5. **Goal 3:** In ensuring the economy is sustainable for future generations, Goal 3 under Wawasan Brunei 2035 aims to transform Brunei Darussalam into a high income developed nation, utilizing knowledge and technology as the basis of development and boosting private sector involvement while strengthening the public sector's role in realizing the country's economic potential.

¹ MIB (Melayu Islam Beraja) or Malay Muslim Monarchy is Brunei national philosophy that fuses Islamic values, Brunei Malay culture and the monarchy system.

3 BRUNEI DARUSSALAM ECONOMIC BLUEPRINT

3.1. Upholding His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam's Titah (Royal address) on 1 January 2020 on the occasion of the New Year 2020, and towards achieving the third goal of Wawasan Brunei 2035, the Ministry of Finance and Economy initiated the development of the economic blueprint titled 'Towards a Dynamic and Sustainable Economy — Economic Blueprint for Brunei Darussalam'.²

3.2. The objective of the blueprint is to act as a guide for implementing agencies and stakeholders to help Brunei Darussalam accomplish Goal 3 of Wawasan Brunei 2035, through six aspirations and complementing policy directions towards efforts to achieve Wawasan Brunei 2035's Goal 3:

Aspiration 1: Productive and Vibrant Businesses

3.3. Businesses to be able to compete, grow and sustain itself by exploring new markets and opportunities leveraging on technology and innovation. Businesses are also able to increase their productivity, enhance their competitiveness and able to penetrate international markets. This can be done through amongst others, strengthening the five priority sectors namely: Downstream Oil and Gas, Food, Tourism, Info-communications and Technology (ICT) and Services, as engine for growth, exploring new future growth activities, encourage local companies to grow and compete in international markets; and adaptation of technologies.³

Aspiration 2: Skilled, Adaptive and Innovative People

3.4. The people of Brunei Darussalam must be marketable in current economic needs and be future-ready. These can be achieved through well-coordinated manpower planning, promoting continuous learning, training and reskilling; and fostering the 'Bekarih, Bejarah, Belurih' (concept of: 'Be Willing, Hard Working, Achieving') and receptive-to-change mentality.

Aspiration 3: Open and Globally Connected Economy

3.5. For businesses to be able to penetrate external markets and attract foreign businesses, exports will be diversified with increased outputs from priority sectors. The role of trade facilitation will be integral in providing market access and opportunities for local companies.

Aspiration 4: Sustainable Environment

3.6. In pursuit of economic progress, Brunei Darussalam remains mindful of the preservation of the environment. By venturing in sustainable development i.e. green and blue economy, the country can conserve its status as the Green Gem in the Heart of Borneo and reduce national carbon footprint.

Aspiration 5: High Quality and Competitive Economic Infrastructure

3.7. To achieve these aspirations, national infrastructure will need to have the capacity to support and grow local businesses through well-connected transportation and digital networks, reliable and uninterrupted electricity and water supply and infrastructure-ready industrial sites.

Aspiration 6: Good Governance and Public Service Excellence

3.8. In ensuring a conducive business environment, governance and public services will need to be transparent, accountable and adherent to rule of law. A lean, modern and efficient government will also strengthen the country's fiscal position.

² Viewed at: https://deps.mofe.gov.bn/DEPD%20Documents%20Library/NDP/BDEB/Econ_Blueprint.pdf.

³ Viewed at: <http://www.invest.gov.bn/SitePages/Home.aspx#op-section-5>.

4 DIGITAL ECONOMY MASTERPLAN 2025

4.1. On 15 July 2019, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam, in the Titah, amongst others, called for the potentials of the digital economy to be explored. In upholding His Majesty's Titah, the Digital Economy Masterplan 2025 embodies the vision, enablers and strategies on digital economy to propel Brunei Darussalam as a Smart Nation.

4.2. The formulation of the Digital Economy Masterplan was very much embedded with the Whole of Nation approach. An approach conducted to ensure a holistic masterplan that resonated well with the respective strategies of all stakeholders. Hence, the fundamentals, strategies, initiatives and success measures identified in the Digital Economy Masterplan 2025 depend very much on the collective and coordinated roles of all stakeholders, in implementing their respective digital transformation initiatives.

4.3. In preparing Brunei Darussalam to fully embrace the potentials of digital economy, the Ministry of Transport and Info-Communications (MTIC) is working closely with the Ministry of Finance and Economy as well as other stakeholders in upgrading the ICT infrastructure in Brunei Darussalam. One notable milestone is with the setting up of Unified National Network (UNN) in 2018. Among others, UNN seeks to drive digital transformation through consolidation and modernization of network infrastructures, including long-term investment towards 5G.⁴ It is with such infrastructural readiness that seamless delivery of competitive services will be enabled for the convenience of official, commercial and personal transactions.

5 GOVERNMENT RESTRUCTURING

5.1. Since 2015, Brunei Darussalam has undergone several government restructuring efforts aimed at improving governance, efficiency, and service delivery. Some key highlights include:

Table 5.1 Overview of governmental restructuring

Former Title	Current Title	Effective
Ministry of Industry and Primary Resources	Ministry of Primary Resources and Tourism	22 October 2015
Ministry of Finance	Ministry of Finance and Economy	20 September 2018
Ministry of Foreign Affairs and Trade	Ministry of Foreign Affairs	20 September 2018
Ministry of Communications	Ministry of Transport and Info-Communications	15 December 2018
Authoriti Monetari Brunei Darussalam	Brunei Darussalam Central Bank	26 June 2021
Ministry of Energy, Manpower and Industry	Department of Energy at the Prime Minister's Office	21 May 2022

Source: Compiled by the Trade Division, MOFE.

5.2. The Ministry of Primary Resources and Tourism (MPRT) was established on 22 October 2015. This signifies His Majesty's aspirations to enhance the growth of the primary resources sectors (namely agriculture, fisheries and forestry) as well as the tourism sector in Brunei Darussalam.

5.3. On 20 September 2018, the Ministry of Finance was renamed as the Ministry of Finance and Economy with the assimilation of several departments namely the Department of Economic Planning and Development (JPKE), three Trade departments (International Trade, Trade Development and Economic Cooperation) from the Ministry of Foreign Affairs and Trade and Brunei Economic Development Board (BEDB). The Department of Economic Planning and Development has since changed its name to the Department of Economic Planning and Statistics. While the three Trade Departments have been split into two divisions namely Trade Division and International Affairs Division. With the incorporation, the Ministry of Finance and Economy oversees the monetary, fiscal and economic policies and development in Brunei Darussalam. Upon the transfer of the Trade Departments, the Ministry of Foreign Affairs and Trade was renamed as the Ministry of Foreign Affairs.

5.4. The Ministry of Communications was renamed as the Ministry of Transport and Info-Communications on 15 December 2018 to reflect a new approach on the direction

⁴ Viewed at: <https://unn.com.bn/digitally-enhancing-brunei-with-unns-modernisation-journey>.

Brunei Darussalam's policy towards Brunei Vision 2035, by taking into account the development of global technology and extending its coverage to include the digital economy.

5.5. Effective from 26 June 2021, the Authoriti Monetari Brunei Darussalam (AMBD) was renamed as Brunei Darussalam Central Bank (BDCB), while still maintaining the same functions and objectives including as (i) regulator of country's financial sector, (ii) ensure stability of the financial system by formulating financial regulations and prudential standards, (iii) assist in the establishment and functioning of efficient payment systems, (iv) to foster and develop a sound and progressive financial services sector and (v) issuing of Brunei Currency. This change takes into effect together with the amended Brunei Darussalam Central Bank Order 2021.

5.6. In October 2015, the Department of Energy at the Prime Minister's Office was renamed as the Department of Energy and Industry after the transfer of the industry sector from the then Ministry of Industry and Primary Resources. In 2018, the department was upgraded to Ministry of Energy and Industry. The ministry was restructured on 31 July 2018, and renamed as the Ministry of Energy, Manpower and Industry. It was restructured once again on 18 November 2019, whereby the non-energy industry portfolio was subsumed under the restructured Ministry of Finance and Economy, and the manpower portfolio became the responsibility of the Manpower and Employment Council. Additionally, the Industry and Business Ecosystem Division, which was established in 2018 under the Ministry of Energy, Manpower and Industry, with the objective to coordinate efforts to develop, align and facilitate implementation of strategies, policies and processes for industrial development and business ecosystem, was then transferred to the Ministry of Finance and Economy (MOFE) in November 2019. Following the restructuring, the Department of Energy, at the Prime Minister's Office was formed on 21 May 2022.

5.7. Other notable developments include the establishment of the Safety, Health and Environment National Authority (SHENA), a statutory body on 6 October 2018. Majlis Perancangan Tenaga Manusia dan Pekerjaan (MPTMP), a council under the Prime Minister's Office was established in November 2019. The objective of the council is to address unemployment related issues, effectively and efficiently. This includes constant collaborations with industries and education and training institution in increasing the employability of Bruneians.

6 INTERNATIONAL TRADE RELATIONS

6.1 Regional efforts

6.1. As a member of ASEAN, Brunei Darussalam continues to remain committed towards ASEAN Community building and regional integration. In 2021, Brunei Darussalam took over the ASEAN Chairmanship responsibilities, with the theme of "We Care, We Prepare, We Prosper". In light of the COVID-19 pandemic, Brunei Darussalam's chairmanship was highlighted with strong focus on harnessing the caring nature of ASEAN to build a harmonious and resilient Community with the people at its centre; ensuring ASEAN remains relevant through preparing and adapting for the future where its peoples can seize new opportunities, as well as overcoming existing and future challenges; and creating opportunities for people to benefit through initiatives that enhance the sustainable prosperity of the region.

6.2. Notable key deliverables during Brunei Darussalam's ASEAN chairmanship includes:

Table 6.1 Brunei Darussalam's ASEAN chairmanship 2021 deliverables

No.	Deliverables	Objectives
i	The adoption of the Consolidated Strategy on the Fourth Industrial Revolution (4IR)	Aims to develop ASEAN's regional capacity in cybersecurity, artificial intelligence and the advancement of regional supply chains and would also contribute to the utilization of 4IR technologies to boost the region's competitiveness, and well-being, through digital transformation
ii	The expansion of the list of essential goods (incorporation of 107 tariff lines of agricultural and food products) under the Memorandum of Understanding (MoU) on the Implementation of Non-Tariff Measures on Essential Goods under the Ha Noi Plan of Action on Strengthening ASEAN	Reaffirming the commitment of ASEAN to keep the markets open and ensure the continued flow of trade and investment, supply chain connectivity, particularly for essential products, and for a strong and resilient post-COVID-19 economy

No.	Deliverables	Objectives
	Economic Cooperation and Supply Chain Connectivity in Response to the COVID-19 Pandemic	
iii	The endorsement of the Bandar Seri Begawan Roadmap: an ASEAN Digital Transformation Agenda to Accelerate ASEAN's Economic Recovery and Digital Economic Integration (BSBR)	Highlights existing and new ASEAN initiatives that are crucial in supporting ASEAN's ongoing digital integration through the commencement of negotiations for an ASEAN Digital Economic Framework by 2025;
iv	The adoption of the Framework for Circular Economy for the ASEAN Economic Community (AEC),	To set out a structured pathway towards the ambitious long-term goals of resource efficiency, economic resilience, and sustainable growth for ASEAN, while building upon past and ongoing initiatives
v	The adoption of the Framework for Circular Economy for the ASEAN Economic Community (AEC)	Sets out a structured pathway towards the ambitious long-term goals of resource efficiency, economic resilience, and sustainable growth for ASEAN, while building upon past and ongoing initiatives
vi	The adoption of the ASEAN Investment Facilitation Framework (AIFF)	Sets out the principles and actions to facilitate the inflow of investment into the region as ASEAN steps up its efforts towards a comprehensive recovery.

Source: Trade Division, MOFE.

6.3. At the sub-regional level, Brunei Darussalam, as a member of the Brunei Darussalam – Indonesia-Malaysia-Philippines – East ASEAN Growth Area (BIMP-EAGA), continues to engage in BIMP-EAGA cooperation which are now streamlined into five pillars; (i) enhancing connectivity within and outside BIMP-EAGA; (ii) establishing BIMP-EAGA as the food basket for ASEAN and the rest of Asia; (iii) promoting BIMP-EAGA as a premier regional tourism destination; (iv) ensuring the sustainable management of the natural resources; and (v) promoting people-to-people connectivity through socio-cultural understanding and increasing mobility. In order to ensure that member countries are attuned to regional and global development trends, opportunities and challenges that would influence the future of economic cooperation, the BIMP-EAGA Vision 2025 (BEV 2025) was formulated. BEV 2025 is a "living" document that members will periodically review and enhance as necessary during the implementation period (2017–25).

6.4. As one of APEC's founding members, Brunei Darussalam continues to support efforts to advance economic cooperation and integration within the Asia-Pacific region. Through APEC, Brunei Darussalam benefits from collaborative efforts that support its economic diversification goals, address global challenges and promotes exchange of best practices and cooperation to achieve greater economic growth and stability. Brunei Darussalam has been actively involved in APEC discussions including the establishment of a Free Trade Area of the Asia-Pacific (FTAAP) and the promotion of women's economic empowerment. Moreover, Brunei Darussalam continues to place significant emphasis on supporting the growth of Micro, Small, and Medium Enterprises (MSMEs) and chaired the APEC Small and Medium Enterprises Working Group (SMEWG) in 2022. Brunei Darussalam has also co-sponsored various APEC initiatives including in the areas of MSMEs, Supply chain and Digital Trade.

6.2 Free Trade Agreements

6.5. Brunei Darussalam continues to actively participate in regional economic forums as a means to work with partners to advance multilateral trade liberalization. Within the framework of ASEAN, Brunei Darussalam continues to work closely with its partners to promote regional trade liberalization, including on upgrading current and negotiating new Free Trade Agreements (FTAs) with its dialogue partners.

6.6. To date, Brunei Darussalam currently only has one bilateral free trade agreement namely the Brunei-Japan Economic Partnership Agreement (BJEPA).

6.7. The Regional Comprehensive Economic Partnership (RCEP) Agreement is a Free Trade Agreement (FTA) between 15 countries: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam, Australia, China, Japan, Republic of Korea, and New Zealand. RCEP negotiations were formally launched at the 2012 ASEAN

Summit in Cambodia and the Agreement was signed on 15 November 2020. RCEP entered into force on 1 January 2022 for 10 participating parties: Australia, Brunei Darussalam, Cambodia, China, Japan, Laos, New Zealand, Singapore, Thailand and Viet Nam. RCEP then entered into force for the Republic of Korea on 1 February 2022, for Malaysia on 18 March 2022, for Indonesia on 2 January 2023 and for the Philippines on 2 June 2023.

6.8. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a free trade agreement (FTA) between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Viet Nam. The CPTPP was signed by the 11 countries on 8 March 2018 in Santiago, Chile. The CPTPP officially entered into force on 30 December 2018 for: Australia; Canada; Japan; Mexico; New Zealand; Singapore. The CPTPP then entered into force for Viet Nam on 14 January 2019, for Peru on 19 September 2021, for Malaysia on 29 November 2022, for Chile on 21 February 2023 and on 12 July 2023 for Brunei Darussalam.

6.9. On 16 July 2023, CPTPP members and United Kingdom announced conclusion of United Kingdom accession negotiations, with the signing of the United Kingdom Accession Protocol. This means that United Kingdom became the first acceding member of the Agreement since its entry into force.

6.10. In 2022, Brunei Darussalam also joined 14 like-minded economies to form the Indo-Pacific Economic Framework for Prosperity (IPEF). Brunei Darussalam views the importance of the framework in advancing economic growth, investment, resilience and sustainability, through the four pillars of Trade, Supply Chain, Clean Economy and Fair Economy. Brunei Darussalam signed the Supply Chain Agreement in November 2023, whereas Clean Economy Agreement, Fair Economy Agreement and the Overarching Agreement were signed in June 2024. These further demonstrated Brunei Darussalam's commitment to advance regional cooperation with IPEF partners in these priority and new emerging areas.

6.3 International tax treaties

6.11. Bilateral Investment Treaties (BITs), Tax Information Exchange Agreements (TIEAs), and Double Taxation Agreements (DTAs) are crucial for Brunei Darussalam in promoting investment, ensuring fair taxation, and enhancing international economic relations. These agreements provide protection, facilitate business operations in the country, and encourage foreign direct investment, which in turns support to growth and stability of the economy.

6.12. Being recently entered into force was the DTA between Brunei Darussalam and the Philippines in January 2024. To date, 19 DTAs have been signed and ratified.

Table 6.2 Bilateral double taxation agreements

Double Taxation		Signed	Entered into Force
1	United Kingdom	8 December 1950 11 December 2012 (Protocol)	8 December 1950 19 December 2013 (<i>Agreement to amend the agreement for avoidance of double taxation</i>)
2	Indonesia	27 February 2000	3 April 2002
3	China	21 September 2004	29 December 2006
4	Singapore	19 August 2005 13 November 2009 (Protocol)	14 December 2006 29 August 2010 (<i>Protocol to amend ADTA</i>)
5	Viet Nam	16 August 2007	1 January 2009
6	Oman	25 February 2008	28 June 2009
7	Bahrain, Kingdom of	14 January 2008 18 December 2012 (<i>Protocol</i>)	18 July 2009 31 December 2014 (<i>Protocol to amend ADTA</i>)
8	Japan	20 January 2009	19 December 2009
9	Pakistan	20 November 2008	25 December 2009
10	Malaysia	5 August 2009	17 June 2010
11	Laos	22 April 2006	20 October 2010
12	Hong Kong, China	20 March 2010	19 December 2010
13	Kuwait, State of	13 April 2009 11 October 2016 (Protocol)	2 June 2011 26 October 2018 (Protocol)
14	United Arab Emirates	21 May 2013	21 November 2014
15	Qatar	17 January 2012	26 August 2016

Double Taxation		Signed	Entered into Force
16	Republic of Korea	9 December 2014	14 October 2016
17	Luxembourg	14 July 2015	26 January 2017
18	Cambodia	27 July 2017	26 April 2018
19	Philippines	16 July 2021	24 January 2024

Source: Revenue Division, MOFE.

Table 6.3 Bilateral tax information exchange agreements

Tax Information Exchange Agreement TIEA		Signed	Entered Into Force
1	Canada	9 May 2013	26 December 2014
2	Iceland	27 June 2012	19 April 2015
3	Norway	27 June 2012	27 April 2015
4	Finland	27 June 2012	1 May 2015
5	Greenland	27 June 2012	7 August 2015
6	Sweden	27 June 2012	20 December 2015
7	Australia	6 August 2013	25 February 2016
8	Denmark	27 June 2012	17 April 2015
9	Faroese	27 June 2012	26 March 2016
10	India	28 February 2019	30 January 2020

Source: Revenue Division, MOFE.

Table 6.4 Bilateral investment treaties

Bilateral Investment Treaty		Signed	Entered Into Force
1	Bahrain, Kingdom of	14 January 2008	24 November 2009
2	China	17 November 2000	
3	Germany	30 March 1998	15 June 2004
4	India	22 May 2008	18 January 2009
5	the Republic of Korea	14 November 2000	30 October 2003
6	Kuwait, State of	13 April 2009	7 April 2011
7	Oman	8 June 1998	
8	Ukraine	18 June 2004	26 April 2006

Source: Investment Division, MOFE.

6.13. These agreements are vital tools in providing a stable and clear tax framework that enhances the investment prospects of Brunei Darussalam with her partners.

7 MACROECONOMIC ENVIRONMENT

7.1. For the past 10 years (2013–23), Brunei Darussalam's economy contracted at an average rate of 0.1%. This decrease was largely attributed to a decline of 2.4% in the oil and gas sector, reflecting decreased production of crude oil, natural gas, and LNG. In contrast, the non-oil and gas sector saw substantial growth of 2.5%, driven by increases in subsectors such as the manufacturing of petroleum and chemical products following the commencement of Hengyi Industries' operations in 2019, as well as growth in finance subsector and communications subsector.

7.2. Brunei Darussalam's Gross Domestic Product (GDP) at current prices in 2023 was valued at BND 20.3 billion compared to Brunei Darussalam's BND 23.0 billion in 2022. From the total GDP, Oil and Gas Sector accounted for 47.4% meanwhile, the Non-Oil and Gas Sector accounted for 52.6%, which includes downstream activities such as the manufacture of petroleum and chemical products.

7.3. GDP at constant prices in 2023 was valued at BND 19.0 million, reflecting an economic growth of 1.4%. This growth was attributed to a continuous increase of 4.5% in the non-oil and gas sector. Meanwhile, the oil and gas sector declined by 2.0%. GDP at constant prices The Non-Oil and Gas Sector was buoyed by an improvement in subsectors such as Finance, Transport and Logistics, Construction and Communication. On the contrary, the Oil and Gas Sector experienced a contraction owing to a decline in the production of crude oil, natural gas and LNG. This was mainly due to maintenance activities in the early three quarters of 2023.

7.4. In terms of inflation rate, from the period of 2015 to 2023, Brunei Darussalam registered an average marginal increase of 0.8%, driven mainly by an increase in the Food and Non-Food indexes by 1.7% and 0.6%, respectively. The increase in the Food Index was mainly driven by:

- Oil and Fats: This was driven by a rise in the price of cooking oils, caused by increased import prices from neighboring countries such as Malaysia and Indonesia;
- Meat: The price increase was due to a supply shortage from major exporting countries, notably Australia; and
- Vegetables: Unfavorable weather conditions led to a supply shortage, causing prices to rise.

7.5. Meanwhile, the rise in the Non-Food index on average was mainly driven by:

- Miscellaneous Goods and Services: The rise was in line with an increase in insurance prices;
- Restaurants and Hotels: The increase followed a rise in accommodation and catering services; and
- Transport: The increase was in line with the surge in motor cars' prices.

7.6. During the pandemic period from 2020 to 2022, inflation rates were persistently high, averaging 2.4% with 2022 recorded its highest peak at 3.7%, mainly due to rising food prices. The upward risk was caused by supply-chain disruptions due to the pandemic and worsened by ongoing geo-political tensions.

7.7. In addition, as a net food importer of about 70%, we are highly exposed to external factors such as ongoing geopolitical tensions, weather conditions in key producing countries, exchange rates, and policies such as export bans and restrictions.

7.8. On trade development, over the last 10 years (2013-23), Brunei Darussalam maintained a trade surplus, although the trade balance experienced notable fluctuations. From 2013 to 2020, the trade balance steadily declined, reaching its lowest point in 2020. This downturn was largely due to the global trade disruptions caused by the COVID-19 pandemic, which had significantly impacted Brunei's exports and imports.

7.9. Starting in 2021, the trade balance showed a strong recovery, driven primarily by exports from the downstream petrochemical industry. This positive trend continued until 2023, when the trade balance recorded a significant decline of 31.6% compared to the previous year. The drop in 2023 was primarily due to a 24.8% reduction in exports, driven mainly by lower oil and gas exports, resulting from declining prices for crude oil and liquefied natural gas (LNG).

7.10. In addition, non-oil and gas exports also declined, largely due to decreased exports in the downstream petrochemical industry, where production of mineral fuels decreased. However, despite these challenges, the export value of urea fertilizers increased, supported by a rise in export volume.

7.11. Brunei Darussalam's unemployment rate for individuals aged 18 years and above has significantly improved over the past few years, decreasing from 8.7% in 2017 to 5.1% in 2023. This reduction reflects the positive impact of efforts to enhance employment opportunities and promote economic growth in the country. However, there was a slight uptick in the unemployment rate to 7.2% in 2020, largely due to the global economic challenges and disruptions caused by the COVID-19 pandemic.

7.12. From 2017 to 2023, local employment in Brunei Darussalam experienced positive growth, increasing from 138,737 to 152,620 persons. This was mainly driven by a rise in private sector employment, which grew from 64,363 persons in 2017 to 86,031 persons in 2023. Despite this overall increase, public sector employment declined slightly, from 74,374 persons in 2017 to 66,589 persons in 2023. This trend reflects a shift in employment patterns, with more locals moving from public sector positions to opportunities in the private sector.

7.13. The key risks to the economy remain largely unchanged, reflecting the continued importance of the oil and gas sector to the economy.

8 MONETARY AND FINANCIAL SECTOR POLICIES

8.1. Brunei Darussalam's monetary system is based on the Currency Board Arrangement, which is underpinned by the Currency Interchangeability Agreement (CIA) between Brunei Darussalam and Singapore. The arrangement with Singapore has continued to served Brunei Darussalam well and delivered stability. Despite the challenging macroeconomic environment, the banking sector remains liquid and well capitalized. Key financial soundness indicators continue to depict financial strength with aggregate capital adequacy ratio (CAR) of 21.3% as of Q1 2023, and gross nonperforming loans (NPL) at 3.2%. The CAR is well above the minimum regulatory requirement of 10.0% as stipulated in the Banking Order, 2006 and Islamic Banking Order, 2008.

8.2. Brunei Darussalam Central Bank (BDCB), previously known as the Authoriti Monetori Brunei Darussalam (AMBD), published the Brunei Darussalam Financial Sector Blueprint 2016 – 2025 (FSBP) in 2016. The Blueprint sets out a vision of a dynamic and diversified financial sector to support Brunei Darussalam's Wawasan 2035's goal of transforming Brunei Darussalam into a diversified, dynamic and sustainable economy. The Blueprint outlines five Pillars:

- Pillar I: Monetary and Financial Stability;
- Pillar II: Competitive and Innovative Financial Institutions and Services;
- Pillar III: Robust and Modern Infrastructure;
- Pillar IV: Enhanced International Integration; and
- Pillar V: Human Capital Development.

8.3. Islamic Finance has been identified as a key focus area under the FSBP. Brunei Darussalam embarked on its Islamic finance journey with the establishment of the first Islamic financial institution in 1991. Three decades later, the Brunei Darussalam Islamic financial sector has multiplied in terms of the number and types of financial institutions. Islamic finance activities are governed under the Islamic Banking Order (2008) for Islamic banks, Takaful Order (2008) for the Takaful sector and Islamic capital market activities are governed under the SMO, and SMR. Islamic financial institutions (IFIs) are subject to the same prudential standards and reporting requirements as conventional financial institutions. BDCB has also introduced additional regulatory requirements that IFIs need to adhere to. These include the Syariah Financial Supervisory Board Order (SFSB), 2006, Notice and Guidelines to Financial Institutions on Syariah Governance Framework, Guidelines on Internal Syariah Audit Framework and Guidelines on The Islamic Product Approval Process under Section 14 of Syariah Financial Supervisory Board Order 2006.

8.4. BDCB continues to support the development of a sound and progressive financial sector by undertaking several initiatives to achieve this objective. The FinTech Office was established following the launch of the FSBP. The Division is responsible for fostering innovation specifically in the area of financial technology. It also runs and operates the FinTech Office, which serves as a one-stop virtual facilitation office where interested parties may contact BDCB on any matters related to FinTech. On 27 February 2017, BDCB formally issued the FinTech Regulatory Sandbox Guidelines, which aims to aid in the development of FinTech companies in Brunei Darussalam through the creation of a regulatory sandbox. This regulatory sandbox allows the testing of FinTech products and services through the usage of a framework that enables qualified companies or businesses to experiment with innovative solutions in a relaxed regulatory environment, for a limited period of time and boundaries. On 9 December 2020, BDCB issued the amended FinTech Regulatory Sandbox Guidelines, where the application process has been streamlined to reduce the application assessment time.

8.5. In addition, to streamline the process of facilitating new potential entrants to the Brunei Darussalam financial services sector, BDCB launched the Expression of Interest (EOI) landing page on BDCB's website in October 2023. The streamlined process allows BDCB to specify the prerequisites and conduct due diligence on interested applicants before the formal licensing application and provide the necessary information needed on licensing criteria for financial activities licensed under BDCB as well as entry to the FinTech Regulatory Sandbox.

8.6. Brunei Darussalam recognizes the significant threats of money laundering (ML) and terrorism financing (TF) which can disrupt the country's and the region's security and economic activities. Brunei Darussalam is committed to ensuring money laundering, terrorism financing and other related financial crimes are mitigated and prevented. In doing so, the Financial Intelligence Unit (FIU) undertakes various functions in coordinating and monitoring the interagency efforts towards combating money laundering, terrorism financing and other related financial crimes including working closely with the relevant agencies by providing recommendations or guidance to supervisory authorities, enforcement agencies and reporting institutions on Anti Money Laundering (AML)/Combating the Financing of Terrorism (CFT) initiatives. The FIU also plays the role of the central agency in Brunei Darussalam responsible for receiving, requesting, analyzing and disseminating information concerning suspected proceeds of crime, ML and TF.

8.7. The Criminal Asset Recovery Order (CARO), enacted in 2012, is the primary statute governing the AML/CFT regime in Brunei Darussalam. CARO criminalizes money laundering and contains provisions that applies to a wide range of authorities and agencies relevant to AML/CFT. Demonstrating Brunei Darussalam's commitment in combating ML/TF, CARO was amended on 31 January 2023 to streamline Brunei Darussalam's legislative framework to the standards set forth by the Financial Action Task Force (FATF) 40 Recommendations. Changes were made to provisions for identification requirements, wire transfer requirements, enhanced due diligence (EDD) on high-risk customers, EDD and counter measures as required by the FATF or the government, the assessment and mitigation of ML/TF risks and the implementation of group-wide programs by all branches and majority-owned subsidiaries of financial groups. The functions and powers of the FIU, BDCB were also clarified to include the authority to access, use and share information, and to impose measures and sanctions upon non-compliance.

8.8. In 2023, Brunei Darussalam completed its 3rd Asia Pacific Group (APG) Mutual Evaluation, having previously completed its 2nd APG Mutual Evaluation in 2010. On 13 July 2023, the APG Plenary endorsed the mutual evaluation report (MER) of Brunei Darussalam and agreed to place Brunei Darussalam in the Enhanced Follow-Up category which requires Brunei Darussalam to provide follow-up reports annually to the APG. Brunei Darussalam was rated 'substantially effective' in five key areas, namely:

- Risk, policy, and coordination;
- International cooperation;
- Financial intelligence;
- Terrorism financing investigations and prosecutions; and
- Terrorism financing preventive measures and financial sanctions.

8.9. The category placement means that Brunei Darussalam's level of compliance is on par with that of Malaysia, Singapore and Thailand while the ratings are second to Indonesia within the ASEAN region. With the next Mutual Evaluation scheduled to take place in 2030, the FIU, BDCB is committed to playing its part in the national AML/CFT institutional framework in order to comply with the FATF Recommendations.

8.10. The regulatory changes undertaken by the Brunei Darussalam Central Bank since 2015 have contributed to creating a more stable, trustworthy, and competitive environment. These changes have enhanced financial systems and promoted adherence to international standards, to attract foreign investment and facilitate international trade in Brunei Darussalam.

9 REFORMS FOR SUSTAINABLE AND RESILIENT ECONOMIC DEVELOPMENT

9.1. Brunei Darussalam remains committed to accelerate economic diversification to support a resilient and sustainable medium-term economic growth. Continuous efforts have been undertaken in enhancing the five priority sectors for diversification, namely Downstream Oil and Gas; Food; ICT; Tourism and Services. Efforts in these priority sector areas have bear fruit with the sectors' contribution to GDP increasing from 46.9% in 2010 to 55.9% in 2022. The diversification momentum is expected to continue, with additional O&G downstream activities, such as Petrochemical

Intermediate & Derivative products (PID) and Hengyi phase 2, to sustain the positive trend in the non-oil and gas sector.

9.2. Brunei Darussalam also remains committed in supporting the growth of MSMEs, which play an important role in job creation, economic diversification, and poverty reduction. Various initiatives are in place to nurture and provide support to MSME growth and development including to facilitate digitalization of MSMEs and access to global market.

9.3. In line with the Digital Economy Masterplan 2025, Brunei Darussalam continues its ambition in pursuing digital transformation and becoming a Smart Nation. The Masterplan sets out a number of goals, including increasing the use of digital technologies in businesses and government, improving the country's digital infrastructure, and building a skilled workforce in digital technologies. A few flagship projects have been identified including the current implementation of the Digital Identity and Digital Payment Hub. Brunei Darussalam is also investing in infrastructure and initiatives to support this goal, including the expansion of the reach and affordability of broadband Internet, developing a 5G network, and building a national data centre.

9.4. Brunei Darussalam recognizes the significance of wage policies as a crucial tool to ensure workers receive a reasonable income to support their livelihoods. With this in mind, the introduction of Minimum Wage Policy through the Employment (Minimum Wage) Order, 2023 under the Employment Order 2009 was announced on 12 July 2023. The minimum wage policy takes into effect in phases, whereby the first phase will apply to Banking and Finance Sector and the Info-Communications Technology Sector. This marks a significant step forward in promoting fair employment practices and decent pay in-line with standards set by the International Labour Organization (ILO). Among others, the objectives of the Minimum Wage Policy is to establish a baseline wage that provides a fair and reasonable income to support decent livelihood; to protect workers against unduly low pay; to motivate local employees to progress and enhance productivity; and to stimulate economic growth and boost consumer spending.

9.5. Brunei Darussalam remains dedicated in playing its part in addressing climate change and delivering her climate goals. Brunei Darussalam has recently announced her Nationally Determined Contributions (NDCs) to a reduction in total national greenhouse gas (GHG) emissions by 20% relative to Business-As-Usual levels by 2030. Brunei Darussalam is also committed in implementing the 10 key strategies as enshrined in the Brunei Darussalam National Climate Change Policy (BNCCP) to achieve the Net Zero target by 2050. To achieve this, Brunei Darussalam has stepped up efforts in driving energy transition and facilitation of climate mitigation and adaptation efforts. To help meet the net zero target, a robust monitoring mechanism is crucial to ensure that progress is tracked. Therefore, Brunei Darussalam plans to launch a Mandatory Reporting Directive with the objective to enhance the transparency of her emissions reporting and further help to substantiate actions to achieve her net zero ambition. Brunei Darussalam also places great importance to adaptation efforts and is in the process of developing a National Climate Change Adaptation Plan to coordinate adaptation efforts for a climate-resilient and adaptive nation. Additionally, with the support of other ASEAN member states, Brunei Darussalam will host the ASEAN Centre for Climate Change (ACCC), which aims to strengthen ASEAN's climate change coordination and cooperation by becoming a hub for climate research and climate change-related policy making recommendations.

10 TRADE POLICY FRAMEWORK

10.1 Tariffs

10.1. Brunei Darussalam maintains a liberal and open tariff liberalization profile for its Most Favored Nation (MFN) Tariffs as well as across its Free Trade Agreements (FTAs). The Brunei Darussalam Trade and Tariff Classification 2022 (BDTTC 2022) was officially implemented on 17 May 2023, whereby it brings Brunei's MFN Tariff liberalization levels to 92.5%, consisting of 11,414 tariff lines at 8-digit level. The remaining items include coffee and tea, articles of alcohol, petroleum oils, chemicals and wood products. The categorization of the tariff lines with *ad valorem* rates is as follows:

Table 10.1 Ad valorem tariff lines overview

Ad Valorem Rates (%)	Number of Tariff Lines
2.5	63
5	572
10	62
15	94
Total	791

Source: Royal Customs & Excise Department, MOFE.

10.2. Brunei Darussalam also maintains high-tariff liberalization levels for all of its regional trade agreements. The high-tariff liberalization rates enhance international trade by reducing costs, improving access to markets, and fostering a more efficient and competitive environment. These factors help to strengthen Brunei Darussalam's supply chains, making them more resilient and adaptable during operational disruptions.

10.2 Trade facilitation

10.3. In an effort to boost trade facilitation and social awareness with regards to trade-related matters, Brunei Darussalam launched the BruneiTrade⁵ website in May 2022. The website aims to provide one-stop information on trade such as export/import requirements, trade events opportunities and tariff-related information. The website complements existing government online platforms such as Brunei Darussalam National Single Window (BDNSW).

10.4. The Brunei Darussalam National Single Window (BDNSW) System has been implemented since 2013, offering a digital platform for the business community to facilitate trade especially exchange of electronic trade documents. The development of BDNSW is also a significant part of the country's commitment to the ASEAN Single Window (ASW) System, which aims to expedite inter-port cargo clearance through increased ASEAN economic integration.

10.5. In 2018, several enhancements were made to BDNSW to improve documentary and border compliance for import and export activities. These enhancements included: (i) the implementation of auto-approved declarations for the import and export of normal goods, (ii) online manifest submission for the port clearance process, (iii) the granting of blanket import permits for certain goods, (iv) the introduction of online payment for customs duties, and (v) the exchange of electronic document with ASEAN member states through ASW environment.

10.6. In support of continuous public service improvement and the use of technology for trade facilitation, Brunei Darussalam introduced additional feature in BDNSW which is the Online Customs Transit Declaration in July 2022, allowing transit operators from neighboring countries to submit customs declarations online and reduce border counter visits. Brunei Darussalam also introduced the *Customs.BN mobile application* in February 2024, which aims to enable and facilitate personal liquor declaration to be submitted and processed electronically as well as to enable users to submit feedback to the Royal Customs and Excise Department (RCED).

10.3 Investment

10.7. The Investment Division was set up in 2016 to administer investments and related matters under the purview of Ministry of Finance and Economy. It is primarily responsible to administer (i) Minister of Finance Corporation and (ii) Sustainability Fund, a Government Trust Fund and three Trust Sub-Funds (namely the Retirement Fund, Fiscal Stabilization Reserve Fund and Strategic Development Capital Fund).

10.8. The Minister of Finance Corporation is responsible to hold and manage Government's interests and ownership in assets and properties held directly or through Government-linked companies. The objective of the Sustainability Fund and the Trust Sub-Funds is to ensure the long-term sustainability of the finances of the Government.

⁵ Viewed at: <https://bruneitrade.mofe.gov.bn/SitePages/home.aspx>.

10.9. The overall purpose of the Investment Division is to ensure sustainability of the finances of the Brunei Government through diversification of investments and making strategic investments to generate economic growth of the country and entering into strategic investments.

10.4 Standards

10.10. Brunei Darussalam remains committed to promoting as well as advancing standards and conformance to complement ongoing efforts to enhance the long-term development of domestic industries and businesses. Brunei Darussalam Standards and Accreditation Centre (BDSAC), formerly known as National Standards Centre (NSC), continues to be the primary body that is responsible for standards and accreditation activities in Brunei Darussalam.

10.11. BDSAC is governed by the Standards and Accreditation Council of Brunei Darussalam (SACBD) formerly known as the National Standards Council (NSC). It is chaired by the Permanent Secretary (Economy, Trade and Industry) of the Ministry of Finance and Economy with members from multi-agencies across the government and non-government sector. The Council provides policy directions and directives on standards and accreditation with a focus on aligning with national strategies and initiatives, particularly, in supporting quality growth as well as bolstering consumer safety and confidence. Three National Standards Committees have been established for Construction, Food, and Tourism.

10.12. Since 2021, 32 conformity assessment bodies have been registered to provide conformity assessment services to local companies and are planning to expand its scope to include verification/validation bodies, testing laboratories as well as calibration laboratories. As of July 2024, a total of 163 National Standards also known as *Piawai Brunei Darussalam (PBD)* have been published, all of which are on a voluntary basis.

10.13. Overall, the BDSAC plays a critical role in aligning Brunei's trade practices with international standards, which supports economic growth and enhanced trade relations both regionally and globally.

10.5 Competition

10.14. The Competition Act, introduced in 2015 and commenced on 1 August 2017, serves as the cornerstone of Brunei Darussalam's legal framework for maintaining fair competition. The Act applies to all commercial entities across sectors, but it does not cover the activities, agreements, and conduct of the Government, statutory bodies, or entities acting on their behalf. Additionally, some sectors are also excluded from the Act due to public interest considerations or because they are governed by sector-specific competition frameworks. Key prohibitions under the Competition Act include anti-competitive agreements, abuse of dominant position, and anti-competitive mergers. Under the phased implementation, the prohibition of anti-competitive agreements was enforced on 1 January 2020. This provision specifically targets practices such as price-fixing, market-sharing, bid rigging, and limiting supply, which can significantly distort market dynamics. The other prohibitions, namely abuse of dominant position and anti-competitive mergers, will soon follow.

10.15. The enforcement of these provisions is overseen by the Competition Commission of Brunei Darussalam (CCBD) a regulatory authority established under the Competition Act. Through its Executive Secretariat, the Commission promotes awareness of the law among businesses and consumers and advocates for pro-competitive policies and practices. Additionally, the Commission also plays a crucial role in maintaining a competitive market by investigating suspected anti-competitive activities and ensuring compliance with the law. If infringements are identified, the Commission is empowered to issue financial penalties, order businesses to cease anti-competitive practices, and implement corrective actions to restore competitive conditions. Businesses or individuals affected by the Commission's decisions may appeal to the Competition Appeal Tribunal within the prescribed period. The Tribunal is tasked with hearing appeals against the decisions of the Commission and ensuring that such decisions are fair and just.

10.16. Strategic oversight of the Commission is provided by its board, which includes the Chairperson and members of the Commission, all appointed by His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam. The responsibilities of the board include setting the Commission's priorities, approving investigation outcomes, and ensuring that enforcement actions

align with Brunei's broader economic objectives. Through effective governance, the Board ensures that the Commission operates transparently and efficiently, upholding the principles of fair competition across all sectors of the economy. The Commission also engages in international cooperation, working with global competition authorities and regional blocs to enhance its regulatory framework and enforcement capabilities.

11 SECTORAL POLICIES AND DEVELOPMENT

11.1 Energy sector

11.1. The Department of Energy at the Prime Minister's Office vision is Energy Security for Brunei Darussalam's Prosperity, to be achieved through the mission of providing efficient, resilient and diverse forms of energy for socio-economic growth by leveraging on national and international collaboration. The Department aims to achieve this vision through three Strategic Thrusts namely: (i) Sustain Upstream Oil and Gas Sector; (ii) Grow Downstream Oil and Gas Sector; and (iii) Secure Energy Supply of Power and Fuel. These three strategic thrusts are complemented further by Value-added Strategies that aims to maximize in-country value through employment and local content spending, as well as reducing GHG emissions from the energy sector. The Department's vision and mission was established for supporting the achievement of the Wawasan Brunei 2035 vision through energy security of the country, thus securing the country's economic growth.

11.2. By virtue of the Petroleum Authority of Brunei Darussalam (the PA Act), the Petroleum Authority of Brunei Darussalam (Petroleum Authority) was established in 2019 and is vested with exclusive mineral rights and powers in respect of Brunei Darussalam's petroleum resources and petroleum data, through the PA Act and petroleum mining agreements.

11.3. The Authority's role is to regulate the oil and gas industry and acts as the technical advisor to the Government of Brunei on matters pertaining to oil and gas; and maximizing the hydrocarbon value chain. Under the Petroleum Mining Act, investors, including foreign investors, may, by way of invitation bids, apply for petroleum mining agreements for the purposes of exploration, prospecting for and the mining of petroleum.

11.2 Upstream industries

11.4. The largest oil and gas operator and producer remains Brunei Shell Petroleum Company Sdn Bhd (BSP) by virtue of it being granted mineral rights of scheduled lands through the concession agreements signed between Petroleum Authority and BSP.

11.3 Downstream industries

11.5. In recent years, the Oil and Gas industry has achieved significant milestones, particularly in the expansion and diversification of its downstream sector. A notable downstream development is the full commercial operation of the Pulau Muara Besar (PMB) Refinery and Petrochemical Plant, which began in 2019. Additionally, the commencement of urea production in 2022 at Brunei Fertilizer Industries' (BFI) ammonia and urea production plant has further expand the country's downstream energy portfolio.

11.6. The Refinery and Petrochemical Complex at Pulau Muara Besar (PMB) operated by Hengyi Industries Sdn Bhd started its operations in November 2019 and has a production capacity of 8 million tonnes per annum, fulfilling domestic demand for a number of petroleum products. It produces more than 10 products comprising of petroleum products, aromatics and petrochemical products like benzene and paraxylene. Hengyi produces supply of petroleum products (gasoline, diesel and jet-A1) for domestic use, and exporting most of the products to over 10 countries including ASEAN, China, and other countries.

11.7. BSP and Brunei Shell Marketing Company Sdn Bhd (BSM) signed respective commercial agreements with Hengyi in September 2019, for the supply of crude oil and fuel products for the domestic market of Brunei Darussalam.

11.8. BSM is the sole supplier and marketer of petroleum products in Brunei Darussalam, which includes gasoline, diesel, kerosene, and bottled LPG fuels which are transported from BSM and their

business partners fleet of road tankers to Shell retail stations and their B2B (business-to-business) customers and their business partners fleet of bottled LPG and kerosene in meeting the daily fuel demand.

11.4 Information and communications technology (ICT)

11.9. In 2019, AITI launched the Digital Adoption Awareness Programme to assist MSMEs in enhancing their operations. Through a series of seminars and workshops called DigiBiz Talks, MSMEs were educated about the benefits of adopting digital solutions for their businesses. By leveraging digital solutions, MSMEs can build their capacity, stay abreast of technological advancements, and remain competitive in an evolving market.

11.10. In 2021, AITI introduced the Tech Immersion Programme, designed to enhance Brunei ICT Awards (BICTA) products by incorporating advanced technologies such as Artificial Intelligence (AI), Internet of Things (IoT), and Data Analytics. The programme aims to make these products relevant in the international market and prepare them for commercial deployment. Tech Immersion also offers opportunities to network and pitch to regional venture capitalists and tech companies, gain insights into regional market identification for commercialization, and participate in local market access programs.

11.11. In 2021, AITI initiated 'Smart Aquafarm' project as part of its Market Creation and Data Sharing initiatives. This project aims to advance industry development and the adoption of emerging technologies by using IoT to enhance business productivity and provide local ICT companies with a platform to showcase their capabilities. Conducted in close collaboration with the Fisheries Department under the Ministry of Primary Resources and Tourism (MPRT), the pilot project offers local solution developers the opportunity to develop, industry-test, and locally customize data analytic solutions to be market-ready. AITI plans to expand awareness among aqua farmers about how modern technology can improve yield quality and quantity, ultimately encouraging more operators to adopt these technologies.

12 STRATEGY FOR FUTURE GROWTH

12.1. Brunei Darussalam remains strongly committed in its efforts towards achieving economic diversification and sustainable development. The stable political system, sound macroeconomic policies, well-developed infrastructure in areas such as education, health, transportation and communications and strong legal and regulatory environment as well as stable supplies of basic amenities makes Brunei Darussalam an attractive option for potential foreign investors.

12.2. Brunei Darussalam's economic diversification and long-term economic strategy will also continue to be guided by the strategies and policy directions set out in the Vision 2035, which aims to make Brunei Darussalam by 2035, inter alia, a dynamic nation and sustainable economy with income per capita within the top 10 countries in the world.

12.3. Recognizing the importance of the oil and gas industry to the economy, Brunei Darussalam continues to implement initiatives to diversify and strengthen the energy sector, including increasing efforts in upstream activities and focusing on attracting FDI through downstream activities. In addition, Brunei Darussalam has identified export manufacturing and services sector, such as halal food processing; halal pharmaceuticals and cosmetics; oil and gas-based petrochemicals; information and communications technology and high-tech industries; and air and sea logistics, aviation and energy services as important sectors towards achieving economic diversification.

12.4. Brunei Darussalam continues to place great emphasis on the commitments made in its FTAs, which could potentially attract investors to leverage on FTAs as a tool to gain greater market access. Similarly, Brunei Darussalam will also continue to promote positive development of local Micro, Small and Medium Enterprises (MSMEs) through socialization and capacity-building opportunities.

13 CONCLUDING REMARKS

13.1. As encapsulated under Goal 3 of *Wawasan Brunei 2035*, Brunei Darussalam will continue to explore efforts to diversify into other economic sectors, away from the Upstream Oil and Gas. To this end, the Government has outlined five priority sectors for investments and development such

as: Downstream Oil and Gas, Food, Services, Tourism, and Information and Communication Technology (ICT).

13.2. Brunei Darussalam has made significant strides in developing her downstream sectors through Foreign Direct Investments (FDIs) which have among others, contributed to economic growth and job creation. Following this good momentum, Brunei Darussalam also will continue to exert efforts in diversification including attracting FDIs in untapped industries, improving the business environment, modernizing the economy, supporting the development of Micro, Small and Medium Enterprises (MSMEs) and maintain a prudent fiscal profile.

13.3. In the international trade arena, Brunei Darussalam remains committed to free and open trade and acknowledges the importance of trade and investment opportunities in developing her industries through market access opportunities, tariff liberalization as well as a platform to advance policies that meets international standards. Brunei Darussalam also attaches great importance to economic cooperation and capacity-building initiatives through international and regional organizations such as WTO, ASEAN, APEC and BIMP-EAGA in boosting skills and expertise which will contribute to short, medium- and long-term economic growth.

13.4. Brunei Darussalam will continue to introduce new policies and/or review existing policies in upholding its strong commitment towards the multilateral trading system, adhere to international and regional commitments as well as to contribute to a global supply chain that remains open, facilitative and resilient.
