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COUNTRY REPORT BRUNEI DARUSSALAM 2010

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Brunei Darussalam

“The Abode of Peace”



Brunei Darussalam at a glance:

- Geographically - situated on the north-west of the island of Borneo; covering a total area of 5,765 km² along the South China Sea.
- Islam is the main religion practised in Brunei, followed by Christianity and Buddhism.
- Brunei is made up of four (4) districts:
 - Brunei and Muara District (Bandar Seri Begawan)
 - Tutong District (Tutong town)
 - Belait District (Seria)
 - Temburong District (Bangar)

- Brunei is arguably best known today as an oil producing country. Revenues from crude oil and natural gas have accounted for over 95% of Brunei's export earnings and this helps to finance our development programmes
- Brunei Darussalam is the third largest oil producer in Southeast Asia and the fourth largest producer of liquefied natural gas in the world
- Praise to Allah, because of this, our education and healthcare are free, and there is no personal income tax.
- However, the Brunei government has now accelerated efforts to diversify the economy in order to not rely wholly on oil and gas exports.

Wawasan Brunei 2035

- In January 2008, His Majesty Sultan Haji Hassanal Bolkiah Muizzaddin Waddaulah, authorised the launching of Brunei Darussalam's ***National Vision*** or "***Wawasan***".
- There is a need to develop and implement an integrated and well-coordinated national strategy comprising the following key elements:
 - An **education strategy** that will prepare Brunei's youth for employment and achievement in a world that is increasingly competitive and knowledge-based.
 - An **economic strategy** that will create new employment for the people and expand business opportunities within Brunei Darussalam through the promotion of (foreign and domestic) investment,, both in ***downstream industries*** as well as in economic clusters beyond the oil and gas industry.

- A **security strategy** that will safeguard Brunei's political stability and its sovereignty as a nation and that links Brunei's defense and diplomatic capabilities and Brunei's capacity to respond to threats from disease and natural catastrophe.
- An **institutional development strategy** that will enhance good governance in both the public and private sectors, high quality public services, modern and pragmatic legal and regulatory frameworks and efficient government procedures that entail a minimum of bureaucratic "**red tape**".
- A **local business development strategy** that will enhance opportunities for local small and medium sized enterprises (SMEs) as well as enable Brunei Malays to achieve leadership in business and industry by developing greater competitive strength.
- An **infrastructure development strategy** that will ensure continued investment by government and through public-private sector partnerships in developing and maintaining world-class infrastructure with special emphasis placed on education, health and industry.

- A **social security strategy** that ensures that, as the nation prospers all citizens are properly cared for.
 - An **environmental strategy** that ensures the proper conservation of Brunei's natural environment and cultural habitat. It will provide health and safety in line with the highest international practices
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- To realise this ***Vision of Brunei 2035*** or ***Wawasan Brunei 2035***, the strategies above will need to be developed by both government and private bodies and implemented as a well-coordinated national strategy.

Brunei's 9th National Development Plan 2007 - 2012

- The current 9th National Development Plan (2007-2012) marks a strategic shift in the planning and implementation of development projects, as it is the ***first national development plan to have been formulated in line with the objectives of Brunei Darussalam's "Wawasan Brunei 2035", or "Vision of Brunei 2035"***

9th NATIONAL DEVELOPMENT PLAN (2007 - 2012) Total Allocation (B\$)	\$9.5 billion (\$)	100%
Industry and Commerce	1,024,965,460	10.8
Agriculture	101,771,500	1.1
Forestry	65,368,000	0.7
Fishery	115,839,960	1.2
Industrial Development	404,334,000	4.3
Commerce & Entrepreneurial Development	38,514,000	0.4
Pulau Muara Besar	299,138,000	3.1
Transport and Communication	1,067,038,300	11.2
Roads	568,535,000	6
Civil Aviation	114,527,000	1.2
Marine and Ports	26,753,000	0.3
Telecommunications	116,517,000	1.2
Radio and Television	118,241,300	2.4
Postal Services	12,465,000	0.1
Social Services 'A'	1,294,267,900	13.6
Education	822,468,500	8.7
Medical and Health	149,152,000	1.6
Religious Affairs	27,180,600	0.3
Human Resource Development	295,466,800	3.1
Social Services 'B'	1,761,451,800	18.5
Government Housing	23,281,000	0.2

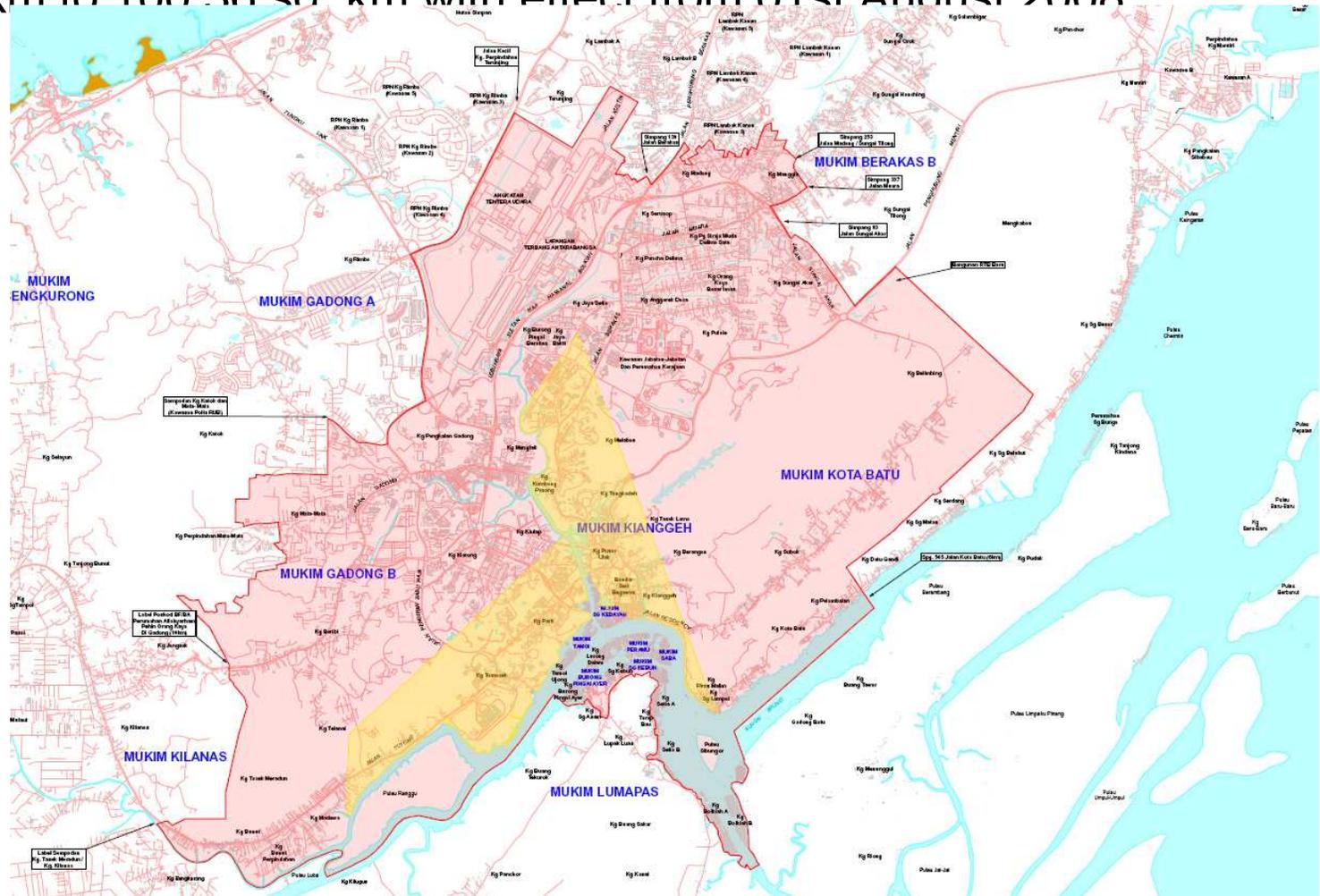
Continuation	B\$	%
Public Facilities and Environment	182,500,800	1.9
National Housing	1,555,670,000	16.4
Public Utilities	1,492,717,900	15.7
Electricity	587,904,000	6.2
Sanitation	178,013,000	1.9
Water Supply	524,573,900	5.5
Drainage	1,067,038,300	2.1
Public Buildings	568,535,000	7.1
Science, Technology and R & D	114,527,000	1.7
ICT	26,753,000	12.1
Security	116,517,000	6.3
Royal Armed Forces	118,241,300	4.4
Police	12,465,000	1.8
Miscellaneous	1,294,267,900	2.9
Contingency Reserves	822,468,500	2.6
Site Development	149,152,000	0.2
Consultant Fee	27,180,600	0.2
Liabilities for Completed Project	295,466,800	0

Source: Department of Economic Planning and Development

Brunei's Current Development

- The implementation of the Land Code (Strata) Order 1999
- The implementation of the Licensing of Value and Estate Agent Act
- The completion of Sungai Liang Industrial Park
- The development of Pulau Muara Besar
- The current development of National Housing Projects
- The creation of Bandar Seri Begawan Development Master Plan
- The upgrade of Seria Town (Multi-Purpose Hall & Entertainment Centre)
- The development of Pandan Area as a Commercial Area for Kuala Belait
- The completion of Muara Port as an International Port
- The rapid development of national housing projects for Brunei citizens

Brunei's capital city, Bandar Seri Begawan has expanded from 12.87 sq. km to 100.36 sq. km with effect from 01st August 2008



Building Tax

- Municipal Board Act Chapter 57, has imposed a 12-per cent Building Tax since 2008 on commercial buildings and residential buildings
- This 12% tax is the first for practically all commercial and home owners that are affected by the areas under the Municipal Board so a lot of mixed reactions were expected from them.



Brunei Economic Development Board ***[BEDB]***

- The BEDB (Brunei Economic Development Board) is a statutory board established by His Majesty The Sultan in November 2001 to be the leading economic development agency for Brunei Darussalam.
- Their mission is to contribute to Brunei Darussalam's success as a land of opportunity for its people and all investors.
- Currently, BEDB is the main key-players in Brunei's development for both **property** and **economically**.
- They are currently concentrating on **THREE (3)** major development projects, that is, "***Sungai Liang Industrial Park [SPARK]***"; "***Pulau Muara Besar (Muara Island) Project [PMB]***" and "***Brunei's National Housing Projects***".

Sungai Liang Industrial Park

[SPARK]

- The BEDB is developing SPARK located on a 271 hectare site at Sungai Liang as a world class petrochemical hub.
- The first major investment at SPARK is the USD 450 million Methanol Plant developed by the Brunei Methanol Company (BMC), a joint venture between Petroleum Brunei and two leading Japanese companies, Mitsubishi Gas Chemical and Itochu.
- Construction of BMC's Methanol Plant was completed in 2009 and in May 2010, His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam officially launched the opening of the methanol plant of Brunei Methanol Company (BMC).
- Construction of the Single Point Mooring System has also been completed and has started facilitating the transport of Methanol exports direct to offshore tankers after the success of the BMC's manufacturing its first methanol product in April 2010.





Pulau Muara Besar Project

[PMB]

- Pulau Muara Besar (PMB) is an island strategically located in Brunei Bay next to Muara, Brunei's principal port, making it an ideal site for a deep sea container port. Seeing the opportunity to meet the growing transportation needs of the country and the region His Majesty's Government reserved a 955 hectare site on PMB in 2003.
- The potential extends much further. A manufacturing complex for major industries including an aluminium smelter and an export processing zone for halal food are among other medium to heavy industries within the plans for the PMB project.



What To Expect Of Brunei's Future Property Development?

- A land availability study conducted by the TCPD concluded that Brunei has only 5.1 per cent of its remaining unconstrained land area available for development.
- Only about 28,825 hectares of Brunei's land area can be used for the country's development in areas such as industry and housing.
- To date 76 per cent of Brunei's land area of 5,765 km² is covered by forest, with 58 per cent of the total land area allocated to the Heart of Borneo initiative.

- Currently a total of 263 houses worth about \$20 million will be constructed under the Landless Indigenous Citizens Housing Scheme.
- By 2014, an additional 17,500 houses will be available, but these houses can only accommodate half of the estimated 30,000 applicants on the waiting list.

- Brunei Shell Petroleum (BSP) with the cooperation of government departments within the Belait District is currently developing the near-completion “**Mukim Seria Multi-purpose Hall**”. There are also other new buildings nearby, such as a “**bowling centre**” and a “**cineplex**” that is expected to develop and enhance the image of Seria Town, attracting locals and foreign tourists. The bowling centre cost approximately \$5 million which include facilities such as a 24-lane bowling centre, bowling equipment store, as well as eateries like cafés, two cinemas and an arcade.
- Update on Strata title, so far only four (4) applications have been received, low confidence level and more exposure on Strata Title and its benefits.
- Currently, banks focus on property financing due to the new finance regulation on the strict monetary control for the credit & personal borrowing.
- Recently, His Majesty has declared the formation of a **Monetary Authority of Brunei Darussalam** to take effect on January 2011

- Rental price for Brunei is quite affordable in most properties especially residential properties
- Current market price for residential is slowly on the rise while commercial properties are still the same since 2008
- The current trend for properties are “build-to-sell” where home-buyers can just moved into their new house without worrying about the fixtures and fittings and landscaping of the new house
- Industrial properties in Brunei are still the same where industrial estates are constructed and prepared by BINA, Ministry of Industry and Primary Resources

THANK YOU.

**HOPE TO SEE YOU ALL
IN BRUNEI
2012!!!**