

TRADE OVERVIEW

The Sultanate of Brunei Darussalam with a population of only 220,000 inhabitants offers a limited domestic market. Nonetheless, real commercial opportunities do exist. The country is very wealthy, earning large sums of money from overseas investment income from Brunei's reserves estimated to be worth from U.S.\$15-20 billion.

In the Brunei Government fifth Five Year National Development Plan (1986-90), overall spending is set at CDN \$10.2 billion. Total development expenditure is set at \$3.45 billion, of which the oil sector will account for \$1.35 billion and the public sector for \$1.64 billion. Of the public sector spending, 29% is destined for social services, 20% for public utilities; 20% for transportation and communications, 10% for industry and commerce, and 10% for defence.

Plans for human resource development are part of the government's diversification strategy aimed at making the country less dependent on oil and gas (which accounts for 99% of the country's exports and 75% of the gross domestic product - GDP). As well, development of the country's infrastructure and improved social services are emphasized. Priority is also attached to the establishment of import substitutional and export oriented industries. The government oil conservation policy, in combination with volatile oil prices, has had a sharp impact on GDP which achieved a real growth of 4.0% in 1986. The government has also attached high priority to developing a qualified cadre of senior officers and the majority of key decision makers have been educated abroad (many in Canada).

As Brunei authorities attempt to diversify the economy, there will be opportunities for Canadian consultants in the public sector, in education as well as in joint ventures in small-scale manufacturing. A number of new projects outlined in the Five Year Plan offer opportunities for Canadian involvement, especially in the fisheries, forestry, telecommunications/informatics, oil and gas, agriculture, education and defence sectors.

Our Post has estimated Canadian exports to Brunei to be worth about \$2 million annually. As well, some Bruneian investments appear to have been placed in Canada, particularly in securities in Canadian government bonds.

Recently, Canadian companies have been experiencing notable successes in Brunei. Alberta Telecommunications International won in July 1987 a contract worth CDN \$1.5 million for the design of a feeder and