

BACKGROUND

DIRECTIONAL EMPHASIS OF SECTOR

To accelerate the pace of economic diversification in view of the less favorable outlook of oil prices in Brunei, the government has focused on developing a solid infrastructural base as a means to advance economic and social development. Since Brunei's independence, January 1, 1984, the government has upgraded the production and distribution of electricity and water supplies.

Public utilities are administered by the Department of Electrical Services and the Department of Public Works. The Ministry of Development (MOD), one of nine Ministries established on January 1, 1984, oversees both the Public Works and Electrical Services Departments. The Electrical Services Department controls and maintains electricity generation and registers electrical contractors while the Public Work's Department operates the national waterworks system.

At present, 98% of the population receives potable water and electricity. Water is treated at 5 treatment plants: Tasek, Sungai Tutong, Layong, Seria, and Kg Sumbiling.

Electricity is generated at 4 power stations: Lumut, Temburong, Seria and the Brunei Shell Petroleum complex, and two stand-by stations: Layong, and Muara. In 1987, Brunei's total installed electricity capacity was 387,000 kilowatts (kwh) of which 59% was at Layong.

The national electrical network comprises of 250 kilometres of 66 kilovolt (kv) transmission line, 1000 kilometers of 11 kv line. A main power control center has yet to be constructed.

Gas is produced solely by Brunei Shell Petroleum (BSP) in Kuala Belait. There is one gas pipeline from Kuala Belait to Bandar Seri Begawan but there are no household connections. All gas is distributed in cylinder form. Domestic consumption of natural gas for 1987 was 39.2 million cubic metres (mcm).

ECONOMIC OVERVIEW

Brunei imports 100% of all its public utilities' equipment. Expenditure on public utilities includes electrical services, water supplies, sanitation, and public facilities.

The Electrical Services Department's annual budget for procurement averages B\$50 million (C\$1:B\$1.54). Capital equipment requirements for infrastructural projects have included electrical apparatus (eg : turbine units, switchgear equipment, line maintenance equipment, distribution boards, electrical insulators) and water pipes.

Actual expenditure by the Electrical Services and Public Works departments in 1988 was B\$71 million and B\$256 million, respectively.