

exchange controls exist in Brunei.

Investment opportunities for foreigners are limited outside of the energy and construction industries. Joint ventures are encouraged by the government as the preferred method of investment. It is also recognized that local interests should represent at least 51% of the ownership. Potential investors considering setting up a business in Brunei should bear in mind that non-Bruneians are prohibited from owning land. There is also strong competition for the limited supply of both skilled and unskilled labour - especially in construction, transportation and utilities.

A domestic customs tariff is used and duties may be specific or *ad valorem*. Generally, goods for individual use are exempt from customs duty.

Most items may be imported under an open general licence. However, some goods such as used vehicles, converted timber and certain types of drugs require a special import licence.

Canada-Brunei Commercial Relations

Canada's commercial success has been modest to date in Brunei. This has been in part due to the strong and longstanding British presence in Brunei, as well as to the small size of the market (227,000 population). Given its small base, the level of trade between Canada and Brunei has fluctuated widely over the last five years. In 1984 and 1985, Canada's exports to Brunei (approximately \$1.2 million) represented the total sum of bilateral trade. In 1989, Canadian exports to Brunei reached a high of \$2.3 million while the level of imports remained symbolic. There is no Canadian business presence to speak of in Brunei.

Canada's export marketing efforts in Brunei have been mainly responsive to the interest expressed by a limited number of Canadian businesses. However, there are a number of opportunities for Canadians who are willing to take a long term approach to doing business in Brunei. Canadian trade strategy has targeted Brunei as a market opportunity for oil and gas equipment and services, education and training, power generation equipment and services, and defence and aerospace products and services.

A number of market surveys have been commissioned on specific sectors in Brunei to provide Canadian firms with information on available opportunities. These studies can be obtained from External Affairs and International Trade Canada, and a full list of available material is shown in the appendix.