

Brunei's Telecommunications Market Open to Canada; Demand to Increase

All telecommunications equipment used in Brunei is imported, but very few Canadian companies are active in that market.

That's one finding contained in a recent sector study commissioned by the Canadian High Commission in Singapore.

Demand for Capital Equipment

The telecommunications market in Brunei is divided into two categories: capital equipment—government capital expenditure on large projects such as analogous and digital switching equipment—and terminal equipment—including telephone sets, cellular mobile telephone sets, pagers, private branch exchanges (PABX) and facsimile machines.

As the study points out, Brunei's 6th Development Plan (1991-1994) will continue to focus on expanding the basic telephone infrastructure—last year there were over 50,000 direct telephone lines, or 19 per 100 people—as well as the opening up of telephone sales to the private sector.

Cellular mobile radio operations began only last year, but there are plans to provide remote areas, where it is not economical to lay telephone cables, with cellular mobile radio communication.

Demand for mobile telephone sales is expected to increase with Brunei Telecom's relaxation of sales by the private sector—government predictions put at 10,000 the demand for cellular mobile telephones within the next four to seven years.

The base station for a country-wide paging system was to be in operation early this year, with plans to open the sale of subscriber pagers to private companies.

With the recent drop in demand for telex facilities, the number of facsimile subscribers has increased tremendously. Demand is expected to remain strong.

Brunei has two satellite earth

stations at Telesai, providing national and international direct telex and telephone facilities with access to 160 countries. Multi-million-dollar submarine cable projects linking the country with Singapore, Malaysia and the Philippines are scheduled to be completed by early next year.

Future Trends

Brunei will continue to focus on upgrading the local and international exchanges, procuring capital equipment and replacement parts, as well as enhancements for the system.

The recent installation of the packet switching network should open sales and service opportunities for more advanced communications services such as teleconferencing, electronic mail and videotex.

The government encourages private companies to tender for external and internal planning projects, and seeks consulting services in network development, technical training for operations and maintenance services.

International Competition

As stated, Brunei imports all of its telecommunications equipment—the leading suppliers of the 1982-89 market worth B\$167 million included Japan with B\$54 million (32 per cent), former West Germany with B\$40 million and the U.S with B\$39 million worth of sales.

During the same period, Canada sold only B\$6.9 million worth of telecommunications equipment, mainly mobile telephones—none sold by any of the other main competitors—and PABX.

Equipment sales by the three leading supplier countries included subscriber sets, PABX, data, radio/transmission, switching, CMTS, radio paging, cable, computer and rural radio.

Capital equipment contracts are awarded by Brunei Telecom to

leading suppliers with an international reputation and tried and tested systems—winning or tendering Canadian companies include SR Telecom Canada, Mitel, Alberta Government Telephone (AGT) and Northern Telecom.

Key Customers

In Brunei, 95 per cent of the country's telecommunications equipment is procured by the government—Ministry of Telecommunications, the Police Force and Brunei Shell Petroleum.

Private-sector buyers include residential and commercial users.

Telecommunications tender notices appear on Wednesdays in *Pelita Brunei*, the government newspaper. Equipment supplies such as pipes, cables and wires can be handled through local agents.

Government Regulations

There is no duty on imported equipment purchased by the government. An import duty of 20 per cent applies to all office equipment.

Brunei allows 100 per cent foreign ownership and encourages joint ventures with local companies. Local equity participation can be of considerable assistance when tendering for contracts with the government or Brunei Shell Petroleum.

More Information

Prepared by SRI International, *Sectoral Analysis - Brunei Telecommunications Industry* also offers a list of key Brunei business and government contacts as well as major importers of telecommunications equipment; and details on tax incentives and concessions.

For more information on the Brunei telecommunications market, contact the Asia Pacific South Trade Development Division (PST), External Affairs and International Trade Canada (EAITC). Tel.: (613) 996-7474. Fax: (613) 996-4309.