

## BRUNEI DARUSSALAM

### TRADE OVERVIEW

Brunei's economy is dominated by the oil and liquefied natural gas industries and by Government. With the petroleum sector alone accounting for around 75% of the GDP, the most significant factor governing Brunei's economic growth is the state of the international oil market, not domestic economic activity. With the recent decline in oil prices, and with the government reducing oil production as a conservation measure from a high of 261,000 barrels per day in 1979 to 155,000 barrels per day in 1987, recent GDP growth performance has been poor.

The government employs 40% of the working population of Brunei. In 1987 government revenue (excluding investment income) was CDN \$1.7 billion, and expenditure was CDN \$1.5 billion. Estimated allocation of the government's expenditures in 1988 included 24% of the budget to the Armed Forces, 24% to Public Works, 15% to education and 7% to health.

Brunei has allocated CDN \$2.3 billion in its Fifth National Development Plan (1986-1990) to plans to diversify the economy. These funds will be allocated to the development of public utilities (CDN \$466 million), transport and communications (CDN \$466 million), industry and commerce (CDN \$233 million), public buildings (CDN \$233 million), and security (CDN \$233 million).

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 market size (227,000 population). With the current 5 year plan (1986-1991) at the halfway mark, many of the projects are either completed or well underway. Nonetheless, there are a number of areas which Canadian firms, willing to take a long term approach to doing business in Brunei, can pursue. These would include: oil and gas equipment and services, education and training, power generation equipment and services, defence and aerospace products and services.

### CANADIAN MARKETING OBJECTIVES

1. Oil and Gas Equipment and Services - The size of the market in this sector is estimated at \$50 million. Opportunities exist for Canadians in the area of consulting services and sales of process and control equipment.