

# BRUNEI

# DARUSSALAM

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## GROWTH BEYOND OIL AND GAS

While Brunei Darussalam enjoyed enviable prosperity due to its huge oil and gas reserves, the Southeast Asian sultanate had to restudy its growth model a few years ago when the world price of oil fell sharply. Amid this protracted downturn, Brunei continues on its efforts to diversify its economy.



Minister of Primary Resources and Tourism Dato Paduka Haji Ali bin Haji Apong

In 2008, the government launched a long-term national development plan, called "Wawasan Brunei 2035" or "Vision Brunei 2035". With its aim to have a sustainable economy, the government is aggressively developing new sources of revenue outside the oil and gas industries.

"Agriculture and fisheries are seen as attractive and promising industries to be tapped into. While our exports still depend mainly on oil and gas, which account for about 90 percent of Brunei Darussalam's total exports, we hope to lead the growth of our primary resources sectors and make them significant contributors to GDP growth by encouraging investments and strengthening local businesses," said the Minister of Primary

Resources and Tourism Dato Paduka Haji Ali bin Haji Apong. Yang Mulia Awang Yusof bin Haji Abdul Rahman, the head of the country's monetary body, pointed out that the government has also committed itself to creating a business-friendly environment and improving the ease of doing business through the streamlining of certain processes, regulations and laws.

Over the past few years, the Brunei Economic Development Board (BEDB) underwent restructuring several times as it focused on attracting foreign direct investment (FDI) more swiftly.

"The Brunei Economic Development Board continues to provide assistance and facilitation for foreign direct investment proposals by working closely with relevant agencies, such as the FDI Action and Support Centre (FAST), which is in charge of facilitating investors' requirements, and Darussalam Enterprise (DARE), which will support these international investments once they are in full operation," said BEDB Acting CEO Hajah Hasnah binti Ibrahim.

The streamlined process of setting up a business is expected to make Brunei Darussalam more attractive to investors. As the government works on expediting investments, the sultanate is also keen on providing more transparency and clarity.

"Brunei Darussalam has many advantages and has a conducive environment to attract FDI into the country," said Apong.

The government is also promoting the geographical advantages of the sultanate.

"Brunei Darussalam is a perfect platform and gateway to the ASEAN market. In addition, we provide easy connectivity to the Middle East and China through our ports and airport. Also, our country has a stable political and macroeconomic environment. It has no history of significant natural disasters and low crime rates. This stability provides a good living environment and means business interests are more secure, making Brunei Darussalam an ideal place for both family and business," said Ibrahim.

While Japan is one of Brunei's most important trading partners in terms of oil and gas exports, it is also an important investor. FDI from Japan grew from \$14.29 million in 2013 to \$24.31 million in 2014.

Japanese companies, particularly Mitsubishi Corp., have been key partners in several joint ventures in the oil and gas sector, including Brunei LNG, Brunei Shell Tankers, Brunei Gas Carriers and the Brunei Methanol Company.

Mitsubishi Corp. created new investment areas in Brunei such as renewable energy and biotech.

But the government continues to work on attracting investment in agriculture, biotech and pharmaceuticals, logistics and aquaculture.

"The long-standing economic relationship between Japan and Brunei is well-established with further room to grow across all industries and not limited to collaboration in the oil and gas sectors; particularly with the conclusion of the Trans-Pacific Partnership free trade agreement," Rahman said.

"The agriculture and agrifood, fisheries and forestry sectors contributed between 0.2 and 0.4 percent to our GDP in 2015. The target is to increase the overall GDP contribution to 7 percent by 2035. This can be attained by focusing on increasing the productivity through technology and research," said Apong.

"With Japan's new and advanced technology for the agriculture and agrifood, and fisheries sectors, I'm very optimistic we will be able to further attract investment and further strengthen our economic relationship," he added.

## CLEAR, STEADY CONNECTIONS BETWEEN JAPAN AND GHK BRUNEI



GHK Motors Founder Pehin Dato Goh King Chin

A retailer of premium automobiles in Brunei, GHK Motors is the exclusive distributor of Mitsubishi and Daihatsu vehicles in the country. Since its inception, the company has boasted a connection to Japan.

After working for the government as a customs officer from 1964 to 1970, Pehin Dato Goh King Chin founded GHK Motors, which sold used cars for the first three years.

Early success encouraged him to sell new models, and GHK obtained a franchise from Daihatsu Motor Co. to sell its cars and light trucks in 1974.

As sales grew sharply, GHK focused on customer and after-sales service by sending mechanics and engineers to Japan to learn the latest advances and techniques in car repair and service. Along the way, it readily adopted the latest technologies.

In 1979, GHK Motors achieved another milestone when Mitsubishi Motors Corp. awarded the homegrown dealership sole distributorship of the Mitsubishi cars and trucks. As GHK brought in these vehicles, it nurtured a preference for Japanese brands and increased market share for these giant automakers.

Aside from Mitsubishi and Daihatsu, GHK Motors also distributes Chevrolet, Chrysler, Jeep and Perodua models.

www.ghkmotors.com

## INSURANS ISLAM TAIB INSTILLS TRUST IN BRUNEIANS



Despite the upheavals that plagued the global economy over the past two decades, Insurans Islam TAIB in Brunei has thrived in the country as it adapted to a fast-evolving industry.

A subsidiary of TAIB (Perbadanan Tabung Amanah Islam Brunei), Insurans Islam TAIB is the first financial institution in Brunei Darussalam to offer "takaful" or Islamic insurance, and conduct its activities in accordance with Shariah law.

Fully aware that its business is built on trust, Insurans Islam TAIB has gained the confidence of its customers because of the stability and growth shown by its parent company and the country's positive economic prospects despite a slump in global oil prices.

"Oil prices have plummeted, but there is hope that they will increase. It is our principle to try hard and not get despondent about anything," said Managing Director Osman Jair.

Although vehicle insurance accounts for the bulk of its business, the insurance firm is unfazed because it has built up a wide clientele of commercial clients, whose numbers are rising amid a boom in entrepreneurship.

Aside from its traditional activities, Insurans Islam TAIB has also formed a financial literacy and awareness subcommittee to educate the public about insurance and risk management. It also participates

in international conferences to meet other industry players and gain knowledge of new products and services that it can offer its fellow Bruneians.

Insurans Islam TAIB's growth has also involved investment in the latest technology. It implemented a new insurance management system that raised the efficiency of its workforce and improved customer service.

"We want to be more connected through IT and also make our staff and Bruneians understand the future of the insurance industry," Osman Jair said.

www.insuranstaib.com.bn



Graduates of Universiti Teknologi Brunei contribute to nation-building.

## UNIVERSITI TEKNOLOGI BRUNEI AIMS HIGH

Previously known as Institut Teknologi Brunei, Universiti Teknologi Brunei (UTB) has undergone a number of major changes in recent years. Aside from its new logo and redesigned website, the university's new name reflects the biggest change — going from a technical institute to a full-fledged, engineering and technology university offering college and post-graduate degrees.

The largest engineering university in Brunei, UTB is the only educational institution that provides comprehensive engineering modules. Gaining its standing as a university has increased public interest and boosted the morale of its staff and students.

The change in status has also allowed UTB to create platforms to assist the country's economy and provide students with a more comprehensive education. This objective coincides with the government's efforts to improve the country's talent pool, support young entrepreneurs and attract more foreign direct investment.

In addition, international industry experts are also invited to provide hands-on experiences to the students.

"We want to provide a more holistic education and form well-rounded individuals with social and economic responsibilities. This makes the students more independent," explained Vice Chancellor and associate professor Zohrah Sulaiman.

As the university is focused on gaining wider international recognition, UTB is strengthening the caliber of its faculty by employing professors from internationally recognized universities around the world. These partnerships with international universities will also provide students with more international contact.

"The university's international awareness is still relatively low. We have to be more aggressive after being re-named a university," Zohrah said.

To foster collaborative linkages within Brunei Darussalam and the ASEAN region, UTB will be hosting the Crown Prince CIPTA Award 2017. Under the theme of "Innovation for Sustainable Economy," the competition serves as a platform for innovators to launch their creative ideas. It is open to all schools, government and private organizations and the general public.

www.utb.edu.bn

## MITSUBISHI STRENGTHENS ITS BONDS IN BRUNEI



Mitsubishi Corp. recently ventured into biotechnology in Brunei.

Japanese conglomerate Mitsubishi Corp. has been operating in resource-rich Brunei for more than 40 years, working with the country in growing not only its oil and gas industry, but also its agriculture, education and tourism sectors.

Recently, Mitsubishi began collaborating with the government to develop its biotechnology and life sciences industry, tapping the country's abundant resources such as water and sunlight. It hopes that its biotech investment, the first in Brunei, will stimulate the growth of this new industry.

The historical relationship between the government and Mitsubishi has generated new fields of cooperation. Involved heavily in the oil and gas industry, the company also expanded its involvement in the renewable energy sector through the dona-

tion of a solar energy plant.

"We want to work together with Brunei because it was with the government's support that has given us an opportunity to build a successful energy business," said Brunei Liaison Office General Manager Yuki Kaneda.

Mitsubishi invested in the renewable energy sector because it wanted to improve the quality of life of Brunei's people and have a positive impact on the country. Through its various investments, the company believes it facilitates more opportunities for foreign investment and allows small and medium-size en-

terprises to flourish in this market.

"In the past, the best minds usually chose to invest in oil and gas, but they now look for opportunities in other industries. There is a big opportunity for other businesses to set up as new industries in Brunei," stressed Kaneda.

Enjoying the government's clear support, Mitsubishi is committed to remain in the country long term and has expressed its readiness to collaborate with anybody wishing to build a business in this young market.

www.mitsubishicorp.com/jp/en/

## SWEE BUILDS SOLID FOUNDATIONS FOR BRUNEI



The iconic Sungai Kebun Bridge in Brunei was built by SWEE and its joint venture partner DAELIM.



Since it began operating in Brunei in 1967, SWEE has maintained a good track record in carrying out and completing many government projects.

The construction and engineering company, a member of the Goldentree Group of Companies, has built some of the country's most important structures such as pipeline projects, water reservoirs and treatment plants, the Brunei National Stadium and the Royal Pavilion and Hangar.

In the last few years, SWEE

## BRUNEI'S PREMIER UNIVERSITY STRENGTHENS LINKS WITH JAPANESE UNIVERSITIES



Founded in 1985, Universiti Brunei Darussalam (UBD), has forged strong partnerships with some of Japan's leading universities such as Kagawa University, Soka University, Kyoto University, Yamagata University, Tsukuba University, Akita University and Tenri University.

These partnerships range from research collaborations in Asian and energy studies, agriculture and peat swamp research, to medical training and student exchange programs.

In each of its partnerships, UBD provides expertise in its niche research on Energy Studies, Islamic and Asian Studies, and Biodiversity Studies. Brunei's oldest and largest university is an ideal research hub for these areas and offers a well-rounded and culturally rich environment for incoming students.

Universiti Brunei Darussalam focuses on educating the country's next generation of globally-minded students.

For two years in a row since 2015, UBD has been ranked No. 1 in student mobility in Asia in the QS Asia University Rankings. It also regularly hosts Japanese exchange students and sends Bruneian students to Japanese universities as part of its mandatory Discovery Year Program.

The Discovery Year Program is part of UBD's broad-based, multidisciplinary GenNEXT curriculum, which encourages students to explore the world outside Brunei and encourages them to examine alternative pathways to learning through international programs, business incubation and entrepreneurship projects, internships and community outreach endeavors, among others.

The flexibility of the multidisciplinary approach allows stu-

dents from different faculties to work closely together and capitalize on each other's strengths to conduct internationally recognizable ventures.

Named last year as one of Asia's fastest-rising universities by the QS Asia University Rankings, UBD stresses its ethos of entrepreneurship, leadership, innovation and environmental awareness in creating a holistic, diverse and dynamic atmosphere conducive to maximizing learning in this highly globalized world.

It is also determined to increase its international partnerships, especially with Japanese universities, through more student exchanges, research collaborations and industry internships.

www.ubd.edu.bn

## RELIABLE, STRONG CONNECTIVITY BETWEEN DST AND BRUNEI



DST CEO Suhaimi Hussain

Despite working in a small market the past 21 years, Brunei's leading telecommunications provider, DST, remains strong and successful because of a continuous effort to understand its customers' changing lifestyles and expectations.

Given the challenges of a limited market, DST formed various strategies to address demand and keep up with fast-changing consumer preferences. With access to the latest developments around the world, Bruneians, like other consumers, have become more demanding of the types of products, services and technologies.

These include making large-scale investments in infrastructure and technology, while ensuring that these strategic investments provide long-term financial viability and stability.

"Expectation is high among consumers, especially because they have more international exposure and access to new technologies. We have to think clearly about what, when and how we invest, especially because consumers have changing expectations. We have to make sure that what we introduce have the right returns and we must keep up," CEO Suhaimi Hussain said.

At the same time, DST closely communicates with its business partners to gain a clearer picture of the industry and what it can offer next. One of these partners is NEC Corp. from Japan.

"As we collaborate with experienced industry players, we are also engaging in a long-term business partner relationships that will allow us to rise to a different level, achieve our goal and meet customer demands," Hussain said.

Recently, DST invested in a regional telecommunications company in a bid to create more strategic partnerships.

www.dst.com.bn



## BIBD AT-TAMWIL: IMPROVING LIVES AND BUILDING BUSINESSES

Approaching its 20th anniversary, Brunei-based finance company BIBD At-Tamwil Bhd. is stepping up efforts to increase its market share and profitability in a small market with stiff competition.

As one of only two financing companies in Brunei, BIBD At-Tamwil enjoys the healthy rivalry with Baiduri Finance. While Baiduri Finance has a larger market share as it caters to the mass market, BIBD At-Tamwil achieves higher profitability because it services a niche market.

Initially focused on car loans, BIBD At-Tamwil has diversified into the financing of heavy

equipment and white goods. And as its customers are already account holders at parent company BIBD, the company is able to offer convenience to its customers.

In order to thrive in a limited market, BIBD At-Tamwil has introduced new products to improve the quality of life of Bruneians. In a pioneering project, it will soon offer car rental services, a move that addresses the country's public transport shortage.

"You need a car here. If you notice, it's very difficult to get a taxi. We're hoping to build excitement and boost demand for

car rentals," said Managing Director Irwan Lamit, who also pointed out that its pay-as-you-go model of financing plans to utilize Japanese-made cars.

"Our aim is to provide flexibility of renting a car and paying a fixed monthly fee without having to worry about additional issues and fees," Lamit added.

As local agencies extend assistance to foreign investors in setting up their businesses, BIBD At-Tamwil is committed to improving the lives of its customers and contributing to the country's objective of attracting more international business.

www.bibdat-tamwil.com

has also participated in significant projects such as rehabilitating the airfield pavement at the Brunei International Airport, upgrading the storage reservoir of the Mengkubau Dam and widening the Jalan Residency.

"Brunei's private sector development is considerably small, so most large-scale projects involve government funding. The government played a huge role by establishing a flexible regulatory framework that encourages collaboration between the community and international firms," Chairman John Toh said.

Most of SWEE's projects are collaborations with the Brunei government, with whom it has a strong, long-standing relationship. Through joint ventures with international companies, SWEE has taken part in larger scale projects such as the Temburong Bridge and Sungai Kebun Bridge.

"As a policy of the company, we make sure to finish our projects on time. This has given us a very good reputation with the Brunei government," said Toh, who is grateful for and proud of the opportunities granted by the government to take part in its infrastructure

projects.

For nearly 50 years, SWEE has participated in projects that have improved the business environment and provided more convenience to Bruneians, all of which have provided it with in-depth knowledge of Brunei; its unique culture and its people.

Also, it prioritizes local manpower in its hiring process and provides training to them throughout the entire project. "To fully understand the market, you need patience to understand their current conditions and needs. So, we see ourselves as part of the community," Toh stressed.