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## **Brunei**

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#### **Report Highlights:**

Brunei Darussalam is a small, energy-rich Muslim country with less than 430,000 inhabitants. Agriculture accounts for less than one percent of Brunei's gross domestic product (GDP) (\$3.0 billion), and most food is imported. Leading U.S. products for retail are temperate fruits, confectionery, snack foods, dried fruits, nuts, and dates.

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## Executive Summary:

Brunei Darussalam is one of the largest exporters of oil and gas in Southeast Asia, and has the second highest GDP per capita of \$29,138 (2015) amongst its Association of Southeast Asian Nations (ASEAN – *Brunei Darussalam, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam*) neighbors. It is the first East Asian Country to adopt the Islamic Sharia Law (May 2014). It has a legal system based on English Common Law, but superseded by Islamic Sharia Law in some cases. The oil glut in recent years adversely affected the country's trade balance.



In 2015, the United States exported \$4.8 million (17% less than 2014) in agricultural, fish and forestry products to Brunei Darussalam. Major U.S. exports include processed vegetables, snack foods, prepared foods, condiments and sauces, chocolate and cocoa products. Major U.S. imports (mainly shrimps) for 2015 was only \$300,000, down 82% from 2014. Leading U.S. prospects (but not in significant quantities due to the small consumer base), are temperate fruits, processed vegetables, snack foods including nuts, prepared foods, condiments and sauces, and chocolate and cocoa products.

*(Source: FAS Singapore)*

## SECTION I. MARKET OVERVIEW

Brunei Darussalam, a British protectorate until 1984, is a Southeast Asian oil-rich Sultanate on the northern coast of Borneo. (Refer to map from World Factbook below). Brunei Darussalam is ruled by an executive monarch, the Sultan Hassanal Bolkiah, which is surrounded by the state of Sarawak, Malaysia, and divided by the Sarawak district of Limbang. Brunei is the only sovereign state with a land area of 5,765 square kilometers (2,226 sq miles) and 430,000 inhabitants.



Brunei Darussalam’s political system is governed by the constitution and national tradition of the Malay Islamic Monarchy, the concept of *Melayu Islam Beraja* (MIB). The three components of MIB cover Malay culture, Islamic religion, and the political framework under the monarchy. It has a legal system based on *English common law*, although Islamic *Shariah law* supersedes in some cases.

Brunei [has a parliament](#), but there are no elections. The last one was held in [1962](#).

Brunei Darussalam is heavily dependent on exports of crude oil and natural gas which accounts for about two-thirds of Gross Domestic Product (GDP). According to the International Monetary Fund, Brunei ranks the fourth wealthiest country in the world. However, with the price of oil at record lows as well as dwindling oil reserves, according to the BP World Energy Outlook, Brunei’s oil reserves are

projected to run out in 22 years. Lower oil prices means lower GDP growth, prompting the government to focus on economic diversification and austerity measures. As a way to attract foreign investment into the country, it announced a development plan called *Wawasan Brunei 2035* also known as *Vision Brunei 2035* in English. This long term development plan aims to transform Brunei into a nation widely recognized for:

- the accomplishments of its well-educated and highly-skilled people as measured by the highest international standards;
- its quality of life that is among the top 10 nations in the world; and
- its dynamic and sustainable economy.

The eight strategies that have been identified are education, economic, security, institutional development, local business development, infrastructure development, social security and environmental. (Refer to Appendix I for detailed information on each strategy.)

Despite efforts to diversity, the Brunei economy remains overwhelmingly dependent on income derived from oil and gas sales, which represents 92% of Brunei’s total exports (Department of Economic Planning and Development, December 2015). Additionally, substantial revenue from overseas investments supplements income from domestic hydrocarbon production. These two revenue sources

provide a comfortable quality of life for Brunei's population. Citizens receive free education through university level, free medical care, subsidized gas, free car loans and subsidized housing and don't pay any taxes. Therefore, since the government provides for basic needs, it is inexpensive and comfortable for its citizens to live here.

Brunei Darussalam's central location in Southeast Asia, with good telecommunications (but its tariff rates are the highest in Southeast Asia according to the Global Information Technology Report 2013) and airline connections; no personal income, sales or export taxes; and its stable political situation offer a welcome climate for would-be investors. Brunei encourages foreign direct investment (FDI) in its domestic economy through various investment incentives offered by the Energy and Industry Department, Prime Minister's Office and through activities conducted by the Ministry of Foreign Affairs and Trade, and the Brunei Economic Development Board.

The government established incentives such as tax relief and assistance in banking, as well as Small and Medium Enterprises (SMEs) financing schemes. However, the Hong Kong and Shanghai Banking Corporation Ltd. (HSBC) closed operations in April 2016 after 69 years of doing business in Brunei. Citibank pulled out in 2013 after 41 years of operation. With credit harder to secure and a weakened currency, the public has less money to spend. Meanwhile, on the positive side, the low crime rate, good schools, housing and sports facilities as well as low utility costs make Brunei an attractive location for short and long-term residence. Life in Brunei reflects the national philosophy of the Malay Islamic Monarchy (MIB in Malay) in keeping with Malay Culture, Islamic Religion and Political Framework

The government wants to shore up tourism, but the type of tourist would have to recognize the practice of Sharia Law. The government bans alcohol although tourists may travel about 40 minutes from the capital to Limbang or to Labuan Island in Malaysia for a drink. It also bans dining and smoking at all eateries, including restaurants, coffee shops and food stalls during Ramadan's fasting hours so anyone caught could be subject to fines and/or jail. Tourists may thus purchase food for take-out. Shops are closed during Friday prayers. Non-Muslims may not celebrate Christmas publicly. The Chinese lion dance for Chinese New Year is restricted to Chinese temples, schools and homes of Chinese guild members in the first three days of the festival which means tourists would not be able to enjoy a performance where they normally congregate - at hotels, restaurants, commercial buildings or public places. Also, on the practical side, there is a lack of public transport and taxis to allow tourists to get around easily as Bruneians get around in their own cars.

The government dominates the economy, providing a wide range of free and/or heavily subsidized public services and employs two-thirds of the labor force. Private sector growth is dwarfed because of the large wage differential between earnings in the public and private sector as the former is the preferred option. It is difficult to fire employees.

Brunei Darussalam has no debt, domestic or foreign, and has not received economic aid. Brunei's large oil exports have been counted on to keep positive trade balances. However, according to the International Monetary Fund's (IMF) Regional Economic Outlook for Asia and Pacific, Brunei's 2016 fiscal deficit is estimated to be 25.1 percent of fiscal year GDP, the highest across the Asia Pacific region.

The Brunei dollar is pegged to the Singapore dollar at a one-to-one ratio, and the Singapore dollar is

legal tender in the Sultanate. Corporate income tax in the country is one of the lowest in the region at 18.5 per cent. According to the Borneo Bulletin Yearbook 2016, the type of tax relief offered in the investment incentives include: corporate tax relief of up to five years for companies that invest US\$370,000 to US\$1.9 million in approved ventures; eight years tax relief for investing more than US\$1.9 million; 11-year tax break if the venture is located in a high-tech industrial park.

The five largest destinations for Brunei Darussalam exports (mostly mineral fuels) as of December 2015 were Republic of Korea - 31%, Japan - 26%, Thailand - 11%, Taiwan - 7%, and China - 6%. The five largest sources of imports to Brunei were Malaysia - 23%, Singapore -17%, China - 12%, the United States - 12%, and Japan - 6%. The largest export sectors by market value were mineral fuels, chemicals, and machinery and transport equipment. The largest import sectors by market value were machinery and transport equipment, manufactured goods, and food.

In 2015, the U.S. exported \$4.8 million, a 17% decrease from 2014, in agricultural, fish and forestry products to Brunei Darussalam. Major U.S. imports for 2015 was only \$300,000, a 82% decrease from 2014 which were mainly shrimps.

The total (two-way) trade between United States and Brunei in 2015 was US\$153 million. The 2015 U.S. trade surplus with Brunei Darussalam was US\$114 million: exports totaled US\$133 million; imports totaled US\$19 million. Brunei is a founding member of the Trans-Pacific Partnership (TPP) trade agreement that concluded negotiations in October 2015 and was signed by all twelve parties in February 2016.

### **Small and Limited Market**

Brunei Darussalam's agricultural products include rice, vegetables, fruits, chickens, water buffalo, cattle, goats and eggs. Agriculture, along with forestry and fisheries, contributes only 1% to the Brunei's total GDP. Brunei imports 80% of its food requirements for its population, of which about 75% came from ASEAN countries.

The Bruneian government actively promotes food self-sufficiency, especially in rice. Pig farming has been banned since 1993, but Brunei is self-sufficient in eggs and nearly self-sufficient in poultry. In 2009, the government launched a national halal branding scheme, "Brunei Halal" with the goal of becoming a global halal hub as well as exporting to foreign Islamic markets.

**Fishing/Aquaculture:** The government has identified fishing as a sector for economic diversification; several incentives are offered such as commercial fisheries in Brunei's Exclusive Economic Zone (EEZ). It has just allowed joint fishing ventures, attractive for international investors. Brunei's Fisheries Department of the Ministry of Industry and Primary Resources has identified the following three main business opportunities in the country: capture fishing, aquaculture and seafood processing. This industry could contribute US\$148 billion (B\$200).

**Golden Corporation**, a Foreign Direct Investment from Taiwan, runs the largest shrimp farm in Brunei Darussalam. It is the country's leading producer of seafood-related products and the first company to produce organic feed and breed organic blue shrimp. They are acquiring new land, and expect its blue

shrimp production to double to between 100-125 tons per month. According to an article in the *Borneo Bulletin* (a local newspaper), Brunei's organic blue shrimps are exported to China, the United States, Australia and Japan. Although official numbers are hard to obtain, it is estimated that Golden Corp is the largest non-hydrocarbon exporter in Brunei.

**Biotechnology:** Brunei currently lacks the technical expertise and skilled labor to scale-up in Research and development (R&D). It is particularly interested in developing its agro-biotechnology R&D and ethno-botany for cosmetics and pharmaceuticals. The government is also keen to develop incubator facilities, which have the potential to create business opportunities for U.S. companies specializing in agro-biotechnology R&D in the areas of food production, ethno-pharmaceutical and cosmetics.

### Demography

Brunei Darussalam's small population of 430,000 and an annual growth rate of 1.3%. It is comprised of 72% Brunei citizens, 7% permanent residents and 21% temporary residents. Brunei Darussalam has a youthful population. Its 15-to-29 category account for a quarter of the total population. About 67% of the Bruneians are Malays, and only 15% are Chinese.

### Population Demographics

<b>Population by District</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Brunei Muara	290,500	295,300	299,800
Belait	62,500	63,400	64,100
Tutong	44,300	44,300	44,400
Temburong	8,900	8,900	8,900

<b>Population by Residential Status</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Total</b>	<b>406,200</b>	<b>411,900</b>	<b>417,200</b>
Brunei Citizens	291,800	296,500	301,200
Permanent Residents	28,100	28,900	29,100
Temporary Residents	86,300	86,500	86,900

<b>Population by Racial Group</b>			
Malays	267,200	271,100	275,200
Chinese	41,600	41,900	42,100
Others	97,400	98,900	99,900

<b>Population Median Age (Years)</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>28.5</b>	<b>29.0</b>	<b>29.6</b>
0-4	32,000	32,400	32,900
5-9	31,900	31,500	31,000
10-14	35,600	35,400	34,600
15-19	35,100	35,200	35,400

20-24	36,400	35,600	35,000
25-29	39,700	39,400	39,100
30-34	38,300	38,800	39,000
35-39	34,700	35,100	36,100
40-44	32,000	32,900	33,200
45-49	26,300	27,700	28,600
50-54	22,200	22,600	23,700
55-59	16,100	17,100	18,400
60-64	10,400	11,500	12,400
65 & Over	15,500	16,700	17,800

<b>Working Age Population (18-59 Years Based on National Definition)</b>	
Labor Force	195,635
Male	110,569
Female	85,066
Employed	182,161
Male	103,586
Female	78,575
Unemployed	13,474
Male	6,983
Female	6,492
Labour Force Participation Rate	76.8
Male	84.7
Female	68.4
Unemployment Rate (%)	6.9
Male	6.3
Female	7.6

(Source: Brunei's Yearbook of Statistics 2015)

## **SECTION II. EXPORTER BUSINESS TIPS**

### **Local Business Practices and Custom**

Brunei Darussalam is a predominantly Malay and Muslim country, with a mixture of Chinese and other regional cultural elements. Muslims pray five times a day; alcohol is banned in the state of Brunei Darussalam, and Muslims consume only halal foods. Although religion and culture are deeply rooted, the daily lifestyle is a modern day mix of East and West, evident in the streets where cafes and restaurants that offers a variety of local, international and fusion cuisines.

The official language of Brunei is Malay, but English is widely used, particularly for business. Most schools above primary level teach in English. Friday is equivalent to a Western Sunday, almost everything is closed. Saturday is at least half a working day, but most businesses are closed again on Sunday.

In the arena of international trade, Bruneian business practices tend to follow those in the more developed and highly urbanized economies. It has a legal system based on English common law, although Islamic Shariah law supersedes in some cases. There is considerable reliance on international trading practices and contracts. Letters of credit are normally used for first time transactions and only after a long history of business relationship is established, the terms of payment may be mutually adjusted to an open trading account with payment terms of up to two months. It is not uncommon for buyers to request samples from first time suppliers. In some cases, U.S. exporters may request that potential buyers pay for airfreight charges and handling costs of samples if they become prohibitive.

However, financial and credit arrangements in the domestic economy are very different. With few exceptions, supermarket chains, and other retail customers expect suppliers to provide credit terms of up to 90 days. On the other hand, some small retailers like Mom and Pop stores pay cash on delivery, as their order sizes are very small.

U.S. exporters who are exporting for the first time to the Brunei market are advised to make use of local distributors to help them guide through the requirements of the complex Brunei Food regulations, i.e. halal requirements for the 67% Muslim community (about 200,000) and local trading practices.

### **General Consumer Tastes and Preferences**

There is a small segment of the population (higher income and expats) willing to pay for higher quality food products or products that will provide savings in labor and time. However, it is a price-sensitive market with consumers making comparisons and opting for lowest priced items.

As almost all Brunei households are of Asian origin, imported foods that are to be used in local cooking have to be able to lend themselves to Asian cuisines. Asian dishes tend to be stir-fried, deep-fried and prepared in curries or marinated in sauces.

### **Food Standards and Regulations**

The Government of Brunei requires all food products imported into Brunei Darussalam, to be registered in order to ensure that food:

- is safe for consumption; and
- complies with the:
- [Public Health \(Food\) Act, \(Chapter 182\)](http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public_health_food_act_182.pdf); via [http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public\\_health\\_food\\_act\\_182.pdf](http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public_health_food_act_182.pdf) and the [Public Health \(Food\) Regulations, \(R1, Chapter 182\)](http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public_health_food_reg_182.pdf). Or via [http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public\\_health\\_food\\_reg\\_182.pdf](http://www.moh.gov.bn/SiteCollectionDocuments/Downloads/downloads/public_health_food_reg_182.pdf)

Brunei Darussalam requires that U.S. suppliers provide detailed documentation for all food imports. All importers of processed foods need to obtain the following:

1. Manufacturer's certificate; HACCP or Good Manufacturing Practice Certificate;

2. Detailed listing of ingredients used in the product;
3. Free Sale or Export Health Certificate

Point to note: Once the above procedure is fulfilled for the first shipment, the importer doesn't need to apply again for subsequent shipments of the same products; the importer merely quotes reference number assigned to the product that has been granted approval. Please refer to the following segments covered under this section of the report for detailed information on the application process to be undertaken by the local importers. U.S. exporters are required to provide the three requirements as outlined above.

**Halal Requirements.** Brunei, in an attempt to diversify its economy through the halal industry, it promotes its own halal food certificate that is entirely different from other halal certification organizations/countries. The halal requirements for meat/processed food are complex and can be difficult to coordinate and implement. The current halal requirements as embodied in the "halal" legislation are unique and demand capital investments in comparison to other Muslim countries.



Brunei's halal logo

Brunei has strict import regulations on halal, chilled or frozen meat. Halal beef is supplied by local abattoirs or through an Australian-based company, Halaqah Sdn Bhd (formerly known as The Brunei Meat Export Company) a subsidiary of Jerambak Holdings Pty Ltd based in the Northern Territory in Australia.

Bruneian/local importers need to check and determine which government regulatory agency is responsible for the product to be imported.

The following table lists the relevant government agency responsible for the importation of food into Brunei Darussalam:

Type of Food	Government Agency
<u><a href="http://www.moh.gov.bn/SitePages/FoodImportation.aspx">Processed food products</a></u> <u><a href="http://www.moh.gov.bn/SitePages/FoodImportation.aspx">http://www.moh.gov.bn/SitePages/FoodImportation.aspx</a></u>	Import & Export Unit, Food Safety & Quality Control Division, Ministry of Health
Subsidized goods (i.e. Rice & Sugar)	<u><a href="http://www.mof.gov.bn/index.php/services-sss/rice-and-sugar">Supply &amp; State Store Department,</a></u> <u><a href="http://www.mof.gov.bn/index.php/services-sss/rice-and-sugar">http://www.mof.gov.bn/index.php/services-sss/rice-and-sugar</a></u> Ministry of Finance
<u><a href="http://www.moh.gov.bn/SitePages/FreshMeatImport.aspx">Halal meat products</a></u> <u><a href="http://www.moh.gov.bn/SitePages/FreshMeatImport.aspx">http://www.moh.gov.bn/SitePages/FreshMeatImport.aspx</a></u>	1. Animal Quarantine Services, Ministry of Primary Resources & Tourism 2. Halal Food Control Division, Ministry of

	Religious Affairs 3. Food Safety & Quality Control Division, Ministry of Health
<a href="http://www.moh.gov.bn/SitePages/FoodImportation.aspx">Non-halal meat products http://www.moh.gov.bn/SitePages/Food Importation.aspx</a>	Food Safety & Quality Control Division, Ministry of Health
<b>Bottled water</b>	Industrial Development Unit, Department of Energy & Industry, Prime Minister's Office
<b>Health supplements &amp; Traditional supplements</b>	Department of Pharmaceutical Services, Ministry of Health
<b>Fresh whole fish and fish for rearing</b>	Department of Fisheries, Ministry of Agriculture & Tourism
<b>Fresh crop commodities and seeds that can be planted, grown or cultivated</b>	<a href="http://www.agriculture.gov.bn/">Department of Agriculture &amp; Agrifood,</a> http://www.agriculture.gov.bn/ Ministry of Agriculture & Tourism
<b>Local food manufacturers</b>	<a href="http://www.agriculture.gov.bn/">Department of Agriculture &amp; Agrifood,</a> http://www.agriculture.gov.bn/ Ministry of Agriculture & Tourism

### **Food Import Registration (FIR) for Processed Food**

An online FIR application form is now available (with effect from October 6, 2016) in the *e-darussalam* citizen portal to ease and optimize the efficiency and efficacy of the application and assessment process.

# IMPORTING FOOD PRODUCTS INTO BRUNEI DARUSSALAM

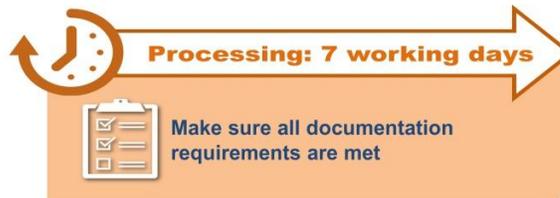
All processed food must first be registered at the Ministry of Health prior to importation

## Register in 5 steps



## Benefits

- Convenient and easily accessible
- Reduce paper wastage
- Status notified online



**FOOD SAFETY & QUALITY CONTROL DIVISION**  
Public Health Services,  
Ministry of Health

☎ **123**

✉ [fsqc@moh.gov.bn](mailto:fsqc@moh.gov.bn)



Environmental Health Building,  
Ministry of Health, Commonwealth Drive  
Google Map Coordinates: 4.921705,114.946069  
<http://www.moh.gov.bn>

Additionally, to ensure that the food product complies with relevant legislation, specifically the general labeling and advertisement requirements as stated in the Public Health (Food) Regulations, (R1 Chapter 182), as well as compliance of the necessary legislations, local importers need also to apply for food import registration via: [http://www.moh.gov.bn/SitePages/Food Import Registration.aspx](http://www.moh.gov.bn/SitePages/Food%20Import%20Registration.aspx).

More information on food labeling and advertisements can be found via this link [here](#) or [http://www.moh.gov.bn/SitePages/Food Labeling and Advertisement.aspx](http://www.moh.gov.bn/SitePages/Food%20Labeling%20and%20Advertisement.aspx).

For the importation of (1) Plants and Plant Products and (2) Animals and Animal Products, the Ministry of Primary Resources and Tourism, Department of Agriculture and Agrifood (DoAA), Biosecurity Division is the regulatory authority for importation. However, import requirement varies depending on the type of commodities, purpose of importation and the animal health or pest status of the exporting country, exporters/importers are advised to check and seek approval before importation.

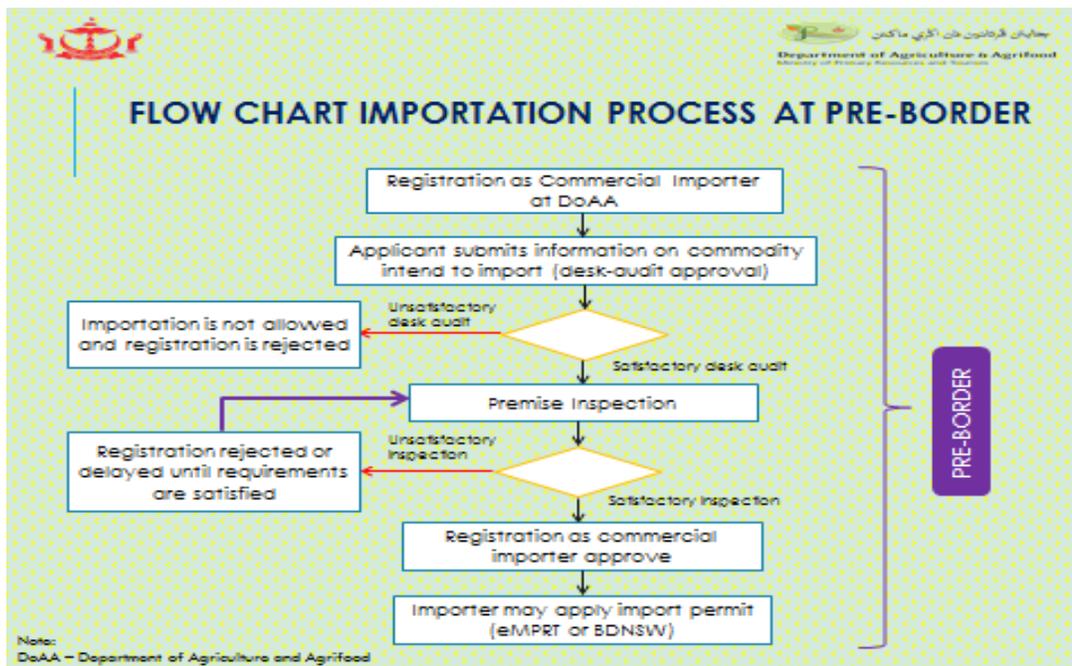
The following list of documents must accompany the consignment:

- Valid Import permit issued by DoAA, Brunei Darussalam;
- Valid Veterinary Health Certificate/Phytosanitary Certificate
- Treatment / Fumigation /Laboratory result analysis / quarantine certificate;
- Invoice

All documents must be in English, original and endorsed by the Competent Authority of exporting country. Where specified, any pre-export laboratory tests or treatments must be carried out at a facility approved by the Competent Authority of the exporting country.

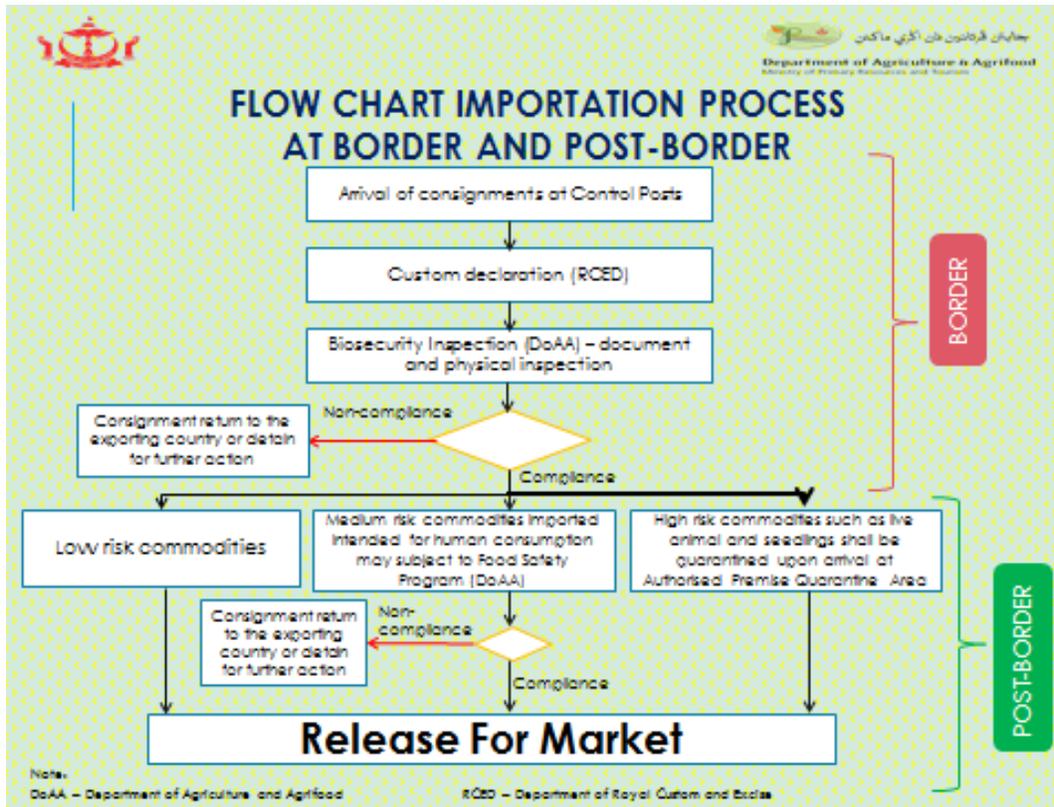
The following charts/tables are being provided to help U.S. exporters gain a better understanding of the importation requirements/process that is mandated by the relevant Brunei government ministries who regulates and control food products entering the state.

**Flow Chart Importation Process at Pre-Border \***



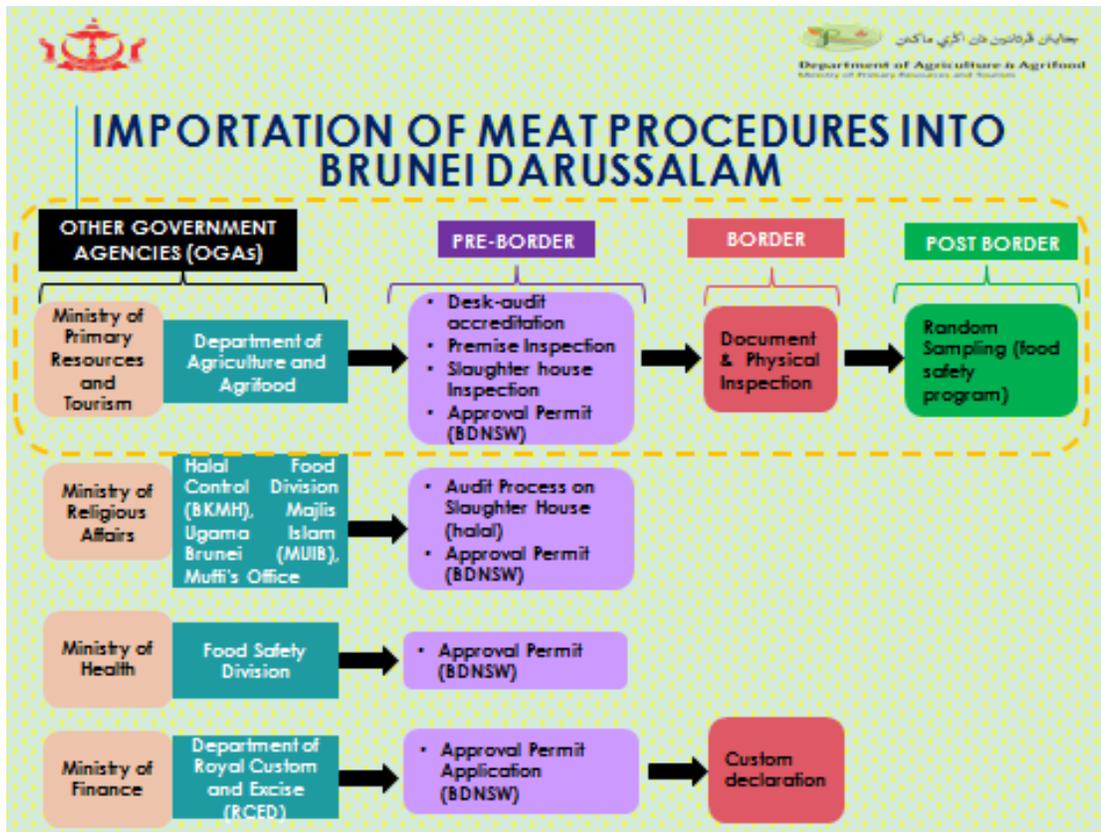
*(Source: Ministry of Ministry of Primary Resources and Tourism, Department of Agriculture and Agrifood (DoAA))*

\*Note: Application to be done by the local importer



**SUMMARY IMPORT REQUIREMENT FOR PET FOOD**

<b>VETERINARY HEALTH CERTIFICATE</b>	<ul style="list-style-type: none"> <li>• Details of consignment</li> <li>• Certification of <b>official disease status of country, zone or compartment</b></li> <li>• Establishment <b>approved</b> and <b>registered</b> by CVA of exporting country</li> <li>• <b>Manufacturing process/treatment</b> of the product</li> <li>• <b>Quality assurance</b> and <b>certification</b>: ISO, HACCP, GMP</li> <li>• <b>Verification</b> and <b>endorsed</b> by the official veterinary authority from the exporting country.</li> <li>• Dated not more than <b>7 days</b> prior to import</li> </ul>
<b>POST-ENTRY QUARANTINE AND SAMPLING</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>



## SECTION

### III. MARKET SECTOR STRUCTURE AND TRENDS

As mentioned, Brunei Darussalam has a small consumer population, and it imports 80% of its food requirements. About 75% comes from ASEAN countries or direct and indirect shipments via Singapore or Malaysia.

Brunei has always been neglected as a potential market due to its small consumer population and the stringent halal requirements, although it has the second highest GDP per capita in Asia, following Singapore.

Major suppliers of local/tropical fruits and vegetables to Brunei are Indonesia, Malaysia and Thailand. Fresh temperate fruits and vegetables from the United States are imported via indirect shipment from Singapore. Common fruits such as apples and oranges are imported directly from the United States. Bruneian households buy mostly fresh leafy green vegetables which are from local farms, and/or imported from Malaysia and China. In supermarkets, customers will see wobblers supplied by the Ministry of Health: “Eat 5 servings of fruits and vegetables a day” which encourages purchases of these commodities.

Brunei is almost self-sufficient in poultry and 100% self-sufficient in eggs, and freshly halal slaughtered chicken is available from local farms. The government owns a cattle farm of 2,262 square miles in Australia that supplies most of the country's beef. Poultry and beef are the main meat items consumed in Brunei.

Brunei has achieved almost 80% self-sufficiency in seafood. Bruneians consume mostly local fresh finfish and shrimps. While most of the finfish are purchased in the local markets, and supermarkets for home consumption, consumers generally frequent small eateries and restaurants for seafood such as crabs, fish and shrimps.

In an effort to ensure the country's economic stability, the Sultanate is striving to diversify the economy by developing other sectors, such as agriculture, fisheries, tourism, and financial services.

### **Food Retail Sector**

Most food retail sales take place in supermarkets, hypermarkets, mini markets and “mom and pop” stores.

The major shopping precincts in the Sultanate can be found in Gadong, Kiulap, Kampong Delima, Serusop, Batu Bersurat and Mile One area and “mom and pop” shops scattered along Jalan Tutong, and in the Tanjung Bunut area. The Mall, Brunei's first shopping mall that came with the first modern cinema complex, located in the heart of Gadong is the most popular among Bruneians.

Traditionally, Bruneians shop for fresh produce in “open air type market” stalls. However, more and more households patronize supermarkets for their fresh produce, meats and fish requirements.

Two major supermarket chains dominate the Brunei retail industry:

- Hua Ho Department with a supermarket facility located on the ground level for easy accessibility. Hua Ho Department Stores has two different formats, one principally the middle and higher income groups located at Mangaa and the other format catered for the middle and lower income group. Hua Ho owns a poultry and local fruits and vegetables farm, and retails their own farm grown produce, with a small percentage of imported common produce such as broccoli, carrots, and tomatoes and a limited range of temperate fruits.
- SupaSave is owned by QAF Group Brunei, run by Ben Foods Sdn. Bhd. (with no connections to Ben Foods Singapore). The four SupaSave stores target principally the expatriate community, middle and higher income groups. The stores stock a good range of western type/imported products mainly from Australia, United Kingdom and the United States Ben Foods is also a food distributor.

There are three hypermarkets in Brunei; the Giant hypermarket (1) similar to a Tesco, not many imports), offering a range of affordable, budget friendly fresh food, groceries, household and general merchandise; Soon Lee Megamart (6 stores) mostly local with some imported food products ;and the Jaya Hypermart. There's also First Emporium (9 stores) and FreshCo Supermarket (1), both with mostly Asian products and little imports.



Importers who represent foreign brands, generally

will be responsible for the market development of the brands, advertising and promotion and increasing distribution reach to all retailers, however, in the case of Brunei Darussalam where most foreign products are procured through consolidators; advertising and promotion are undertaken by supermarket retailers themselves. Weekly specials and reduced pricing on household items to attract customers are common practice among supermarket retailers in Brunei Darussalam.

Western type products imported into the Sultanate include juices, jams, confectionery, biscuits, salad dressings, snack foods, nuts, pancake mixes, breakfast cereal, sauces, canned soups, canned food, canned fruits, canned vegetables, dates (for the evening meals of Ramadan) and fresh temperate fruit. Products procured from local importers would include products from Asian countries, such as dry groceries, tropical fruit, canned foods, local sauces and ethnic foods. Many Western type imports come from Australia.

U.S. brands are manufactured in the United Kingdom, Thailand or Malaysia, but not many originate or are imported from the States. The challenge importers face is U.S. suppliers may be reluctant to fill small orders, e.g., a full container with more than 70 SKU's per container. An importer, for example, might need 200 SKU's per container since the market dictates small quantities. He is the one who registers the products, and the paperwork is not difficult. Post heard that consolidators who buy from wholesalers, not the manufacturer, complain about not being able to obtain ingredient details from the manufacturer needed for registration by the Ministry of Health. MOH wants to know product ingredients to ensure there is no alcohol or pork.

Crossing the borders into Malaysia for shopping either for food and retail therapy and/or leisure is common amongst Bruneians, as it takes about 30 – 40 minutes. Attributing factors such as the favorable currency exchange rate against the Malaysian ringgit (B\$1:M\$3), and the extended border crossing hours till midnight. Bruneians expenditure/receipts for the Malaysia totaled \$12.6 billion (RM51.8 billion) in 2015.

### **Food Service Sector**

The Brunei foodservice market is small. All restaurants and eateries as well as companies, food

factories and hotels are required by government mandate to obtain halal certification (entails an audit process which takes about 45 days to complete). The Halal order requires that at least two halal food supervisors at employed at the premises, must be a Muslim and approved by the Islamic Religious Council and must possess the knowledge with regards to food permissibility on halal and haram. According to statistics provided by the Halal Food Control section at the Ministry of Religious Affairs (MoRA), a total of 1,400 have been successful in getting halal certificates of which 1,334 are restaurant operators and 66 companies, food factories and hotels.

The most popular U.S. fast food chain is Kentucky Fried Chicken with a total of 16 outlets, with only one McDonald's outlet. Bruneians eat out at least once a day, since eating out at small eateries is inexpensive; the average price per meal is about US\$4, or US\$5.10 for a McDonald's combo meal and US\$18 for 2 persons at a mid-range restaurant. U.S. products used in this sector include sweet corn, mixed vegetables, hash browns and fries. They may be shipped from the States or to Singapore, and then transshipped to Brunei.

Eating out in Brunei Darussalam is quite common and convenient. It is not uncommon each evening to see families walk to the nearest eatery to have their meals.

There are about 200 restaurants and eateries in the Sultanate. Besides the small café type eateries serving local cuisines, there are cafés such as the Coffee Bean & Tea Leaf – 11 outlets, Starbucks – 3 outlets, and small local fast foods with single outlet such as Jollibee and Sugar Bun. Fast food chains such Pizza Hut with a single store and Burger King are also popular amongst Bruneians.

And, interestingly, the popular American franchise Wayback Burgers has established its presence, their very first overseas venture with two outlets in the Sultanate.

There are a handful of food service suppliers in the Sultanate that distributes food supplies to the small foodservice industry and hotels. There is one 5-star hotel in Brunei Darussalam (and the only beach resort), the Empire Hotel & Country Club owned by the royal family, and a 4-star hotel, the Radisson Hotel, with one food and beverage outlet.

## **Food Processing Sector**

Brunei Darussalam's food processing sector is small, due to strict halal requirements. It engages in minimal agricultural production, and raw materials for food processing meant for the local domestic market is imported mainly from Malaysia, Indonesia and Singapore. Brunei Darussalam imports live cattle from Australia to slaughter in-country under halal requirements. Some of the beef is further processed and retailed under local private labels.

The Sultanate's food processing sector is made up of a small number of small and medium companies with RBC Aircraft Catering Center being a larger entity. However, with the Sultanate's long term diversification plans, the sector will see some growth over a period of time, specifically in the Halal Foods as the Sultanate gears itself to be the Global Halal Food Hub. Global Muslim consumer spending on food and lifestyle is estimated at \$1.8 trillion in 2014 and is projected to reach \$2.6 trillion in 2020. Neighboring countries such as the Philippines, China (Province of Yunnan) and Thailand are said to be in talks with the Sultanate on collaboration to penetrate the global halal market.

According to a press release by the Brunei Times, Tunisia-based Catering and International Trading has inked a memorandum of understanding with local food company AZ Food (B) Sdn. Bhd. and the Brunei Economic Development Board (BEDB) to construct a \$90 million Halal Food Manufacturing Plant by the fourth quarter of 2017. The facility will create 206 new jobs and generate more export revenues and create business opportunities for small and medium businesses.

Additionally, homegrown brand *BruneiHalal* (see photos below), managed by Ghanim International, a company established to oversee the brand), aims to boost the local food processing and food service sector and to penetrate international markets United Arab Emirates (UAE) and France. It has recently launched 25 new products (including salt and sugar replacement products meant for the food service industry, cordials, sauces, crackers, chicken wings products, chicken breasts or “goujons” products, oxygenated water and lamb burger) that are manufactured in Australia, UK and Brunei. Products in development include low sodium soy sauce, cheeses, noodles, juices and soya mayonnaise without eggs or dairy.



#### SECTION IV. BEST HIGH –VALUE PRODUCT PROSPECTS

The following are suggested product categories that have prospects in the Bruneian market and are provided as guidance based on market analysis and survey by USDA-FAS as there are no available data due to the small consumer population.

1. Halal certified confectionery
2. Halal certified snack foods
3. Halal certified dried fruits and nuts
4. Fruits and vegetables

#### SECTION V. KEY CONTACTS AND FURTHER INFORMATION

U.S. Embassy – Office of Agricultural Affairs  
U.S. Department of Agriculture (USDA)  
Foreign Agricultural Service (FAS)  
27 Napier Road

Singapore 258508  
Fax:(65) 6476-9517  
Tel: (65) 6476-9120  
Email: [agsingapore@fas.usda.gov](mailto:agsingapore@fas.usda.gov)  
Website: [www.fas.usda.gov](http://www.fas.usda.gov)

Department of Agriculture & Agrifood  
Ministry of Primary Resources and Tourism  
Bandar Seri Begawan, BB 3510  
Brunei Darussalam  
Website: [www.agriculture.gov.bn](http://www.agriculture.gov.bn)

Food Safety & Quality Control Division, Public Health Services  
Ministry of Health  
Environmental Health Building  
Commonwealth Drive  
Website: [www.MOH.gov.bn](http://www.MOH.gov.bn)

#### **APPENDIX I. Vision Brunei 2035** (*Wawasan Brunei 2035 in the Malay language*)

The following are the 8 strategies that have been identified by the Bruneian Government:

1. Education strategy: to prepare the youth for employment and achievement in a world that is increasingly competitive and knowledge-based.
2. Economic strategy that will create new employment for the people and expand business opportunities within Brunei through the promotion of investment, foreign and domestic, both in downstream industries as well as in economic clusters beyond the oil and gas industry.
3. Security strategy that will safeguard Brunei's political stability and sovereignty as a nation which links defense and diplomatic capabilities and capacity to respond to threats from disease and natural catastrophe.
4. Institutional development strategy that will enhance good governance in both the public and private sectors, high quality public services, modern and pragmatic legal and regulatory frameworks and efficient government procedures that entail a minimum of bureaucratic "red tape"
5. Local business development strategy that will enhance opportunities for local small and medium sized enterprises (SMEs) as well as enable to Brunei Malays to achieve leadership in business and industry by developing greater competitive strength.
6. Infrastructure development strategy that will ensure continued investment by the government and through public-private sector partnerships in developing and maintaining world-class infrastructure with special emphasis placed on education, health and industry.
7. Social security strategy that ensures that all citizens are properly cared for as the nation prospers.
8. Environmental strategy that ensures the proper conservation of their natural environment and cultural habitat, and that health and safety are in line with the highest international practices.

**Definition of Halal:** Halal means permitted or lawful, when we say halal foods, it means any foods that are allowed to be eaten according to Islamic Shariah law. For any food to be considered halal, it must comply with the religious ritual and observance of Shariah law.

**Food that are forbidden in Islam are:** blood, alcohol, meat or any products from a forbidden animal, including pigs and any carnivorous animals or birds of prey, meat or any products of an animal which has not been slaughtered in the correct manner in the name of Allah.

**Definition of Halal Slaughter:** To be halal certified, the animal to be slaughtered must be facing Mecca, have its throat cut while still alive and then ritually sacrificed by a Muslim (certified by the Religious authority as in Brunei) who recites a prayer dedicating the slaughter to Allah. As the animals must be slaughtered alive, i.e. the slitting of the throat, stunning or the use of stun guns are not permitted as the method kills an animal before the heart pumps out all the blood.

## APPENDIX II. STATISTICS

### A. Key Trade & Demographic Information

	2015
Agricultural Imports From All Countries (\$Mil) /U.S. Market Share (%)	N/A
Consumer Food Imports From All Countries (\$Mil) /U.S. Market Share (%)	N/A
Edible Fishery Imports From All Countries (\$Mil) /U.S. Market Share (%)	N/A
Total Population (Thousand) /Annual Growth Rate (%) (2015)	423,188 / 1.3%
Urban Population (Millions) / Annual Growth Rate (%)	N/A
Number of Major Metropolitan Areas	4
Size of the Middle Class (Millions) /Growth Rate (%)	N/A
Per Capita Gross Domestic Product (U.S. Dollars)	12,790
Unemployment Rate (%)	N/A
Per Household Food Expenditure (U.S. Dollars) Per Annum	N/A
Exchange Rate in 2016 (US\$1 = BND\$1.39)	US\$1=BND\$1.3598

(Source: Brunei Department of Economic Planning and Development)

### Brunei Merchandise Imports by Commodity Section 2014-2015 (in US\$ Million)

Products	2014	2015	2015/14 % change
Food	443	439	-0.9
Beverages and Tobacco	47	50	6.5
Crude Materials Inedible	32	40	25.6
Mineral Fuels	333	194	-41.6
Animal and Vegetables Oils and Fats	14	12	-8.0
Chemicals	277	233	-15.9
Manufactured Goods	493	686	39.3
Machinery and Transport Equipment	1,263	1,069	-15.3
Miscellaneous Manufactured Articles	360	275	-23.8
Miscellaneous Transactions	18	11	-39.3

<b>TOTAL:</b>	<b>3,278</b>	<b>3,008</b>	<b>-8.2</b>
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(Source: Brunei Department of Economic Planning and Development)

#### Brunei Merchandise Imports from top 11 countries in 2015 (in US\$ Million)

	<b>Countries</b>	<b>2015</b>	<b>Market Share (%)</b>
1	Malaysia	680	23
2	Singapore	452	15
3	China	381	13
<b>4</b>	<b>U.S.A.</b>	<b>340</b>	<b>11</b>
5	Japan	232	8
6	Thailand	123	4
7	Korea, Rep. of	106	4
8	Germany	102	3
9	Indonesia	83	3
10	United Kingdom	75	3
11	Italy	18	1
	Other Countries	416	14
	<b>Total:</b>	<b>3,008</b>	

(Source: Brunei Department of Economic Planning and Development)

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END OF REPORT.