

Market Analysis: Brunei

Overview

Population	390,000
Total area	5,765 sq km
Capital	Bandar Seri Begawan
Major language(s)	Malay, English, Mandarin and other Chinese dialects
Time zone	GMT + 8 hours
Currency	Brunei dollar or ringgit (BND)
Central bank	Brunei Currency and Monetary Board and Financial Institutions Division (regulators)
Gross domestic product	19.6bn total (2007 est.); 0.4% real growth rate (2007 est.); 51,005 per capita (2007 est.)
Inflation rate (consumer prices)	0.4% (2007 est.)

Trade

Exports	USD7.4bn f.o.b. (2007)	Imports	USD2.3bn c.i.f. (2007)
Major exports	Minerals and associated products; apparel and clothing accessories; energy equipment and energy-related machinery; aircraft and aviation parts; electrical and electronic equipment; and other commodities (2007)	Major imports	Energy equipment and energy-related machinery; vehicles, vehicle parts and accessories; iron or steel articles; electrical and electronic equipment; pharmaceutical products; and other commodities (2007)
Major markets (% of total)	Japan – 31.0%, Indonesia – 23.7%, Korea – 17.0%, Australia – 12.2%, US – 5.2% (2007)	Major suppliers (% of total)	Singapore – 33.1%, Malaysia – 19.1%, UK – 8.8%, Japan – 5.9%, China – 4.8%, Thailand – 4.3% (2007)
Trade with rest of world	USD9.7bn (2007)	Trade with Asia	USD8.6bn (2007)

Banking System and Bank Accounts

- ▶ Brunei has no central bank. The Ministry of Finance, through the Brunei Currency and Monetary Board and the Financial Institutions Division, exercises most of the functions of a central bank.
- ▶ Brunei currently has a total of eight banks; two local and six foreign.
- ▶ The following types of bank account are currently available:

Account type	Local current	Local savings ²	Foreign current ¹	Foreign savings
Resident	Yes	Yes ³	Yes ²	Yes ³
Non-resident	Yes	Yes ³	Yes ²	Yes ³
Credit interest	No	Yes ³	No	Yes ³

1. Overdrafts are not permitted and cheque books are not available for foreign currency current accounts.
2. Subject to approval.
3. Statement saving accounts only.

Clearing Systems and Payment Instruments

- ▶ A popular domestic payment instrument in Brunei is the cashier's order; in the absence of a central clearing system, the banks meet daily at the HSBC offices where these orders are exchanged. Clearing typically takes two or three days. Cheques are also commonly used and have the same clearing period, unless the payer and receiver use the same bank, in which case, value is same-day. Telegraphic transfers and drafts are also available.
- ▶ The manual nature of the clearing process means that an early daily cut off time of 9.30am is necessary; any payments arriving after that time are processed on the following business day.

Legal, Company and Regulatory

- ▶ The Brunei Currency and Monetary Board issues Brunei's currency and is responsible for maintaining monetary stability, while the Financial Institutions Division acts as the principal licensing and monitoring agency for banks and finance companies operating in Brunei.
- ▶ There are few restrictions on the type of business that can be set up in Brunei. However, businesses considered as affecting public interests directly – such as banks, finance companies, money lenders and travel agents – must obtain special licences from the appropriate government authorities. All companies with businesses in Brunei must be registered with the Registrar of Companies and have a registered place of business.

Liquidity, Currency and Tax

- ▶ Liquidity management such as notional pooling or cash concentration are not generally practised, even on an in-country basis.
- ▶ There are no exchange control laws in Brunei. Previous legislation was repealed in 2000.



Market Watch

No recent or anticipated change of significance.