



AGRICULTURE SECTOR BRIEF

# BRUNEI



## Country Overview

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In 2008, Brunei Darussalam began its journey towards its national vision, Wawasan Brunei 2035, where it aspires to become a country recognised for its educated, highly skilled and accomplished people, with high quality of life and a dynamic, sustainable economy by 2035. This vision remained as Brunei Darussalam's guiding principle for its development strategies and policies, which has also incorporated sustainable development perspectives.

In ensuring the economy is sustainable for future generations, the third goal aims to transform the country into a developed nation with a high income, utilising knowledge and technology as the basis for development and boosting private sector involvement, while strengthening the public sector's role in realising the country's economic potential. Therefore, diversifying its economy away from the oil and gas sector is among the main agenda in the nation's economic development.



# Sector Overview

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Recognising the importance of food security and safety, Brunei is pushing its agriculture sector towards increasing productions on agriculture and agrifood based industries through increasing productivity and adoption of high technology to meet its domestic consumption and for exports to key markets.

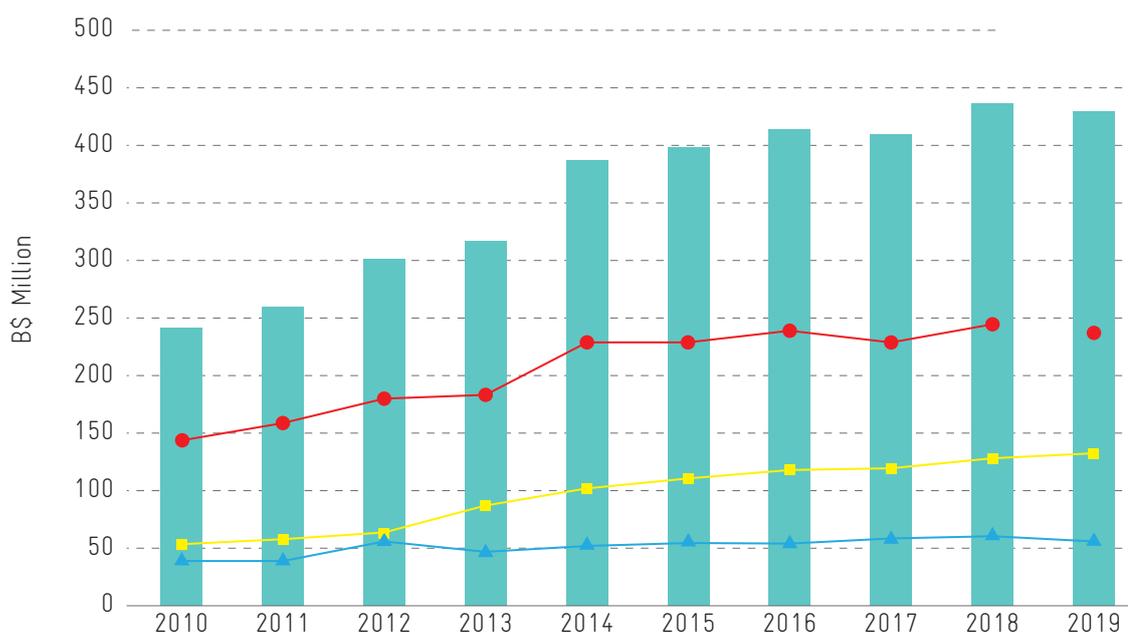
The strategic objectives in the agricultural sector are:

- Increase agriculture production output and productivity
- Implementation of new technology, and introduction of high value agriculture products
- Encourage both local and foreign direct investments in the agricultural sectors
- Improve market access and networks for exports.

Several initiatives to boost production and productivity that had been implemented, among others include:

- ‘Pasar Kitani’ - the Kitani Market Programme, introduced for the first time in August 2020, is an effort to provide alternative trading facilities to farmers or local entrepreneurs to promote their farm products, by selling directly to consumers at weekends. This initiative also aims to be used as a distribution centre and value chain to balance imported commodities as well as a platform for entrepreneurs to interact with the public to promote fresh produce from their respective farms, and further expand the marketing network.
- Encouraging new businesses in the industry through the introduction of the Agriculture Pilot Project. The implementation of this project emphasises the use of modern techniques and high technologies; high-yielding and high-value varieties; and targeting output for export.
- Encouraging existing farmers to increase production and output through the introduction of expansion programmes by offering additional land to those who have fully utilised their land areas.
- Encouraging companies and farmers to use modern techniques and high technologies in the industry such as fertigation, green houses, closed-house poultry systems and others.
- Identifying new and innovative approaches to promote output growth of agriculture and agri-food sectors.
- Local market facilitation which allows matchmaking between supermarkets, wholesalers, restaurant operators and hotels with local farmers. The objective of this initiative is to enable supermarkets, wholesalers, restaurant operators and hotels to purchase fresh vegetables, fruits and poultry directly from local farmers.

In 2019, the total agriculture land area is about 8,243 hectares. During the same period, the gross output of the agriculture and agrifood sector has shown positive growth of 2% per annum compared to the gross output in 2015, that is, from BND\$396 million (2015) to \$429 million at current price (2019). In terms of self-sufficiency and food security, Brunei has currently achieved 100% self-sufficiency in eggs, almost 100% in whole chicken, 77% self-sufficiency in tropical vegetables, 50% in tropical fruits and 31% in beef.



— Agriculture Production	240.39	259.14	301.37	316.94	386.61	396.40	413.03	408.29	436.44	428.89
● Livestock Industry	144.69	159.35	180.69	183.20	228.87	228.08	239.05	229.45	244.77	238.01
▲ Crop Industry	41.95	42.58	57.85	47.50	55.06	57.84	55.87	59.65	63.69	58.41
■ Agrifood Processing	53.76	57.21	62.83	86.24	102.68	110.48	118.11	120.18	127.98	132.47

## Key industries

Key industries of the agriculture sector include the following:

- Livestock industry - broilers, eggs, buffalos, and cattle
- Crop industry - vegetables, fruit, floriculture, and miscellaneous crops
- Agrifood industry - livestock and crop-based value-added products.

## Imports of agricultural crops

Even though Brunei has been producing its own local products, temperate vegetables and fruits are still imported into the country in high quantities. According to the retail and import statistics in 2019, the types of crops imported were shown in the table below:

List of the top 5 imports of fruits and vegetables:

● Tropical vegetables	● Temperate vegetables	● Tropical fruits	● Temperate fruits
Thailand chilli	Cabbage	Banana	Apple
Pumpkin	Tomato	Watermelon	Orange
Radish	Carrot	Lemon	Mandarin orange
Red chilli	Cauliflower	Rock/Honeydew melon	Pear
French bean	Broccoli	Pineapple	Grape

In the miscellaneous crops' category, the highest demand for imported products is for maize, potato, yam, and sweet potato. Imports of spices have a significant share in this category, led by onion, ginger, garlic and shallot.

## Imports of animal products

In 2019, imports of chilled and frozen beef accounts for about 70% of the total consumption, and exceeds 3100mt, with a retail value of B\$41million. The goat industry is a niche market, with only about 2,500 heads slaughtered, but the government is envisioning an increase in this field, and welcomes new players, investors and technology providers for this livestock industry.

In addition, the importation of chilled and frozen chicken meat mainly for processing purposes is 5.3% of the total consumption. Thus, the government is also pushing local businesses to increase its production.

There is still a need for fertilised eggs to be imported as Brunei currently imports 38% of the fertilised egg segment.

● AGRICULTURE COMMODITY	● LOCAL		● IMPORT		● TOTAL (Quantity-Unit)
	Quantity (Unit)	Retail Value (\$Mil)	Quantity (Unit)	Retail Value (\$Mil)	
Vegetables(mt)	9,529.57	26.34	12,008.29	18.21	21,537.86
Fruit (mt)	9,816.59	20.29	15,265.41	28.11	25,082.00
Paddy (mt)	2,307.63	3.69	0.00	0.00	n/a
Miscellaneous Crop (mt)	1,644.76	3.67	15,683.75	15.12	17,328.51
Ornamental Plants (plants)	811,524	4.37	188,077	0.36	999,601
Cut Flowers (cut)	52,720	0.04	1,404,022	1.28	1,456,742
<b>TOTAL</b>		<b>58.41</b>		<b>63.07</b>	

## National halal brand

In 2009, Brunei launched its national halal brand, 'Brunei Halal', which allows companies in Brunei and in other countries to use this premium trademark. The aim of the initiative was to create a global halal brand. The complexity of the brand comes with the set of rules governing the sourcing of raw materials, production procedures, logistics and distribution as well. The brand owner is a government owned company, that can allow manufacturers to use the label.

**The national halal brand:**

[www.brunei-halal.com](http://www.brunei-halal.com)

In addition to domestic demand, the national halal brand was set to nurture Brunei's tourism sector, creating a safe food haven for Muslim tourists. Thus, imported products targeting this sector have to comply with the halal scheme as well.

# Regulations



Brunei, due to its geographic location, size and dependency on international trade (oil and gas export and food import) does not maintain a tough protectionist trade regulation regime. Brunei was among the first group of ASEAN countries that adopted the 2009 ASEAN Trade in Goods Agreement, which aimed to eliminate as many non-tariff barriers as possible in the region.

## Tariffs and international conventions

In the last decade, Brunei applied significantly lower tariffs than previous times, under free trade agreements on a bilateral basis and through ASEAN schemes. Generally, the average most favoured nation (MFN) tariff was reduced from 3,66% in 2011 to 1,21% in 2018. The highest tariff is on headgears and musical instruments, but most importantly there are no tariffs on agricultural products. In Brunei's trade regulation system, there are import and excise duties, but no value-added tax.

Four international, multilateral conventions have been ratified by Brunei. The Montreal Protocol, which affects customs, the Basel Convention about the control of export, import and transit of hazardous waste, the CITES convention on the international trade of endangered species of wild flora and fauna, and the Convention on Narcotic Drugs, Psychotropic Substances, ratified in the Misuse of Drugs Act in Brunei.

## Non-tariff measures (NTM)

While lowering tariffs, Brunei has been updating its non-tariff measures as well. From 2015 to 2018 the country's government updated 254 trade regulations, of which had 70 different non-tariff measures. For SME users, there is a now one-stop source of regulations online.

Most NTMs are specified in regulations that are lower in the legislative hierarchy, mainly rules, while higher regulations would be acts and orders. Fortunately, most of the NTM regulations are now available in English. Non-tariff measures are published on the Attorney General's Chambers website, and can also be found in the ASEAN Trade Repository, UNCTAD TRAINS, and the WTO's Integrated Trade Intelligence Portal (I-TIP) - a very useful source of information for ASEAN exporters.

The most frequent NTMs are technical barriers to trade, sanitary and phytosanitary measures, and price control, which account for more than 85% of total non-tariff regulations.

Brunei's strictest import regulations are on halal certified products and on chilled and frozen meat, regulated by the Halal Meat Act. For exporters from other ASEAN countries, this means they have to provide halal accreditation and all other relevant information beforehand, including veterinary documents, and certifications of the production premises.

Prepacked foods imported, sold and distributed have to comply with the Brunei Public Health (Food) Act, where labelling and packaging requirements are described. Labels must be in a prominent and conspicuous position on the packaging.

The responsible authority is the Food Safety and Quality Control Division of the Department of Health Services of the Ministry of Health.

**Food Safety and Quality Control Division, Dep. of Health Services, Ministry of Health**  
[fsqc@moh.gov.bn](mailto:fsqc@moh.gov.bn) and [www.moh.gov.bn](http://www.moh.gov.bn)

**Attorney General's Chambers for non-tariff measures** [www.agc.gov.bn](http://www.agc.gov.bn)

**The Halal Meat Act can be found here:** <http://www.agc.gov.bn/AGC%20Images/LOB/pdf/Chp.183.pdf>

**ASEAN Trade Repository** [https://atr.asean.org/links/search/?country\\_code=bn&src=home](https://atr.asean.org/links/search/?country_code=bn&src=home)

**UNCTAD TRAINS** <https://trains.unctad.org/>

**WTO I-TIP** <https://i-tip.wto.org/goods/Default.aspx>



# Market Entry

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## Market channels and logistics

Agricultural products mainly reach Brunei by sea freight, and arrive at Muara Port, while others are brought in by air cargo or land transportation from neighbouring states. . There are 15 larger logistic providers in the country, which handle most of the imports. Online marketplace/ecommerce for the primary sectors is yet to be fully explored, and Brunei offers many opportunities in this area.

## Promotional opportunities

There are small-scale events every year in Brunei, where agrifood products were promoted. Annual fairs or exhibitions, such as the International Food Fair, Consumers' Fair are a good platform for business matching and also for exhibitors/vendors to build strategic business relations. Since 2017, there is also the annual Brunei Gastronomy Week, a 2-week event, an initiative to highlight Bruneian cuisines in creative and innovative ways and for the public and tourists to experience Bruneian cuisines.

# Recommendations and Trends



As trend analysis shows, growth in international trade in goods will be limited in the next decade, even though intra-ASEAN trade will probably exceed global averages. On the other hand, trade in services is expected to grow by 5-10% every year until 2030. For SMEs this would give a perfect opportunity to find new markets, which can include veterinarian services, services for food technology companies, where even university research spin-out start-ups can become international service providers.

## Investment opportunities

The Ministry of Primary Resources, the Tourism Strategic Plan and other nationwide development programmes are clear about Brunei's approach to enhance local business development as well as to encourage Government Link Companies (GLC) or high value added Foreign Direct Investment. This includes the production, research and development of animal feed and fertilisers in order to reduce input costs, ensure high and quality yielding production and strengthen competitiveness of the agriculture and food processing activities. Brunei is actively promoting new agricultural sites and investors for new technology from other countries. Investments include research and development collaboration with its education institution for new agricultural varieties, seeds and breeds. The Ministry of Primary Resources and Tourism including Darussalam Assets are seeking joint venture partners and other business professionals, to operate new agro-sites, like the large rice cultivation site in Kandol and other agricultural sites.

### **Investment opportunities and business environment:**

**Ministry of Primary Resources and Tourism:** [www.mprrt.gov.bn](http://www.mprrt.gov.bn)

**Brunei Department of Agriculture and Agrifood:** [www.agriculture.gov.bn](http://www.agriculture.gov.bn)

**BusinessBN, the one-stop-shop for business:**  
<https://business.mofe.gov.bn/SitePages/Home.aspx>

## Trade organisations, chambers, and other useful contacts

Brunei has four chambers of commerce, all of which offer services to SMEs. The 4 organisations are the National Chamber of Commerce and Industry, the Brunei Malay Chamber, the Brunei International Chamber and the Chinese Chamber of Commerce. Contact information is available here.

The Brunei Economic Development Board as the marketing arm for attracting FDI has in their website a useful source of the country's current economic situation and its centralised development plans. It is also the main gateway for foreign investors, and provides information on open investment projects.