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Charting Brunei's Economy, 1H 2016

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About This Report

This report is designed to chart out the economic outlook of Brunei on a semiannual basis. It is ideal for strategic management and corporate planning functions in companies operating or looking to get into the second richest economy in ASEAN.

2016 RELEASE SCHEDULE

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Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
India 1H16	Australia 1H16			Brunei 2H16	India 2H16
China 1H16	New Zealand 1H16			Myanmar 2H16	Indonesia 2H16
South Korea 1H16	Brazil 1H16			Cambodia 2H16	Thailand 2H16
Hong Kong 1H16	Canada 1H16			Laos 2H16	Malaysia 2H16
Taiwan 1H16	Mexico 1H16				Singapore 2H16
	Russia 1H16				Philippines 2H16
	Turkey 1H16				Vietnam 2H16
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Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Australia 2H16				Brunei 1H17	India 1H17
New Zealand 2H16				Myanmar 1H17	Indonesia 1H17
Brazil 2H16				Cambodia 1H17	Thailand 1H17
Canada 2H16				Laos 1H17	Malaysia 1H17
Mexico 2H16					Singapore 1H17
Russia 2H16					Philippines 1H17
Turkey 2H16					Vietnam 1H17
Argentina 2H16					China 1H17
South Africa 2H16					South Korea 1H17
Peru 2H16					Hong Kong 1H17
Chile 2H16					Taiwan 1H17

Brunei Darussalam

Official name: Negara Brunei Darussalam

Brief history

- The Sultanate of Brunei's influence peaked between the 15th and 17th centuries when its control extended over coastal areas of northwest Borneo and the southern Philippines
- Brunei subsequently entered a period of decline brought on by internal strife over royal succession, colonial expansion of European powers, and piracy
- In 1888, Brunei became a British protectorate; independence was achieved in 1984. The same family has ruled Brunei for over six centuries.
- Brunei benefits from extensive petroleum and natural gas fields, the source of one of the highest per capita GDPs in Asia.



Geography

Area: 5,765 sq km (#173 in the world)

Land boundaries:

- Malaysia 381 km
- Coastline 161 km

Land use:

- arable land: 0.52%
- permanent crops: 0.87%
- other: 98.61%

Irrigated land: 10 sq km

Freshwater withdrawal per capita: 301.6 cu m/yr

Natural resources:
petroleum, natural gas, timber

Population and society

Population:
429,646 (July 2015 est., #175 in the world)

Ethnic group (2011):
Malay 65.7%, Chinese 10.3%, other indigenous 3.4%, other 20.6%

Language:
Malay (official), English, Chinese dialects

Religions (2011):
Muslim (official) 78.8%, Christian 8.7%, Buddhist 7.8%, other (includes indigenous beliefs) 4.7%

Working age population (15-64 yr): 71.91%

Population growth rate: 1.62% (2015 est.)

Government

Government type: constitutional sultanate (locally known as Malay Islamic Monarchy)

Capital: Bandar Seri Begawan
Currency: Brunei Dollar (BND)

Chief of state: Sultan and Prime Minister Sir HASSANAL Bolkiah

Head of government: Sultan and Prime Minister Sir HASSANAL Bolkiah

Cabinet: Council of Cabinet Ministers appointed and presided over by the monarch

Election:

- none; the monarchy is hereditary

General Information
This section provides a snap shot and acts as a country fact sheet. Readers will find brief history as well as information on geography, population, society and government.

CONTENT SUMMARY

ECONOMIC PROFILE

Structure

Competitiveness

Development

ECONOMIC OUTLOOK

Growth

Stability

- Brunei is one of the smallest economies in ASEAN with GDP of USD 17.1 billion in 2014
- Brunei is the least populous country in ASEAN but the projected growth rate is higher than the region's average
- Unfavorable demographic structure for Brunei with reducing portion of working age group
- Brunei's economy traditionally relies heavily on export markets for its petroleum products
- Brunei exports mainly its petroleum natural resource and imports industry goods that it does not produce
- Petroleum mining is the most important production sector for Brunei while the government is the main one providing services

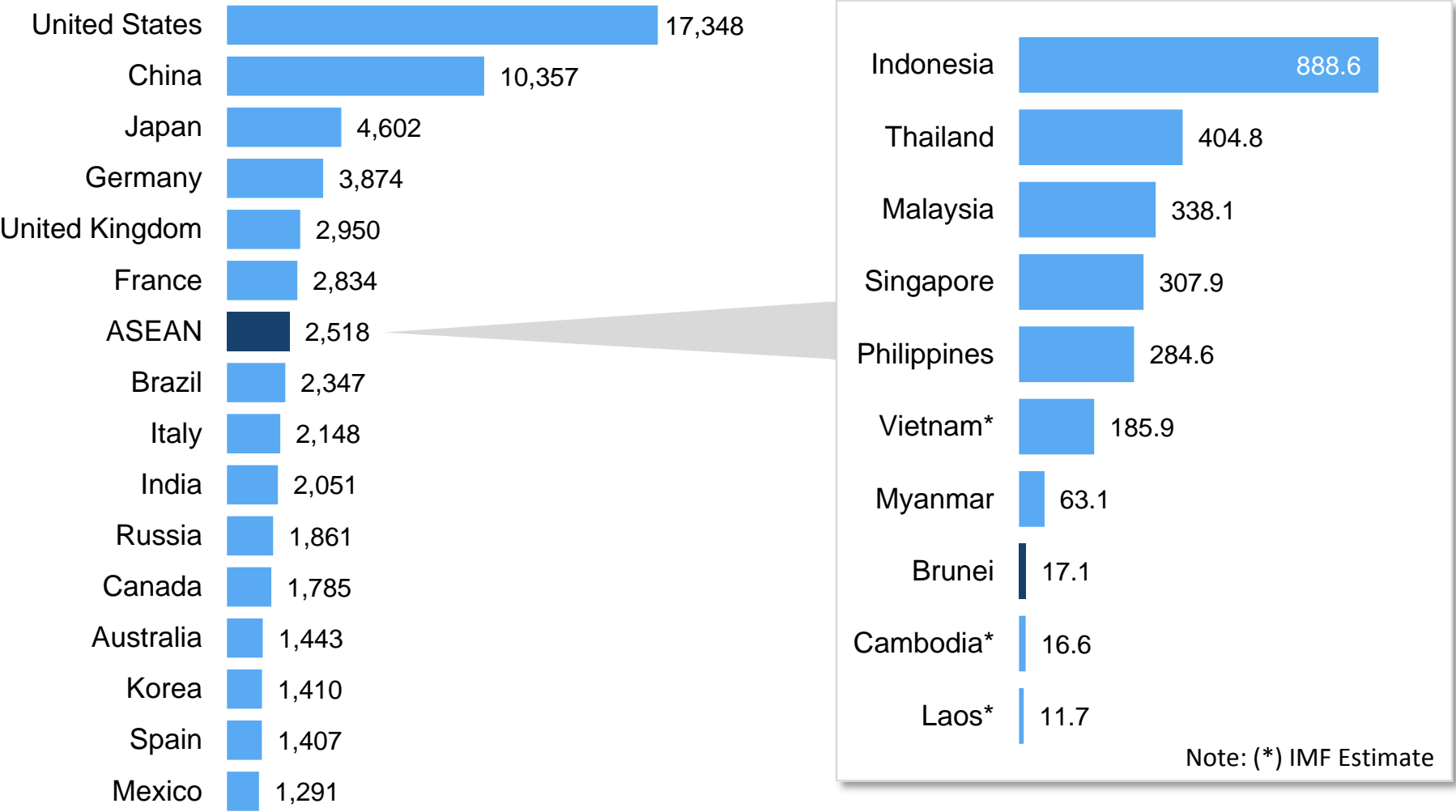
Economic Structure

Part of the country's economic profile, economic structure section gives readers useful views to understand economic fundamental and determine what matters for the country's economy.

Brunei is one of the smallest economies in ASEAN

2014 GDP

USD billion, Market Exchange Rate



Measuring the size of an economy

Size of any economy is usually measured by calculating its Gross Domestic Product (GDP) which is the market value of all officially recognized final goods and services produced within a country in a given period of time. To compare GDP internationally, there is a need to convert value in local currencies to one main currency, normally USD. There are two popular exchange rate to be used. The first one is the official exchange rate for that particular period. The second one is the so called “Purchasing Power Parity” exchange rate, which takes into account the difference in living expenses between countries. The first method is more popular in comparing the size of each economy.

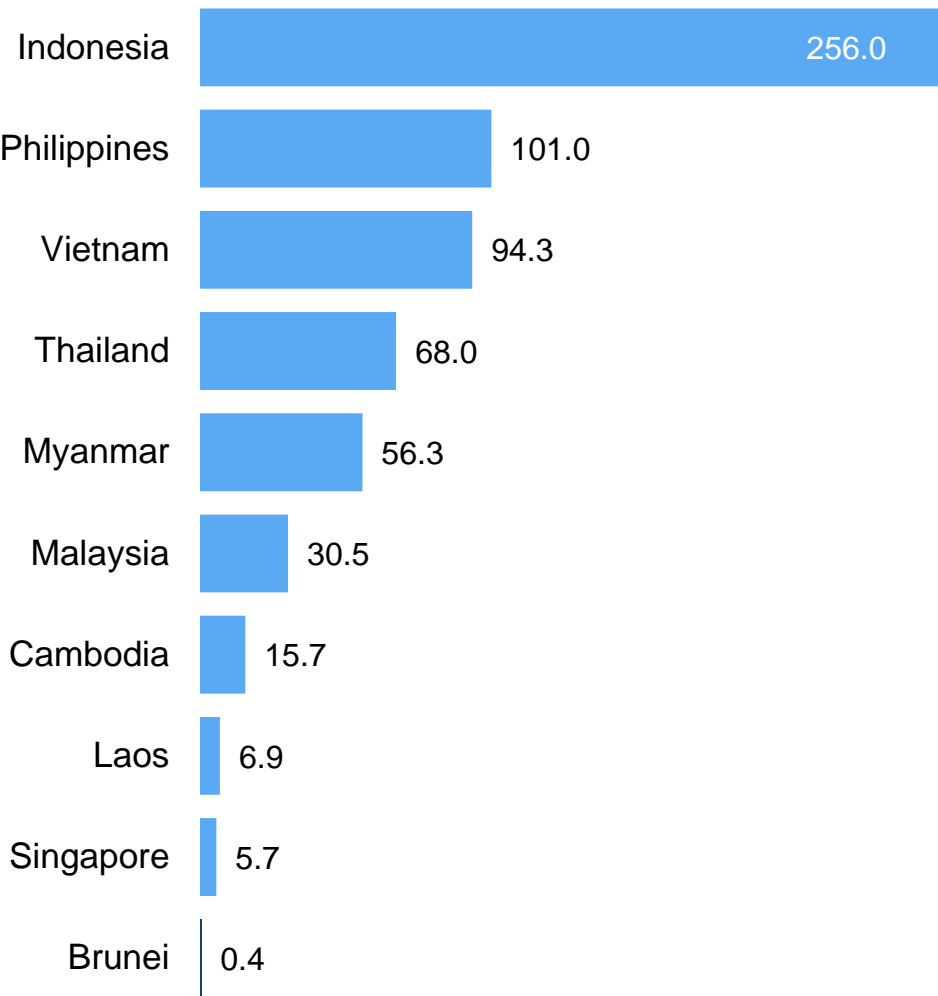
Size of Brunei’s economy

Using the market exchange rate method, Brunei’s GDP is around USD 17.1 billion in 2014, only bigger than Cambodia and Laos.

Brunei is the least populous country in ASEAN but the projected growth rate is higher than the region's average

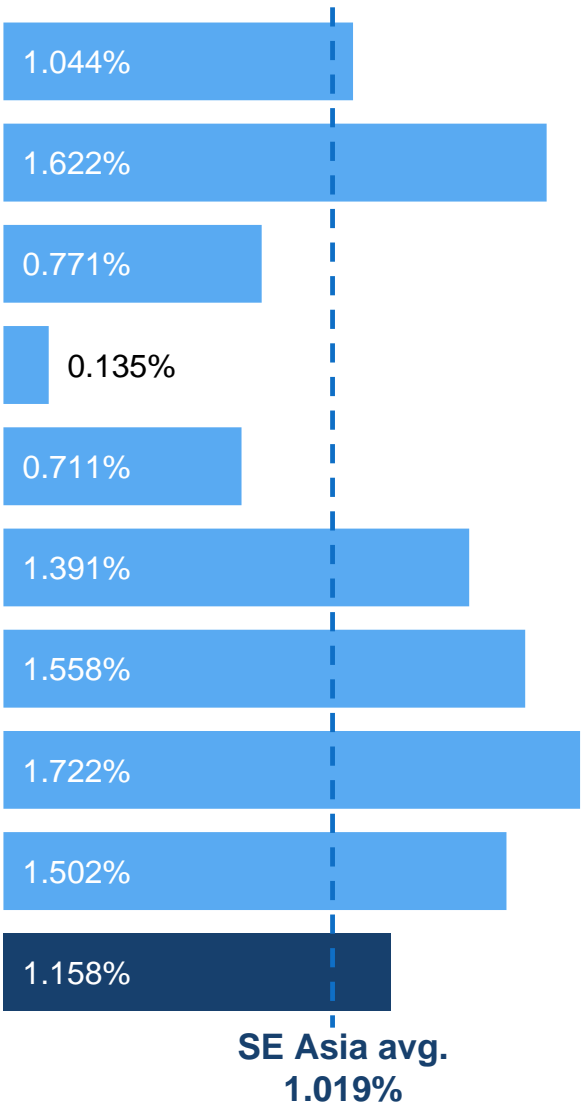
Population

Million, July 2015 est.



Population Growth

Avg. Annual Rate of Change, Medium fertility, 2015-2020



Population

Population compares estimates from the US Bureau of the Census based on statistics from population censuses, vital statistics registration systems, or sample surveys pertaining to the recent past and on assumptions about future trends.

Population growth projection

Projected by UN's Population Division in World Population Prospects: 2012 Revision. There are many sets of assumptions in the projections and we show here the medium fertility scenario as a base case.

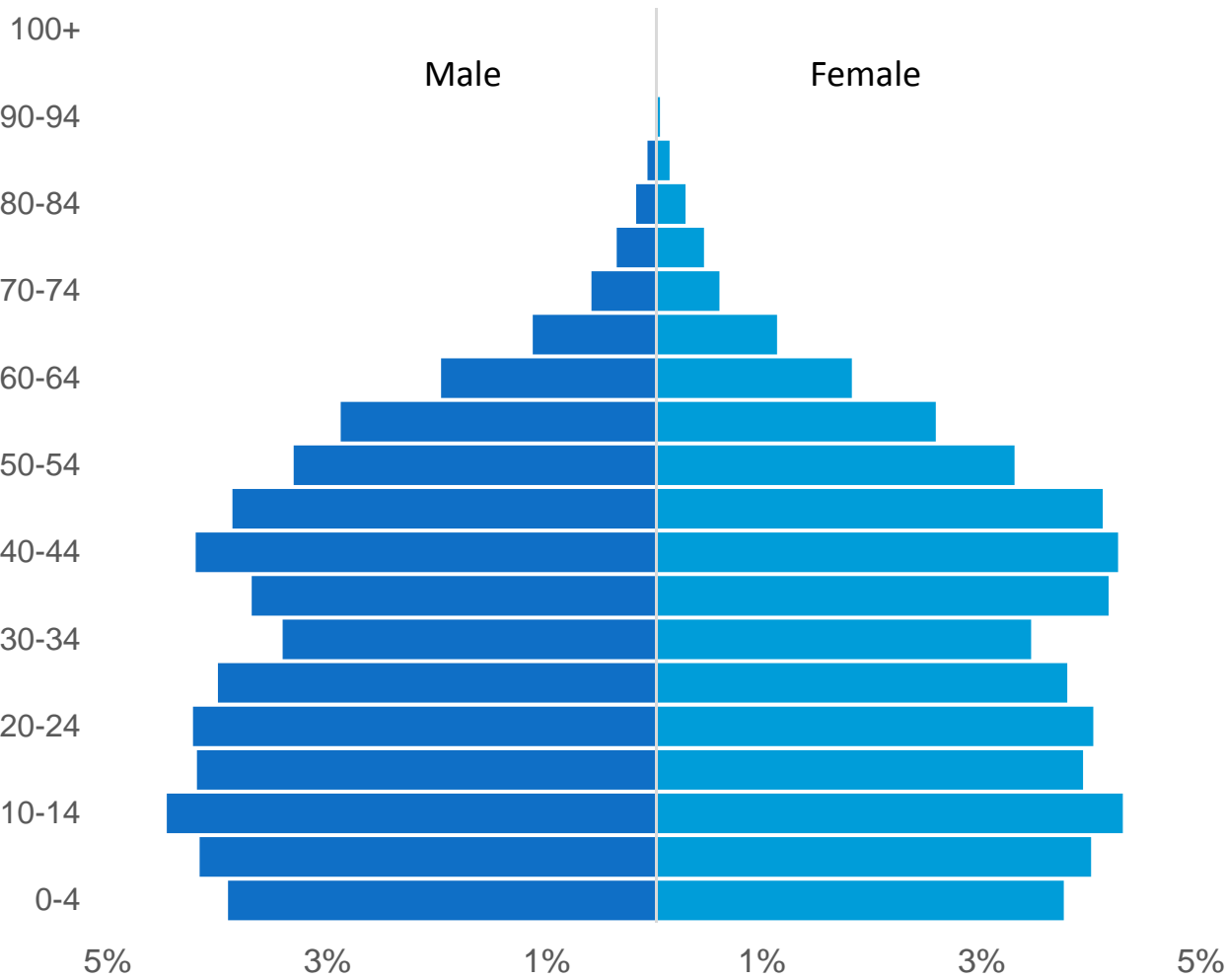
Brunei's population

Brunei is the least populous country in ASEAN with only 0.4 million people. The population growth, however, is projected to be higher than the region's average.

Unfavorable demographic structure for Brunei with reducing portion of working age group

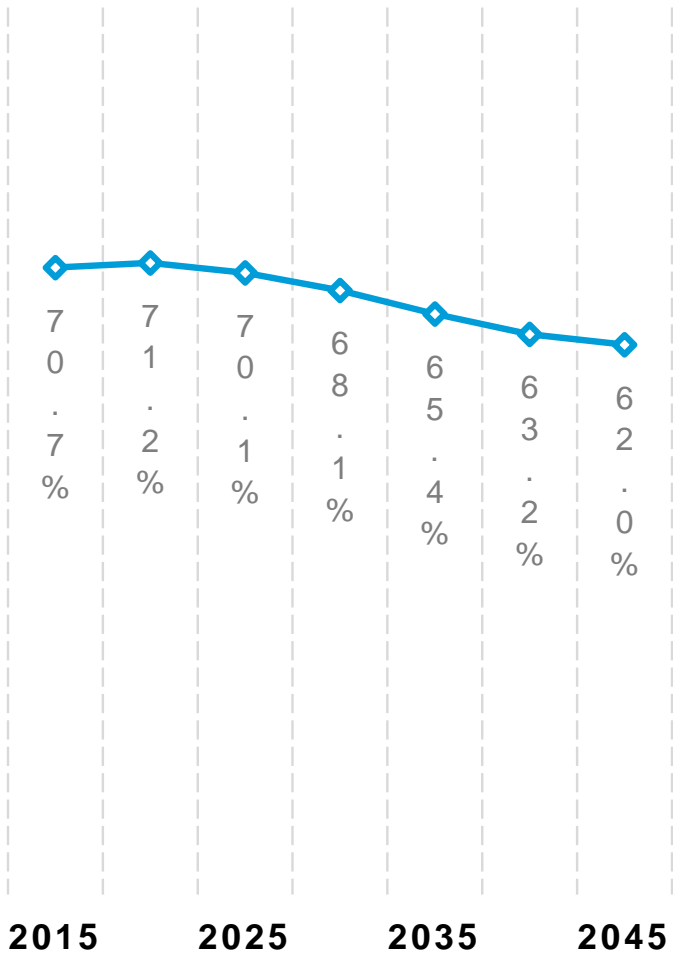
Demographic Structure

2015, % of total population, Medium Fertility



Working age

15-64 Years, % of total population, Medium Fertility



Demographic structure

Total population (both sexes combined) by five-year age group.

Demographic projection

Projected by UN's Population Division in World Population Prospects: 2012 Revision. There are many sets of assumptions in the projections and we show here the medium fertility scenario as a base case.

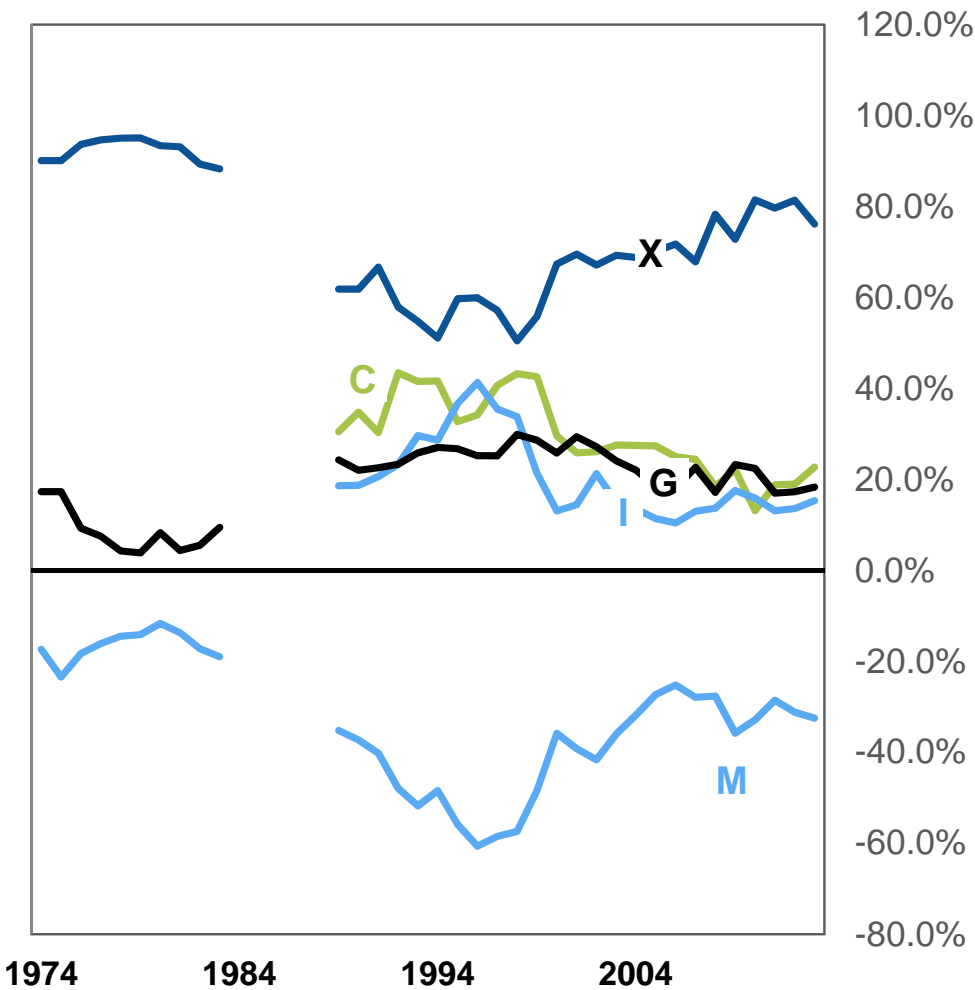
Brunei's demographic structure

Brunei has a unfavorable demographic structure with relatively old population. The working age group (15-64) will reduce significantly from 70.7% to just 62% of the total population over the next 30 years.

Brunei's economy traditionally relies heavily on export markets for its petroleum products

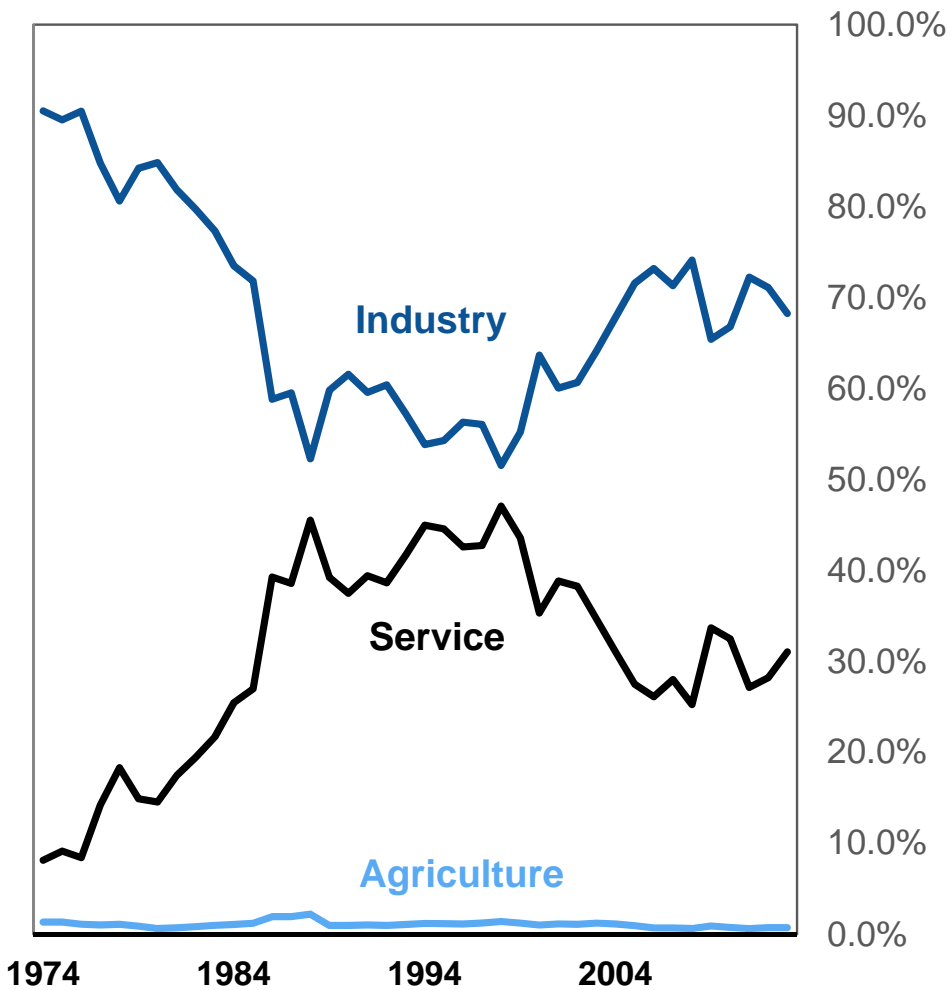
GDP COMPOSITION – EXPENDITURE*

1974-2013, % of total



GDP COMPOSITION – PRODUCTION

1974-2013, % of total



GDP composition

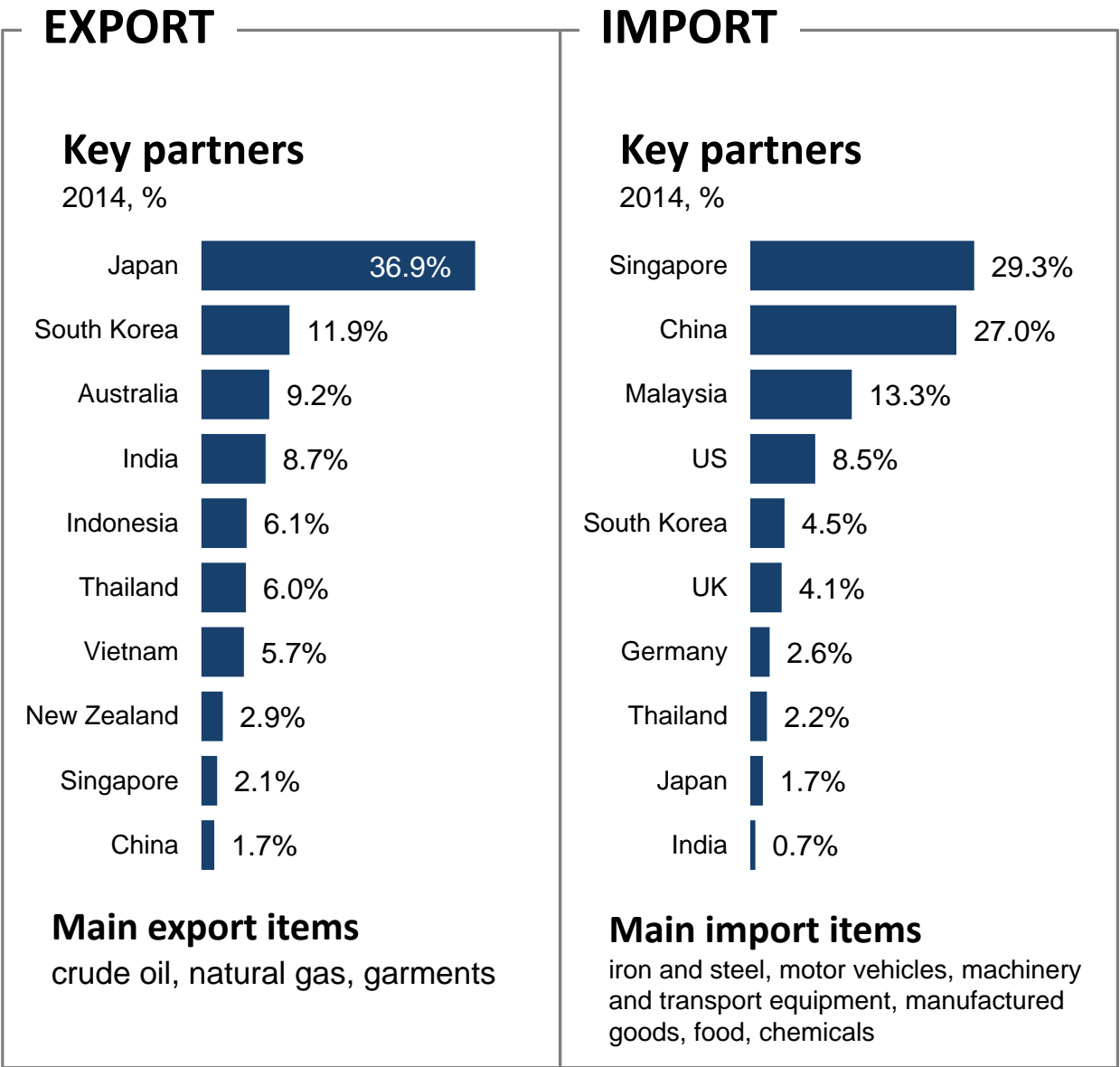
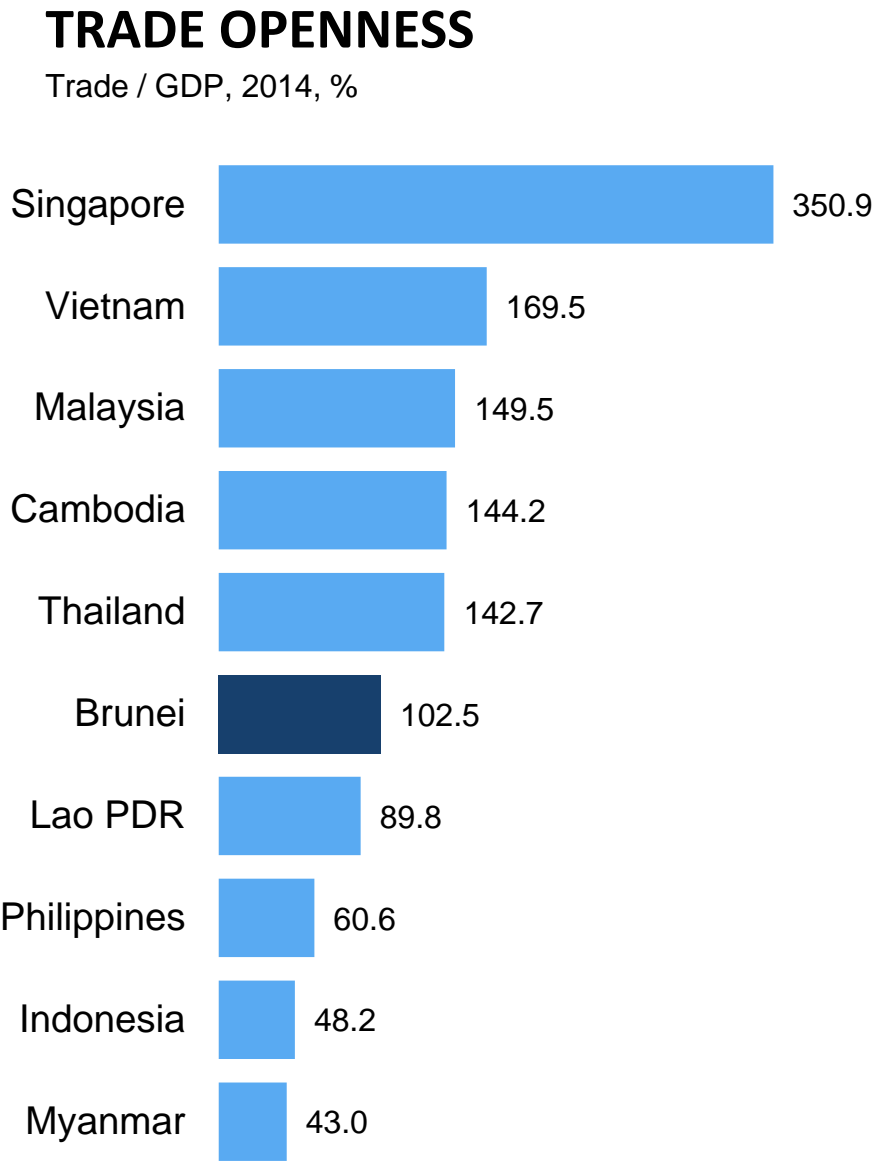
GDP can be determined in three ways, all of which should, in principle, give the same result. They are the product (or output) approach, the income approach, and the expenditure approach. The expenditure approach is summarized in the formula: $GDP = C$ (private consumption) + I (Investment) + G (public consumption) + X (export of goods and services) – M (import of goods and services). The production approach measures market value of all final goods and services calculated during the period. It sums up value add of each production process to avoid double counting. The income approach sums total of incomes of individuals living in a country during the period. For analyzing GDP composition, the first two approaches are more popular.

Brunei's GDP composition

Brunei's economy traditionally relied heavily on export markets for its petroleum products. Export (X) accounts for more than 76% of GDP in 2013.

Note: (*) C = Private Consumption, I = Investment including: I (capital) = Capital formation and I (inventory) = change in inventory
G = Public consumption, X = Export of goods and services, M = Import of goods and services

Brunei exports mainly its petroleum natural resource and imports industry goods that it does not produce



Trade openness

The trade-to-GDP ratio is frequently used to measure the importance of international transactions relative to domestic transactions. This indicator is calculated for each country as the simple average (i.e. the mean) of total trade (i.e. the sum of exports and imports of goods and services) relative to GDP. This ratio is often called the trade openness ratio.

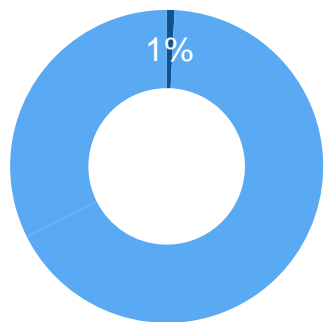
Trade openness level for Brunei

Brunei exports mainly its petroleum natural resource and imports industry goods that it does not produce. Its trade openness is 102.5% of GDP in 2014. Key trade partners include Japan, Singapore, China, UK, Malaysia, South Korea, Australia, etc.

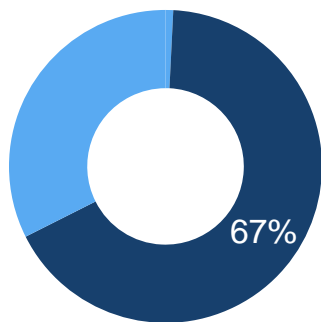
Petroleum mining is the most important production sector for Brunei while the government is the main one providing services

KEY PRODUCTION SECTORS

% of 2014 Gross Value Added (current price)
100% = 22,007 million BND

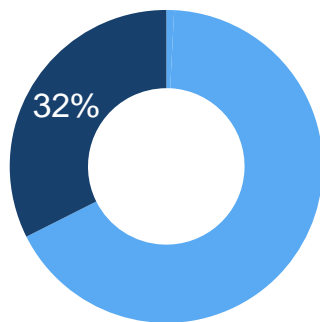


AGRICULTURE



INDUSTRY

Mining	51.8%
Manufacturing	12.3%
Construction	3.4%
Electricity & Water	0.7%



SERVICE

Government services	12.5%
Private services	5.7%
Trade	3.7%
Transport & Communication	3.6%
Finance	3.1%
Real estate	2.4%

GDP composition, production side

The production approach measures market value of all final goods and services calculated during the period. It sums up value add of each production process to avoid double counting. Main production sectors are Agriculture, Industry and Service. Within Industry, there are manufacturing, mining, utilities and construction. Within Service, there are trading, transport, hotel and restaurant, financial, public administration, education, real estate, health and social, other social and private household.

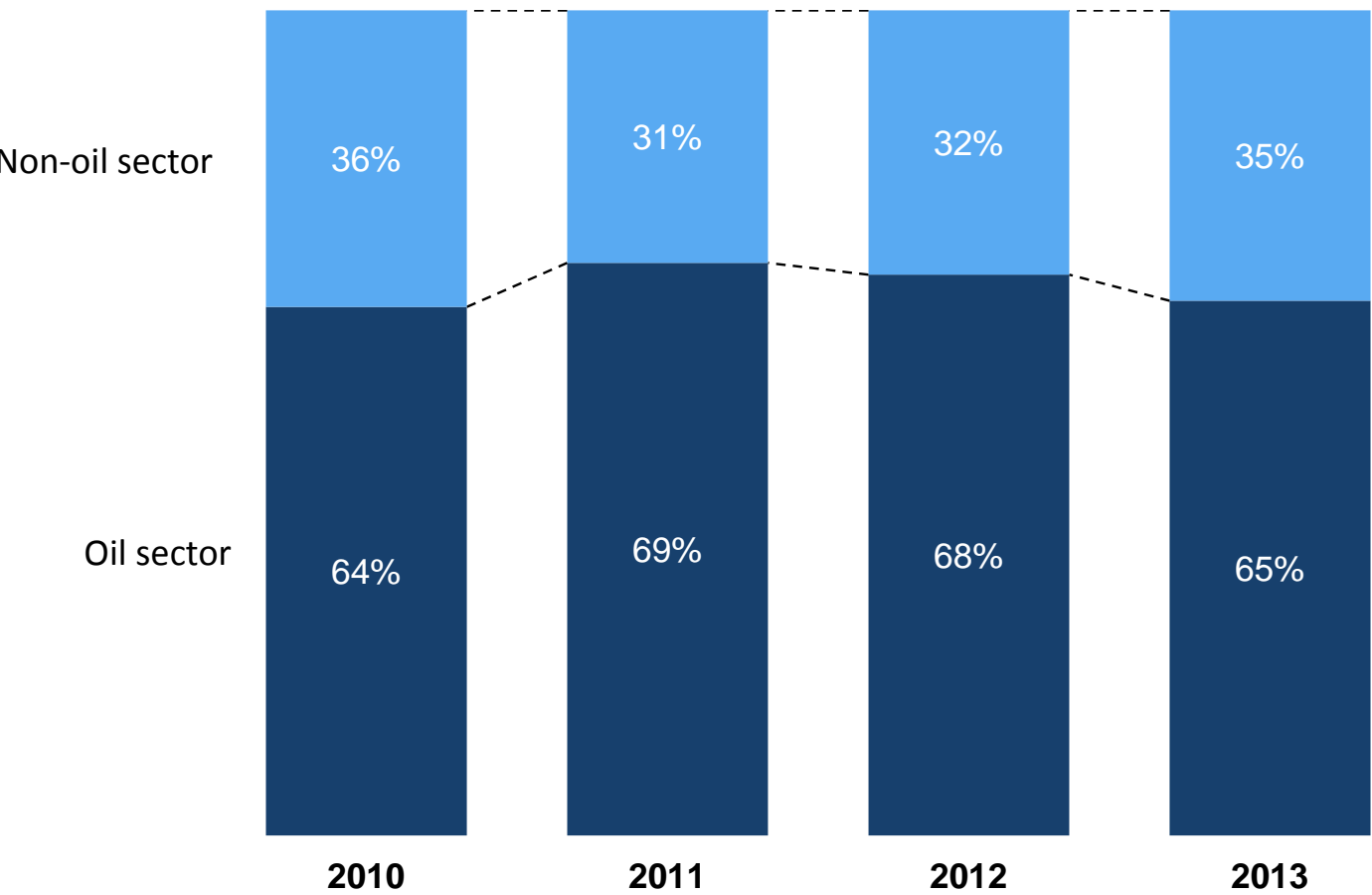
Key production sectors for Brunei

Petroleum mining is the most important production sector for Brunei while the government is the main one providing services. Mining accounts for 48.3% of 2014 GDP, followed by manufacturing at 15.9%. Within service sector, Government services is the biggest, accounting for 10.3% of GDP.

Oil and natural gas production accounts for two-third of Brunei's GDP

KEY PRODUCTION SECTORS

% of GDP (current price)



GDP composition, production side

The production approach measures market value of all final goods and services calculated during the period. It sums up value add of each production process to avoid double counting. Main production sectors are Agriculture, Industry and Service. For Brunei, as the country traditionally relies on its petroleum production, it is worth looking at petroleum-related and non-petroleum production sectors.

Petroleum production sectors for Brunei

Oil sectors have accounted for two-third of Brunei's GDP over the past 4 years.

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Development

ECONOMIC OUTLOOK

Growth

Stability

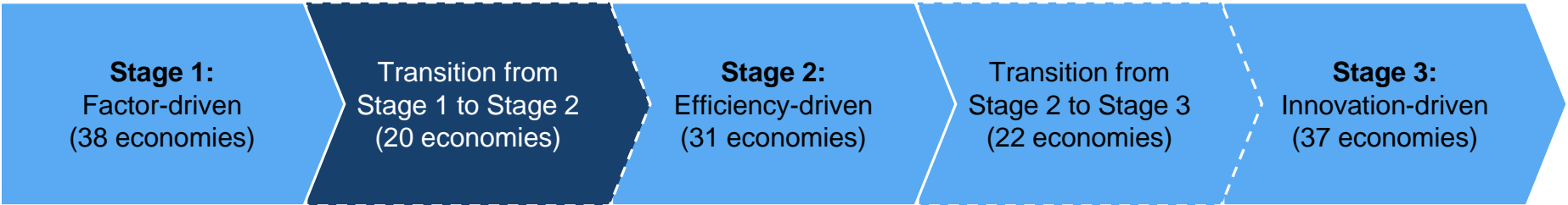
- Brunei is currently in the transition stage from factor-driven to efficiency-driven stage
- Brunei is ranked 26th in the latest global competitiveness rankings, higher than China and Thailand, and up 2 places from last year
- Brunei's economy is leading Thailand in basic requirements such as institutions, macroeconomic and education but still lagging in efficiency enhancers, while it's a tie in innovation factors
- It's not easy to do business in Brunei but conditions in overall have improved
- Access to financing, Labor issues and Government inefficiency are the most problematic factors for doing business in Brunei
- FDI into Brunei has exploded after 2008 thanks to higher oil price

Nation Competitiveness

Part of the country's economic profile, this section explores the country's competitiveness in the global level. It also covers the country's attractiveness to foreign direct investment.

Brunei is currently in the transition stage from factor-driven to efficiency-driven stage

STAGES OF DEVELOPMENT



Characteristics	<ul style="list-style-type: none">• Mainly factor-driven• Compete based on primarily low-skilled labor and natural resources• Low productivity reflected in low wages	<ul style="list-style-type: none">• Becomes more competitive• Productivity will increase and wages will rise• Compete by increasing efficiency in production process		<ul style="list-style-type: none">• Wages will have risen by so much• Must compete by producing new and different goods through new technologies or business models
Main Factors	<ol style="list-style-type: none">1. Public and Private institutions2. Infrastructure3. Macroeconomic environment4. Health and primary education	<ol style="list-style-type: none">5. Higher education and training6. Goods market efficiency7. Labor market efficiency8. Financial market development9. Technological readiness10. Market size		<ol style="list-style-type: none">11. Business sophistication12. Innovation
Examples	<ul style="list-style-type: none">• Cambodia• India• Laos• Myanmar• Pakistan• Vietnam	<ul style="list-style-type: none">• Brunei• Philippines• Saudi Arabia• Sri Lanka	<ul style="list-style-type: none">• China• Indonesia• South Africa• Thailand• Timor-Leste	<ul style="list-style-type: none">• Brazil• Malaysia• Mexico• Turkey
				<ul style="list-style-type: none">• Japan• South Korea• Singapore• Taiwan• UK• US

Stages of development

According to an economic theory, there are three stages of development for any economy to compete in the global market. In the first stage, an economy mainly compete based on low-skilled labor and natural resources. This stage is called “Factor-driven”. In the second stage, the economy becomes more competitive, productivity will increase and wages will rise. It can compete by increasing efficiency in production process. This stage is called “Efficiency-driven”. In the last stage, wages will have risen by so much that the economy must compete by producing new and different goods through new technologies or business models. This stage is called “Innovation-driven”. Countries/economies are grouped into these stages of development in the Global Competitiveness report by the World Economic Forum.

Stage of development for Brunei’s economy

Brunei is currently in the transition stage from factor-driven to efficiency-driven stage.

Brunei is ranked 26th in the latest global competitiveness rankings, higher than China and Thailand, and up 2 places from last year



Interactive chart for this page is available online to provide you with more perspectives

The Global Competitiveness rankings

Selected countries

Country/Economy	GCI 2013-2014		GCI 2012-2013	
	Rank	Score	Rank	Change
Switzerland	1	5.67	1	0
Singapore	2	5.61	2	0
Finland	3	5.54	3	0
Germany	4	5.51	6	2
United States	5	5.48	7	2
Hong Kong SAR	7	5.47	9	2
Japan	9	5.40	10	1
Taiwan, China	12	5.29	13	1
France	23	5.05	21	-2
Malaysia	24	5.03	25	1
Korea, Rep.	25	5.01	19	-6
Brunei Darussalam	26	4.95	28	2
China	29	4.84	29	0
Thailand	37	4.54	38	1
Indonesia	38	4.53	50	12
Philippines	59	4.29	65	6
India	60	4.28	59	-1
Vietnam	70	4.18	75	5
Lao PDR	81	4.08	n/a	n/a
Cambodia	88	4.01	85	-3
Timor-Leste	138	3.25	136	-2
Myanmar	139	3.23	n/a	n/a

Global Competitiveness

World Economic Forum, who publishes annual Global Competitiveness Report, defines competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. Since 2005, the World Economic Forum has based its competitiveness analysis on the Global Competitiveness Index (GCI), a comprehensive tool that measures the microeconomic and macroeconomic foundations of national competitiveness. More information on the report can be found on its website <http://www.weforum.org/issues/global-competitiveness>

Brunei in the Global Competitiveness Rankings

Brunei did not participate in the last two years of the Global Competitiveness rankings. Brunei was ranked 26th in the 2013-14 global competitiveness rankings, higher than China and Thailand. Among ASEAN, Brunei is ranked 3rd, behind Singapore and Malaysia.

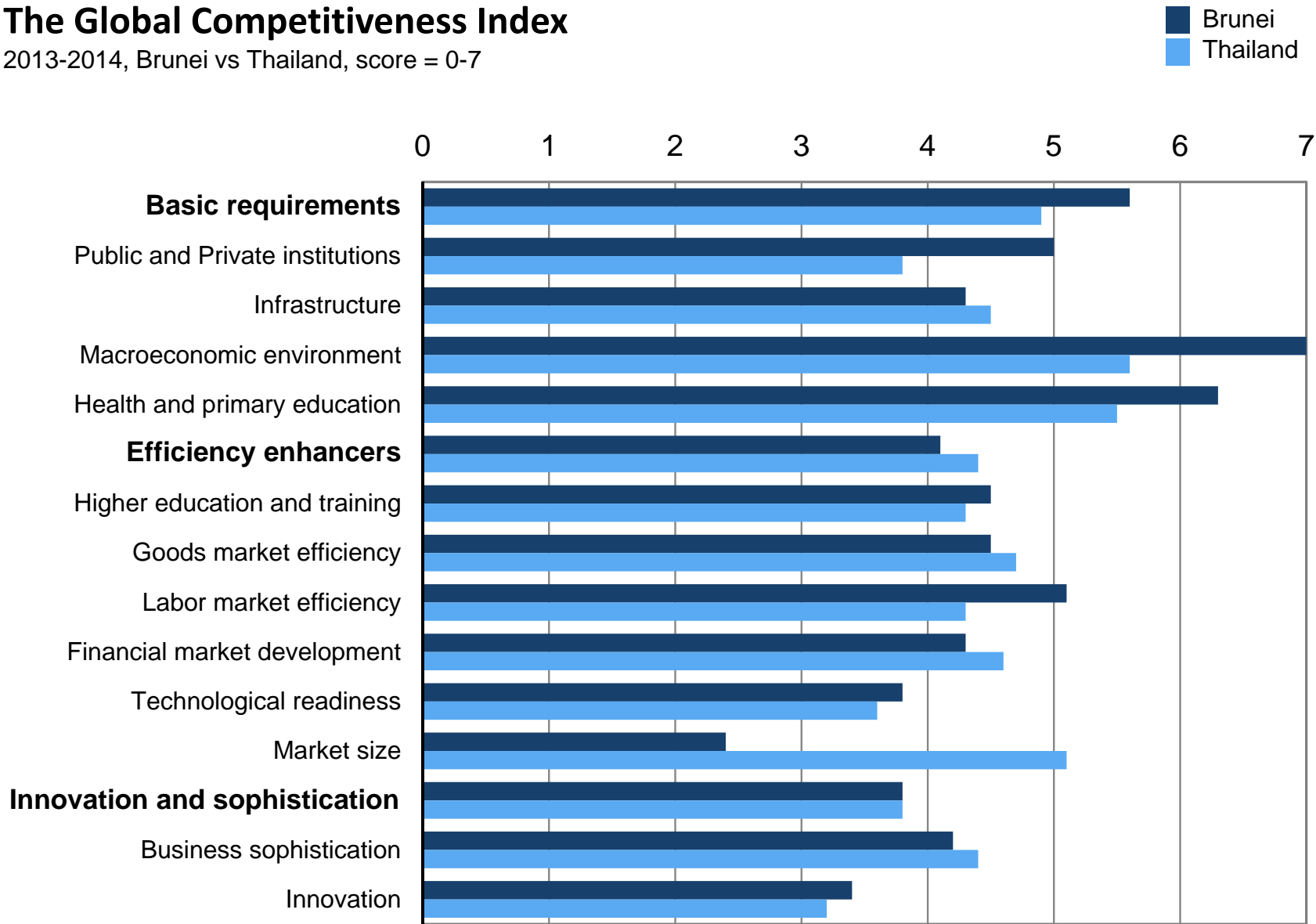
Brunei's economy is leading Thailand in basic requirements such as institutions, macroeconomic and education but still lagging in efficiency enhancers, while it's a tie in innovation factors



Interactive chart for this page is available online to provide you with more perspectives

The Global Competitiveness Index

2013-2014, Brunei vs Thailand, score = 0-7



The Global Competitiveness Index

The Global Competitiveness Index framework divides competitiveness factors into three groups. The first group is Basic requirements, which includes Public and Private institutions, Infrastructure, Macroeconomic environment and Health and primary education. The second group is Efficiency enhancers, including Higher education and training, goods market efficiency, labor market efficiency, financial market development, technology readiness and market size. The last group is Innovation and sophistication, including business sophistication and innovation.

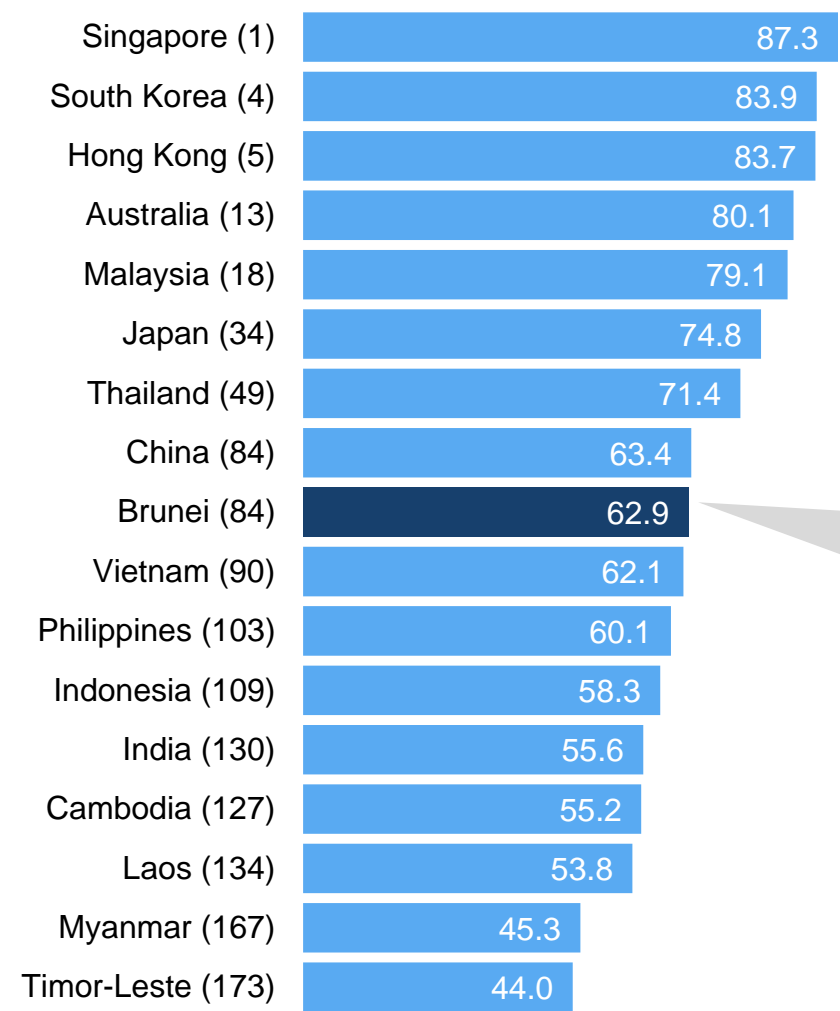
Global Competitiveness Index: Brunei vs Thailand

Brunei's economy is leading Thailand in basic requirements such as institutions, macroeconomic and education but still lagging in efficiency enhancers, while it's a tie in innovation factors.

It's not easy to do business in Brunei but conditions in overall have improved

Ease of Doing Business Ranking

Selected economies, () = 2016 rank, DTF* score



Brunei's DTF* score

2016 vs 2015

TOPICS	DB 2016	DB 2015	Change
Starting a Business	87.6	48.7	↑
Dealing with Construction Permits	79.1	79.1	↓
Getting Electricity	74.9	74.9	↓
Registering Property	48.6	48.6	→
Getting Credit	50.0	45.0	↑
Protecting Minority Investors	43.3	43.3	→
Paying Taxes	89.6	84.4	↑
Trading Across Borders	60.7	60.7	→
Enforcing Contracts	54.5	54.5	→
Resolving Insolvency	41.1	41.1	→

Ease of Doing Business

Doing Business sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labor market regulation.

Doing Business in Brunei

Brunei's economy is ranked 84th in the world on the World Bank's Ease of Doing Business 2016 ranking. It's easier to start a business and getting credit but harder to get construction permits and electricity. It's overall DTF score has improved from 58.02 to 62.93.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

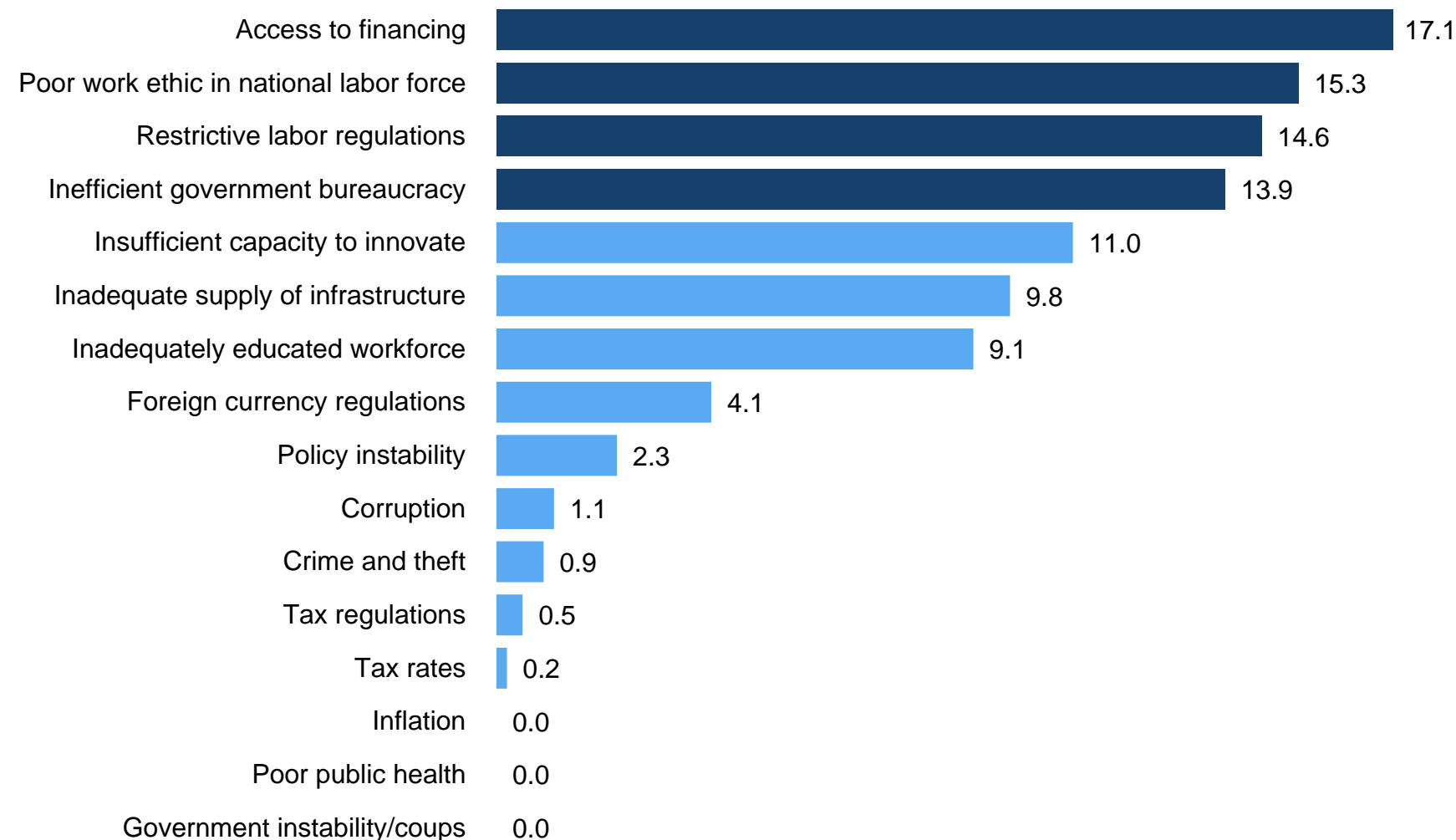
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Access to financing, Labor issues and Government inefficiency are the most problematic factors for doing business in Brunei

The most problematic factors for doing business in Brunei

% of responses*



Note: (*) From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings

Source: The Global Competitiveness Report 2013-2014, World Economic Forum

www.ChartingEconomy.com

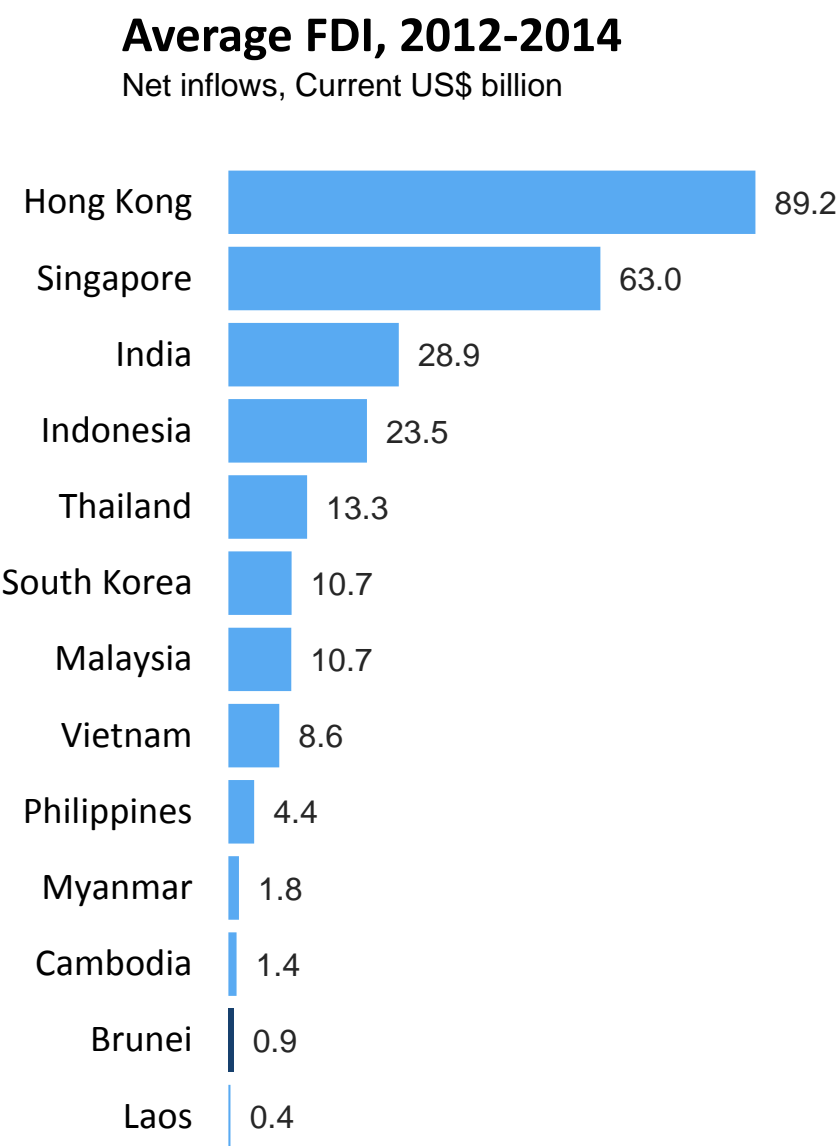
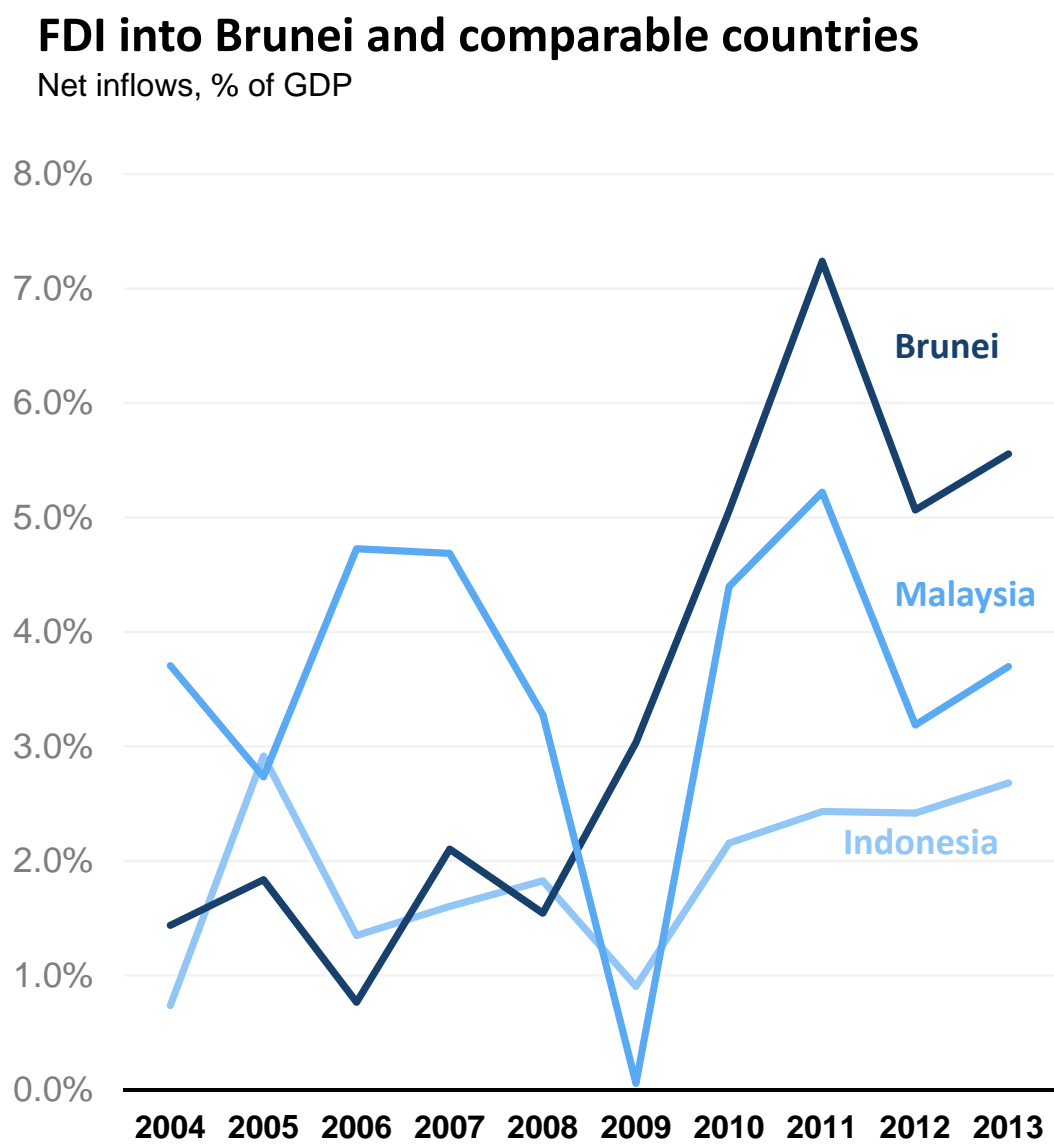
The most problematic factors for doing business

As part of its Global Competitiveness Report, World Economic Forum also conducts its annual executive opinion survey which in 2014 involves over 14,000 respondents from around the world. Part of the survey is the issue of problematic factors for doing business in a given country. From the given list of factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

The most problematic factors for doing business in Brunei

Access to financing, Labor issues and Government inefficiency are the most problematic factors for doing business in Brunei.

FDI into Brunei has exploded after 2008 thanks to higher oil price



Foreign direct investment, net inflows (BoP, current US\$)

Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors. Data are in current U.S. dollars.

Foreign direct investment, net inflows (% of GDP)

This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors, and is divided by GDP.

Foreign direct investment into Brunei

In absolute term, FDI into Brunei is quite small, averaging USD 1 billion annually over the last 3 years. As percentage of GDP, FDI into Brunei has exploded after 2008, thanks to higher oil price.

CONTENT SUMMARY

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ECONOMIC OUTLOOK

Growth

Stability

- Brunei's real per capita income has declined over the past two decades but the current level is still very high compared to other ASEAN economies
- Like in Singapore, there's no absolute poverty in Brunei
- Unemployment rate in Brunei's has been low and declining, with the current rate of 2.7% is expected to remain unchanged
- Income distribution in Brunei is worse than most ASEAN countries, including Thailand
- Brunei's Human Development Index has improved over the past three decades and is now ranked 30th in the world, 2nd only to Singapore in ASEAN
- Longer lives for its people, lower mortality rate and basic education for all are the great achievements for Brunei

Economic Development

Part of the country's economic profile, this section explores the country's economic development, average income and its distribution, poverty as well as other development indicators.

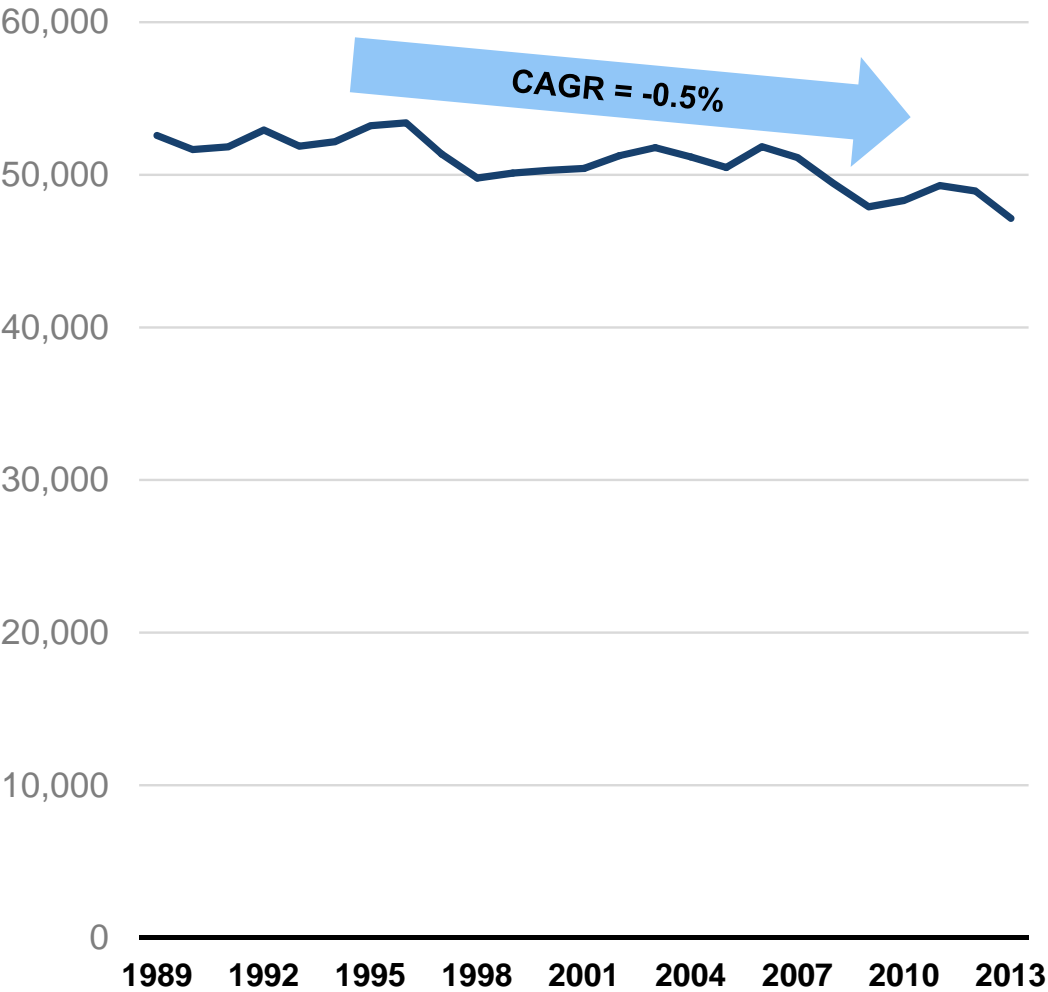
Brunei's real per capita income has declined over the past two decades but the current level is still very high compared to other ASEAN economies



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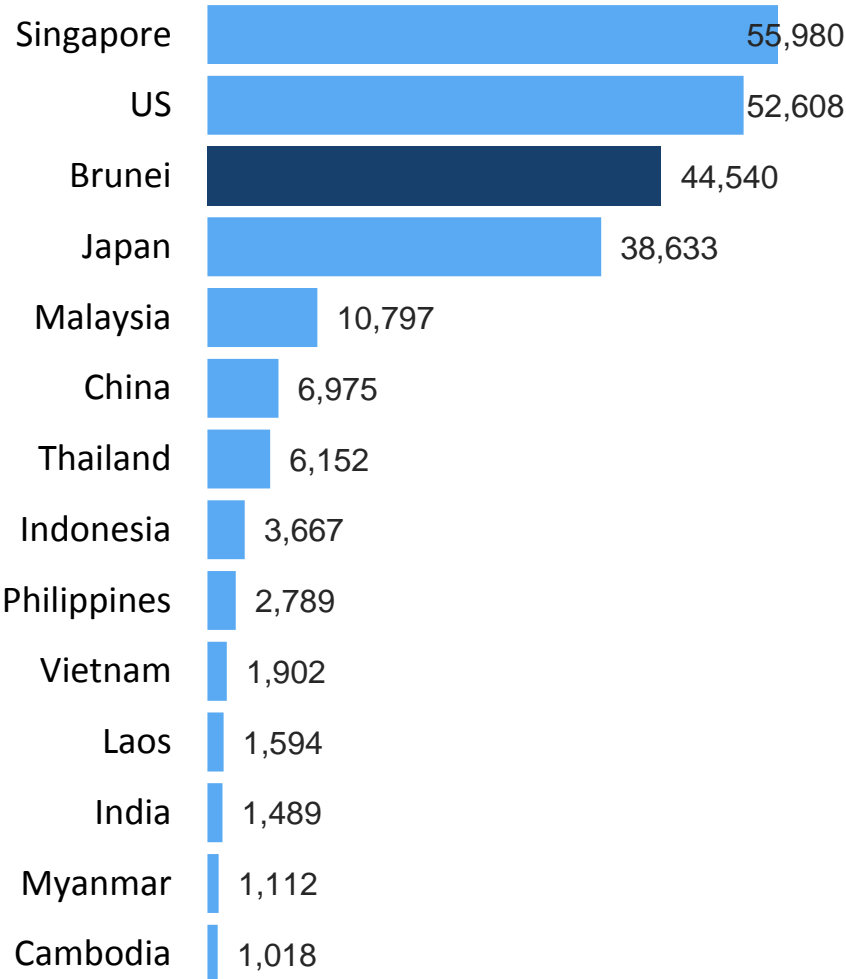
Brunei's GDP per capita

Brunei Dollar, constant price



GDP per capita comparison

2013, Current international USD



Per capita income

Per capita income is often used as average income, a measure of the wealth of the population of a nation, particularly in comparison to other nations. Per capita income is often used to measure a country's standard of living. It is usually expressed in terms of a commonly used international currency such as the Euro or United States dollar, and is useful because it is widely known, easily calculated from readily-available GDP and population estimates, and produces a useful statistic for comparison of wealth between sovereign territories. This helps the country to know their development status.

Brunei's GDP per capita

Using GDP per capita as a proxy for per capita income, Brunei's real per capita income has declined over the past two decades. However, the current level is still one of the highest in the world.

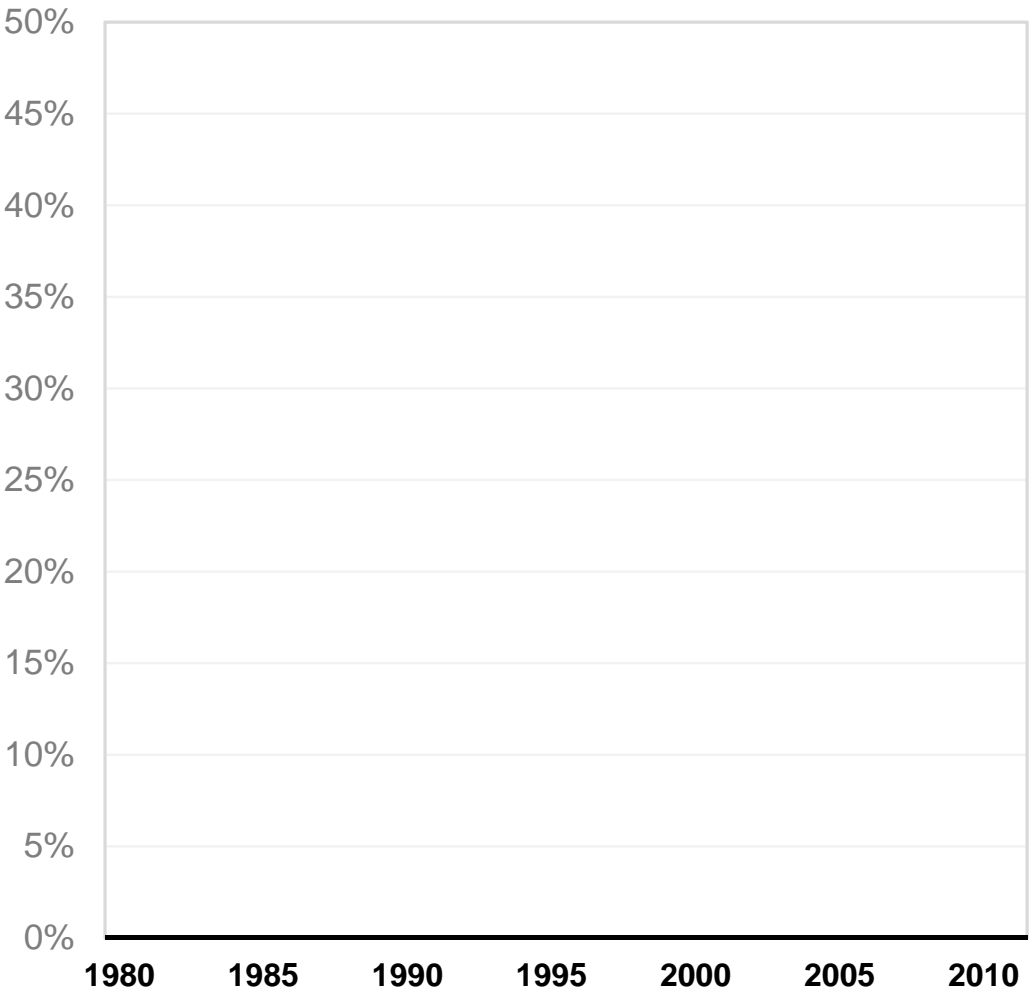
Like in Singapore, there’s no ‘absolute’ poverty in Brunei



Interactive chart for this page is available online to provide you with more perspectives

Brunei’s Poverty Headcount

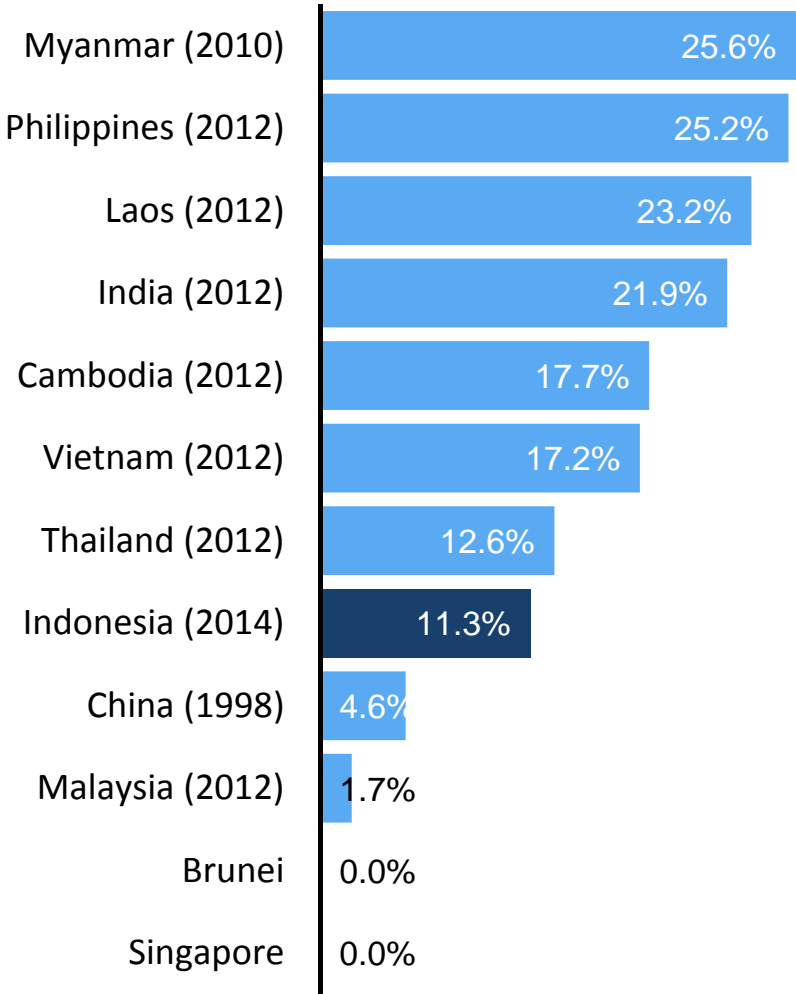
% of population living below the national poverty line



Note: (*) There can be various definitions of poverty, we use National poverty rate, the percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.

ASEAN Poverty Headcount

% of population living below the national poverty line



Poverty headcount

National poverty rate is the percentage of the population living below the national poverty line. National estimates are based on population-weighted subgroup estimates from household surveys.

Brunei’s poverty headcount

Like in Singapore, there’s no ‘absolute’ poverty in Brunei.

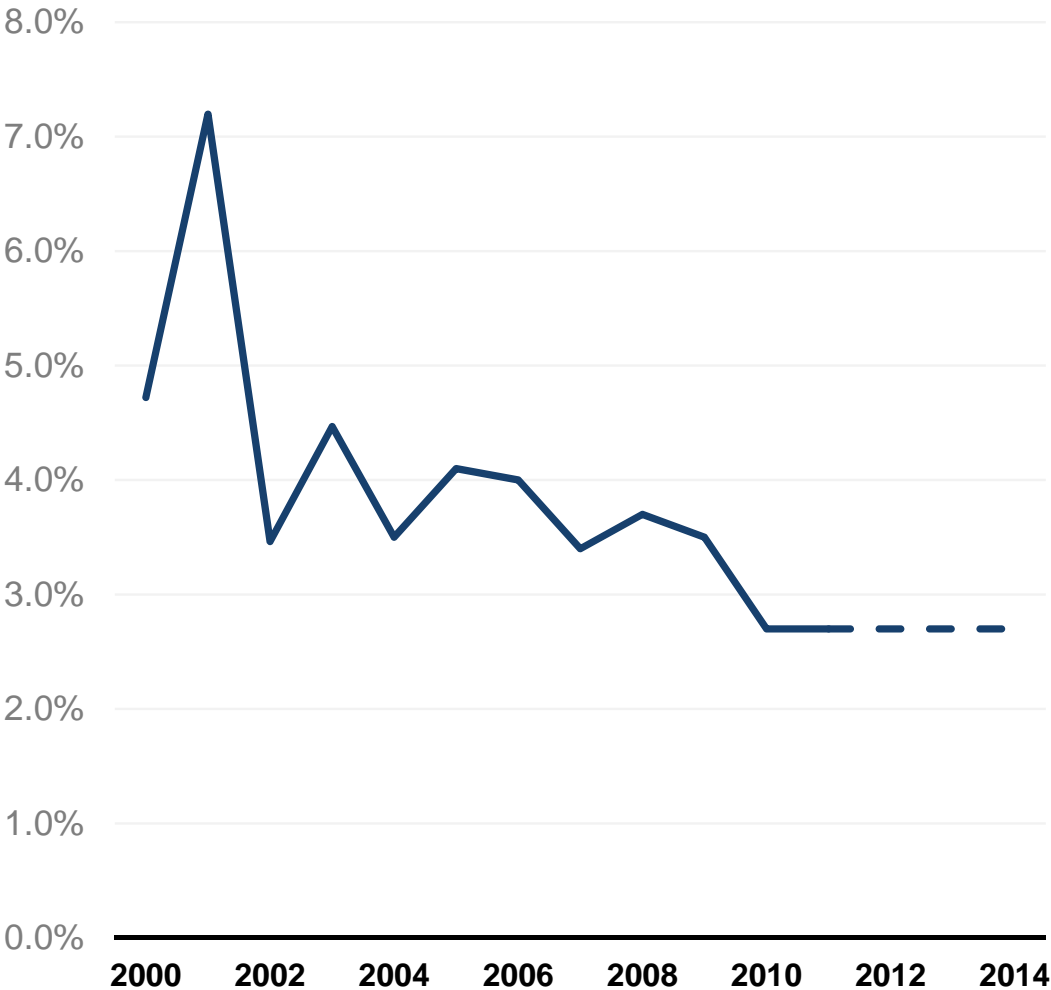
Unemployment rate in Brunei’s has been low and declining, with the current rate of 2.7% is expected to remain unchanged



Interactive chart for this page is available online to provide you with more perspectives

Brunei’s Unemployment rate

% of total labor force

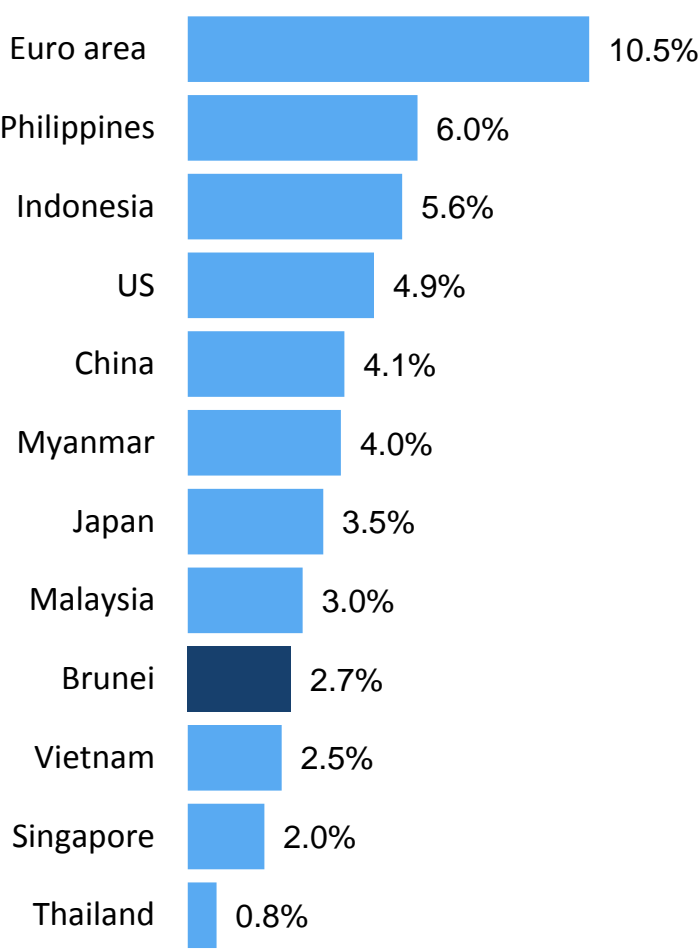


Note: (*) Forecasted by IMF in World Economic Outlook report, Oct 2015

Source: IMF

Projected Unemployment rate*

2016, % of total labor force



Unemployment rate

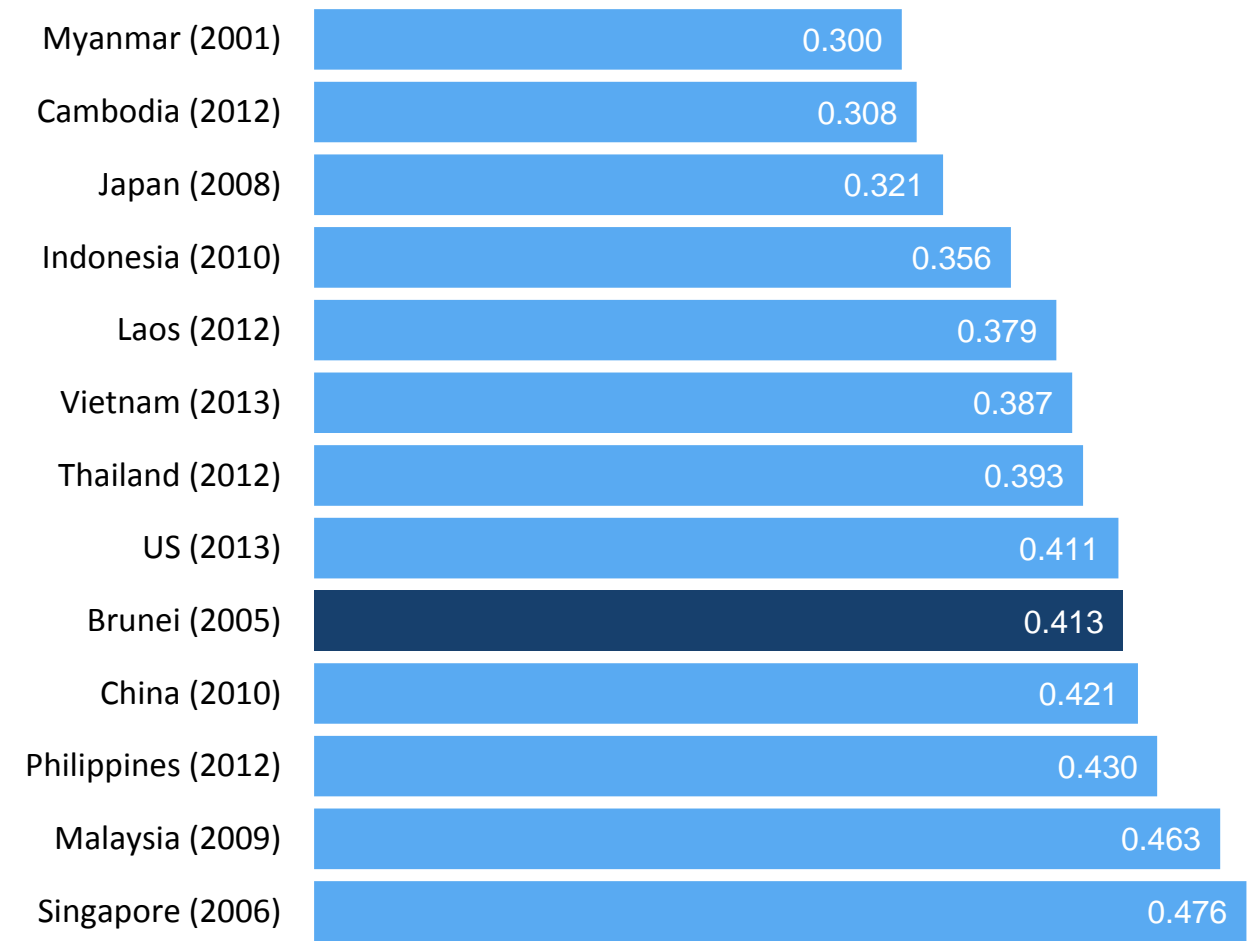
Unemployment rate equals unemployed persons divided by total labor force. Unemployed persons is defined as persons with the age of 15 years and over who during the week in which the survey is conducted, do not work, have no job, business enterprise or farm of their own. Persons in this category include those who are looking for a job, applying for a job or waiting to be called to work during the past 30 days prior to the interview date and those who are not looking for work during the past 30 days prior to the interview date, but are otherwise available for work during the 7 days prior to the interview date. Total labor force comprises current labor force and seasonally inactive labor force.

Unemployment rate in Brunei

Unemployment rate in Brunei’s has been low and declining, with the current rate of 2.7% is expected to remain unchanged.

Income distribution in Brunei is worse than most ASEAN countries, including Thailand

GINI Coefficient



- The Gini coefficient is a measure of inequality of a distribution of income
- It is defined as a ratio with values between 0 and 1
- Here, 0 corresponds to perfect income equality (i.e. everyone has the same income)
- 1 corresponds to perfect income inequality (i.e. one person has all the income, while everyone else has zero income)
- Therefore, the lower the ratio the better the income distribution.

GINI coefficient

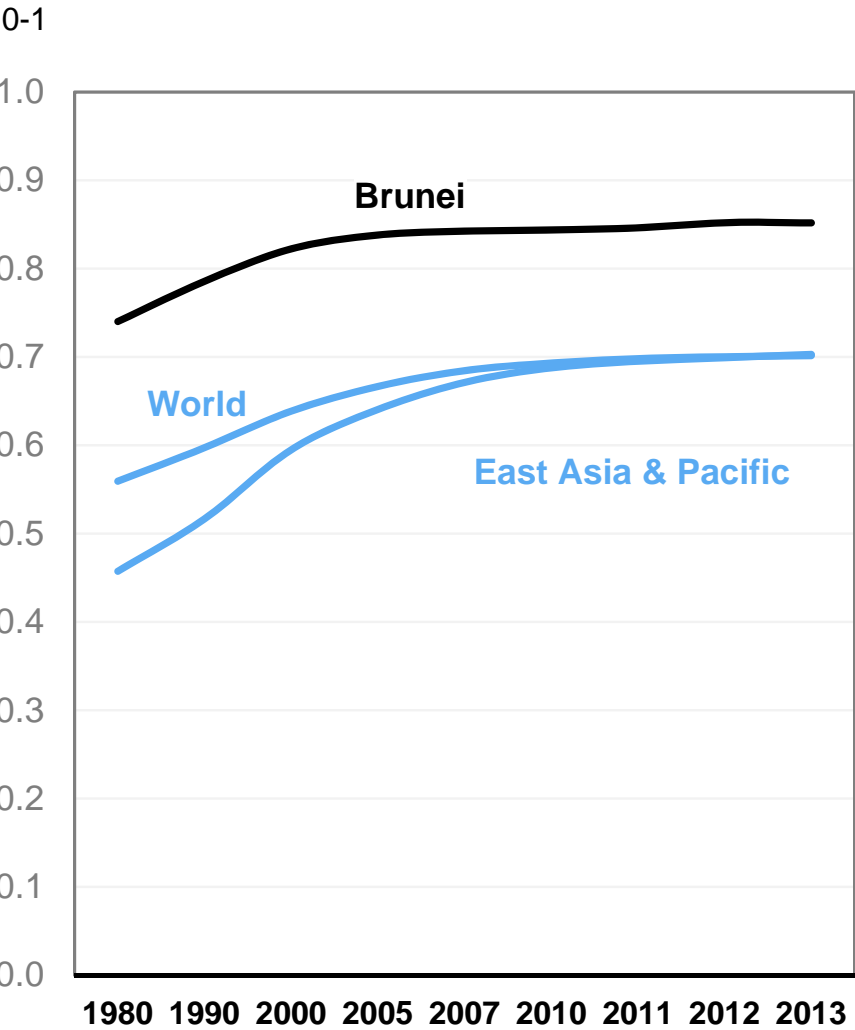
The Gini coefficient measures the inequality among values of a frequency distribution (for example levels of income). A Gini coefficient of zero expresses perfect equality where all values are the same (for example, where everyone has an exactly equal income). A Gini coefficient of one (100 on the percentile scale) expresses maximal inequality among values (for example where only one person has all the income)

Income distribution in Brunei

Income distribution in Brunei is worse than most ASEAN countries, including Thailand.

Brunei's Human Development Index has improved over the past three decades and is now ranked 30th in the world, 2nd only to Singapore in ASEAN

HUMAN DEVELOPMENT INDEX*



Note: (*) Human Development Index (HDI): A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. HDI is calculated every year by UNDP

HDI AND HDI RANK

2013, selected countries

Very high human development	
1 Norway	0.9436
3 Switzerland	0.9174
5 United States	0.9137
6 Germany	0.9114
9 Singapore	0.9013
15 Hong Kong	0.8911
15 South Korea	0.8907
17 Japan	0.8901
30 Brunei	0.8518
34 Saudi Arabia	0.8355

High human development	
50 Uruguay	0.7897
57 Russia	0.7783
62 Malaysia	0.7729
71 Mexico	0.7558
73 Sri Lanka	0.7497
79 Brazil	0.7436
89 Thailand	0.7219
91 China	0.7191
96 Jamaica	0.7153
98 Colombia	0.7107

Medium human development	
108 Indonesia	0.6843
117 Philippines	0.6595
118 South Africa	0.6578
121 Viet Nam	0.6380
128 Timor-Leste	0.6202
135 India	0.5857
136 Bhutan	0.5841
136 Cambodia	0.5840
139 Laos	0.5694
142 Bangladesh	0.5579

Low human development	
145 Nepal	0.5396
146 Pakistan	0.5365
150 Myanmar	0.5235
152 Nigeria	0.5036
156 Zimbabwe	0.4920
157 Papua New Guinea	0.4915
169 Afghanistan	0.4679
175 Liberia	0.4118
184 Chad	0.3724
187 Niger	0.3370

Human Development Index

Human Development Index (HDI): A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. HDI is calculated every year by UNDP.

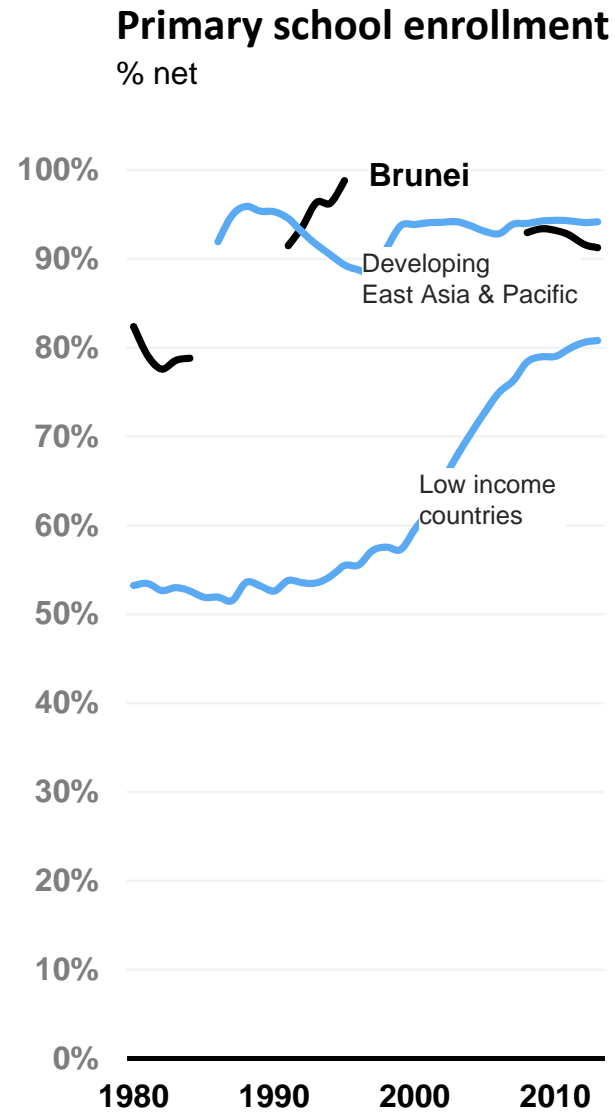
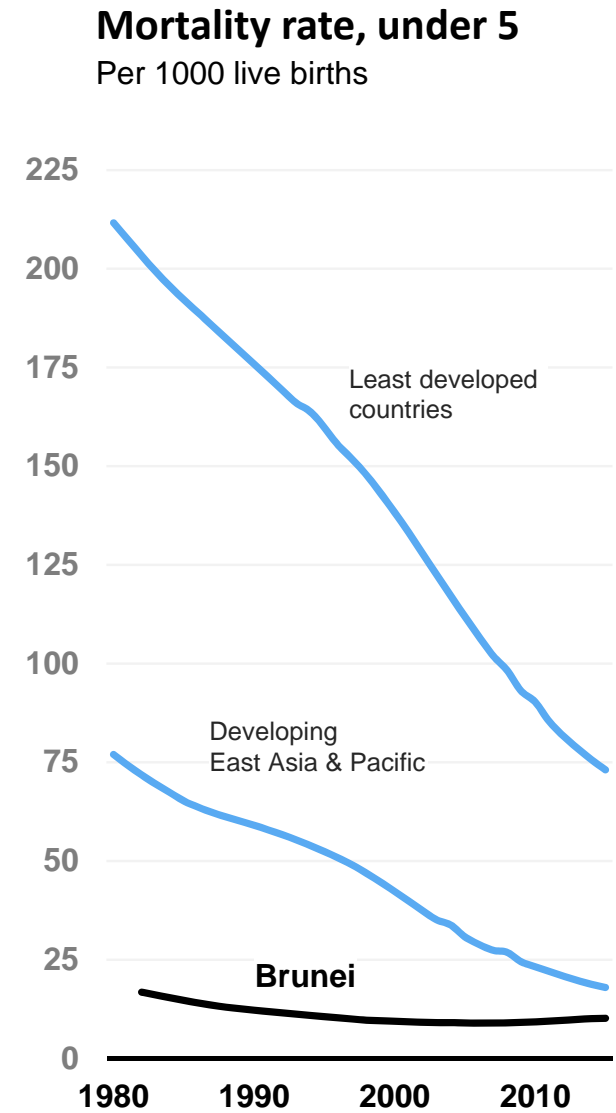
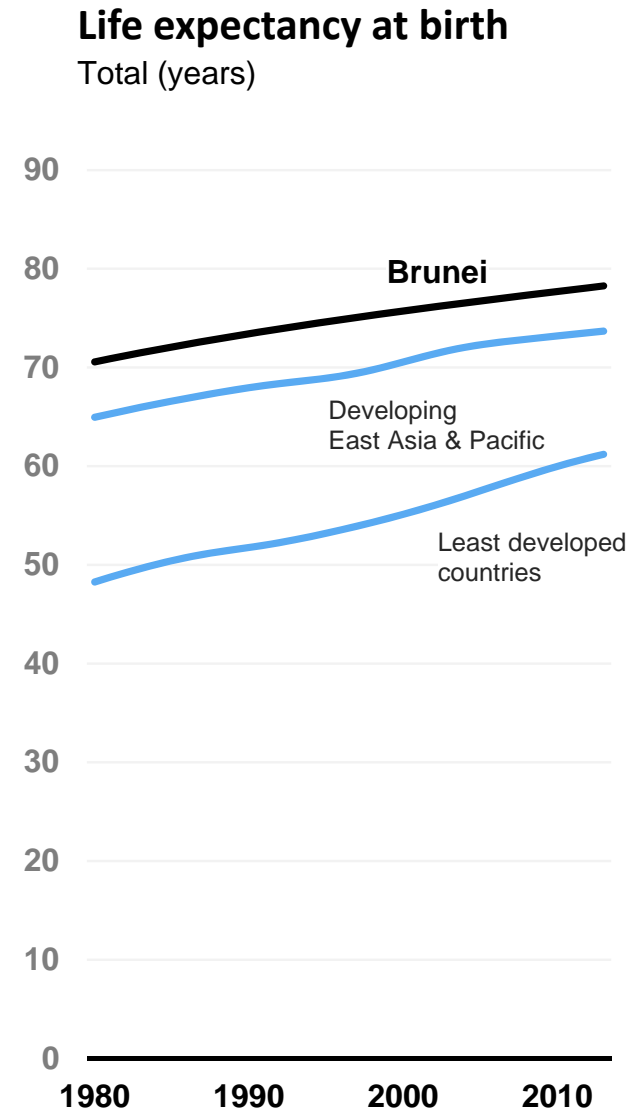
Brunei's HDI and ranking

Brunei's Human Development Index has improved over the past three decades and is now ranked 30th in the world, 2nd only to Singapore in ASEAN. Singapore and Brunei are the only two countries in ASEAN in the very high human development category.

Longer lives for its people, lower mortality rate and basic education for all are the great achievements for Brunei



Interactive chart for this page is available online to provide you with more perspectives



Life expectancy at birth

Life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

Mortality rate under 5 per 1000 live births

Under-five mortality rate is the probability per 1,000 that a newborn baby will die before reaching age five, if subject to current age-specific mortality rates.

Water source access

Access to an improved water source refers to the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, and rainwater collection. Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 liters a person a day from a source within one kilometer of the dwelling.

Sanitation facilities access

Access to improved sanitation facilities refers to the percentage of the population with at least adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta. Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection. To be effective, facilities must be correctly constructed and properly maintained.

Quality of life in Brunei

Longer lives for its people, lower mortality rate and basic education for all are the great achievements for Brunei.

CONTENT SUMMARY

ECONOMIC PROFILE

Structure

Competitiveness

Development

ECONOMIC OUTLOOK

Growth

Stability

- Over the last 10 years, Brunei's economy has grown on average 0.4% a year, lower than all ASEAN neighbors, only in line with the growth in developed economies, the main buyers of Brunei's oil
- In 2014, Brunei's economy contracted 2.3% with the collapse in Investment the main culprit
- On production side, Mining was the main source of contraction
- Brunei's economy is projected to continue to contract this year but will bounce back in 2016-2017

Economic Growth

Part of the country's economic outlook, this section explores the country's recent economic growth, its key drivers and well as the growth outlook for the coming years.

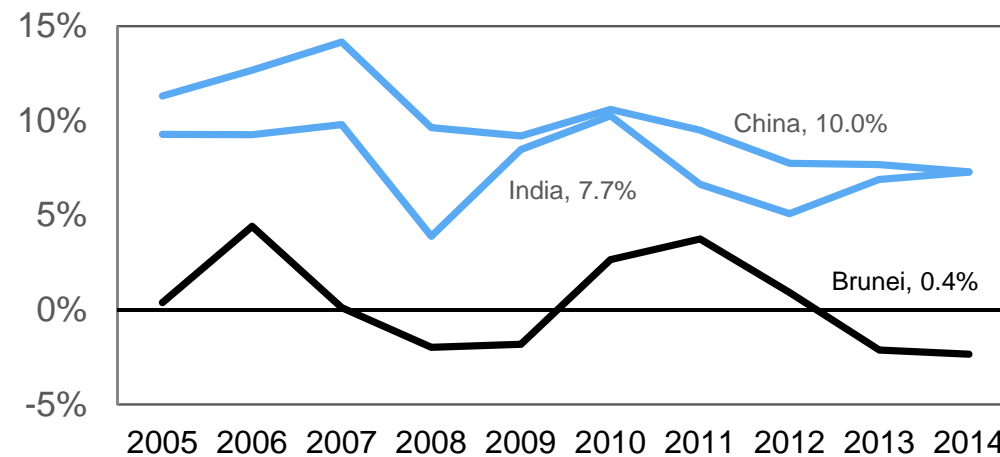
Over the last 10 years, Brunei's economy has grown on average 0.4% a year, lower than all ASEAN neighbors, only in line with the growth in developed economies, the main buyers of Brunei's oil



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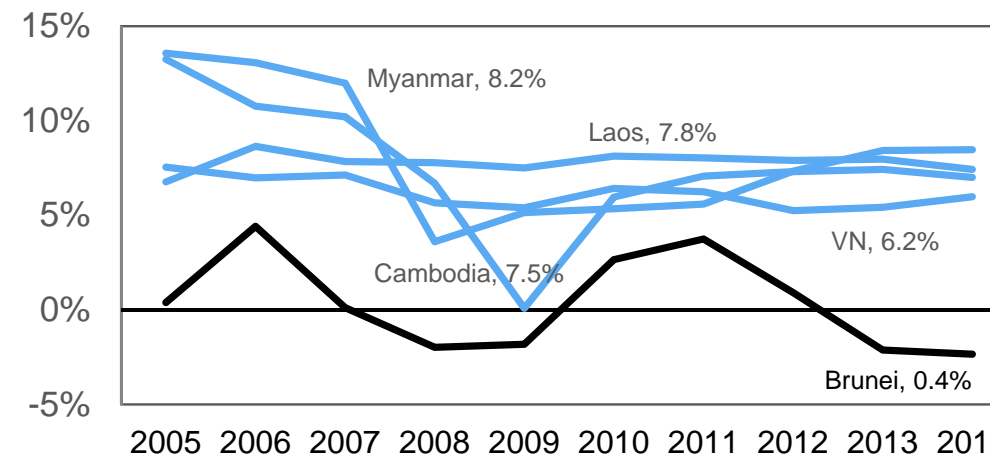
Real GDP growth vs China and India

Annual percentage change



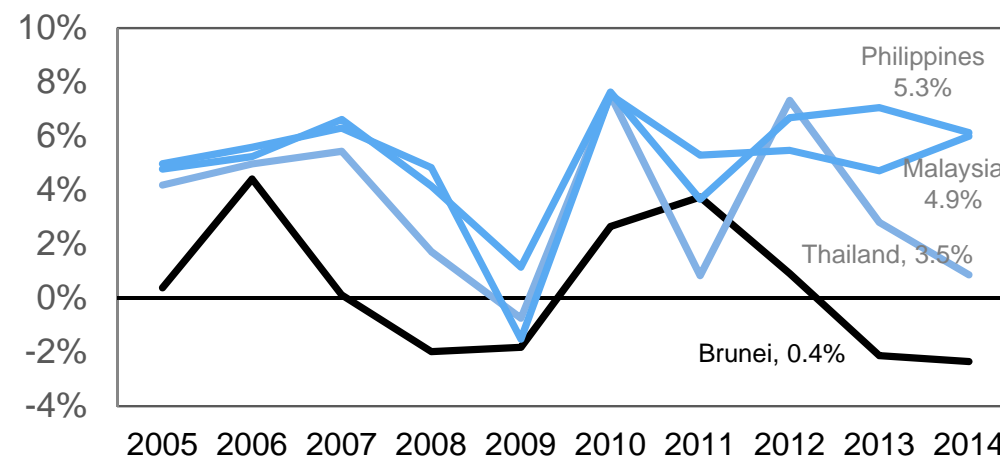
Real GDP growth vs CLMV

Annual percentage change



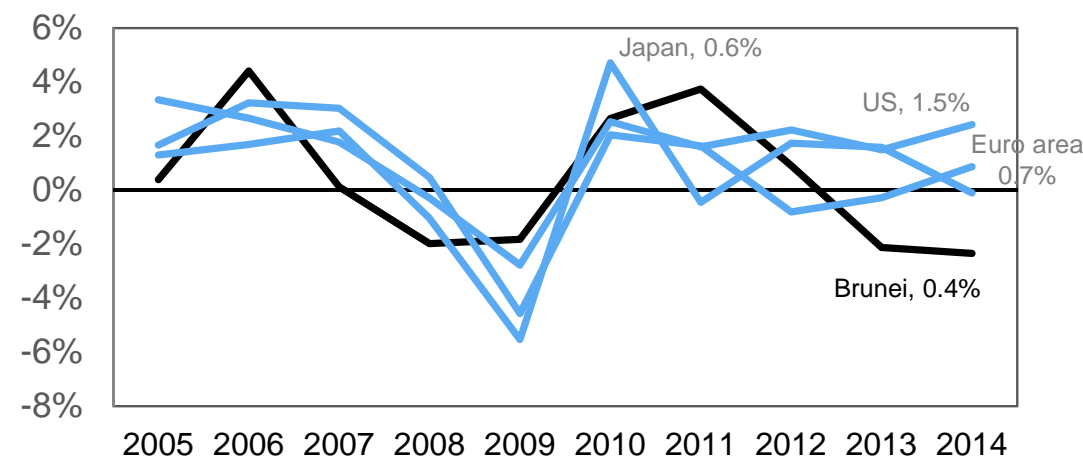
Real GDP growth vs Comparable ASEAN

Annual percentage change



Real GDP growth vs Developed economies

Annual percentage change



Economic growth

Economic growth is the increase in the amount of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP. Growth is usually calculated in real terms – i.e., inflation-adjusted terms – to eliminate the distorting effect of inflation on the price of goods produced.

Historical growth for Brunei's economy

Over the last 10 years, Brunei's economy has grown on average 0.4% a year, lower than all ASEAN neighbors, only in line with the growth in developed economies, the main buyers of Brunei's oil.

Note: (*) Labels denote countries and their cumulative annual growth rate

Source: IMF

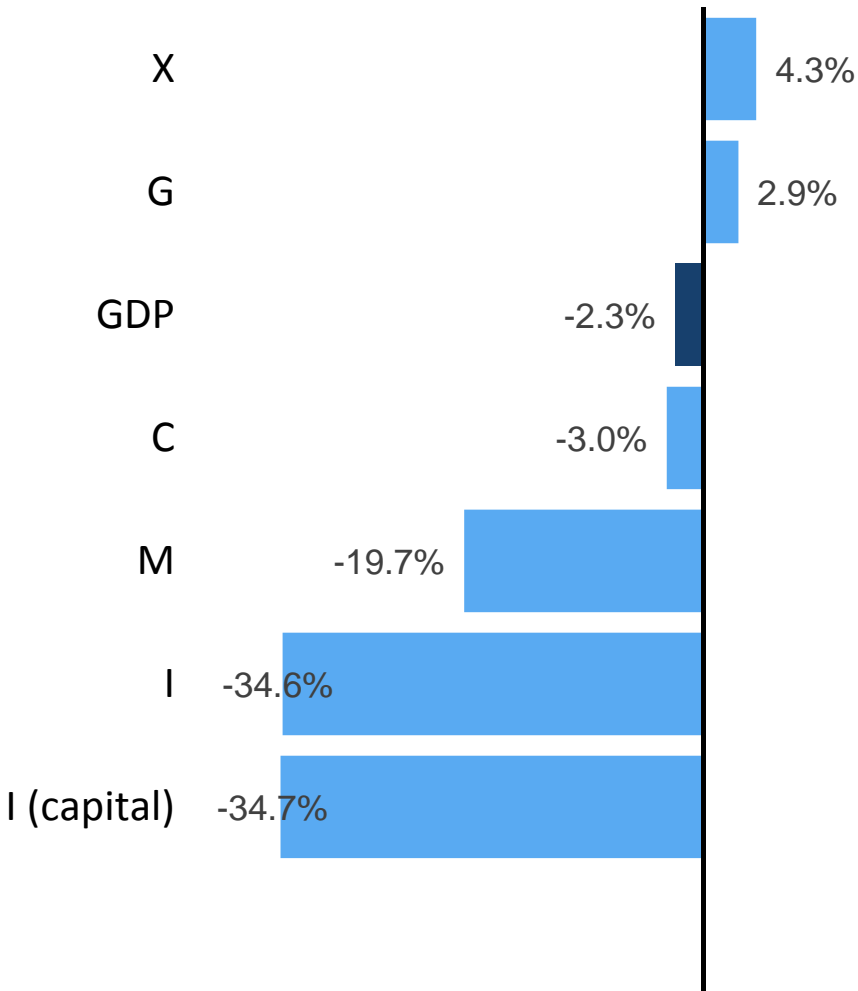
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In 2014, Brunei's economy contracted 2.3% with the collapse in Investment the main culprit

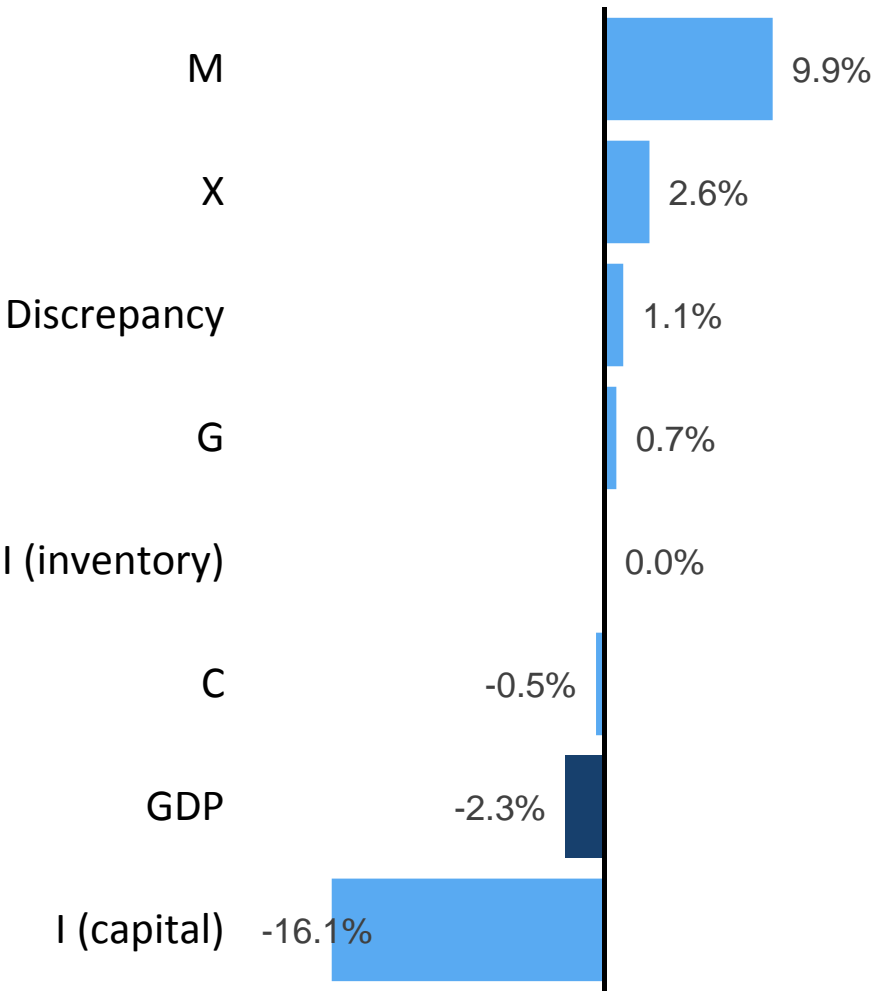
Real growth by expenditure

2014, % change from last year



GDP growth contribution

% Contributions to total Real GDP growth



Real growth by expenditure

Real GDP growth and the growth in each of its composition on the expenditure side which are C = Private Consumption, I = Investment including: I (capital) = Capital formation and I (inventory) = change in inventory G = Public consumption, X = Export of goods and services, M = Import of goods and services

GDP growth contribution

Growth contribution shows portions of the total growth from each composition. They must add up to the total growth. Import is a deduction to GDP and the growth in Import contributes negatively to the overall GDP growth.

Growth drivers for Brunei's economy in 2014

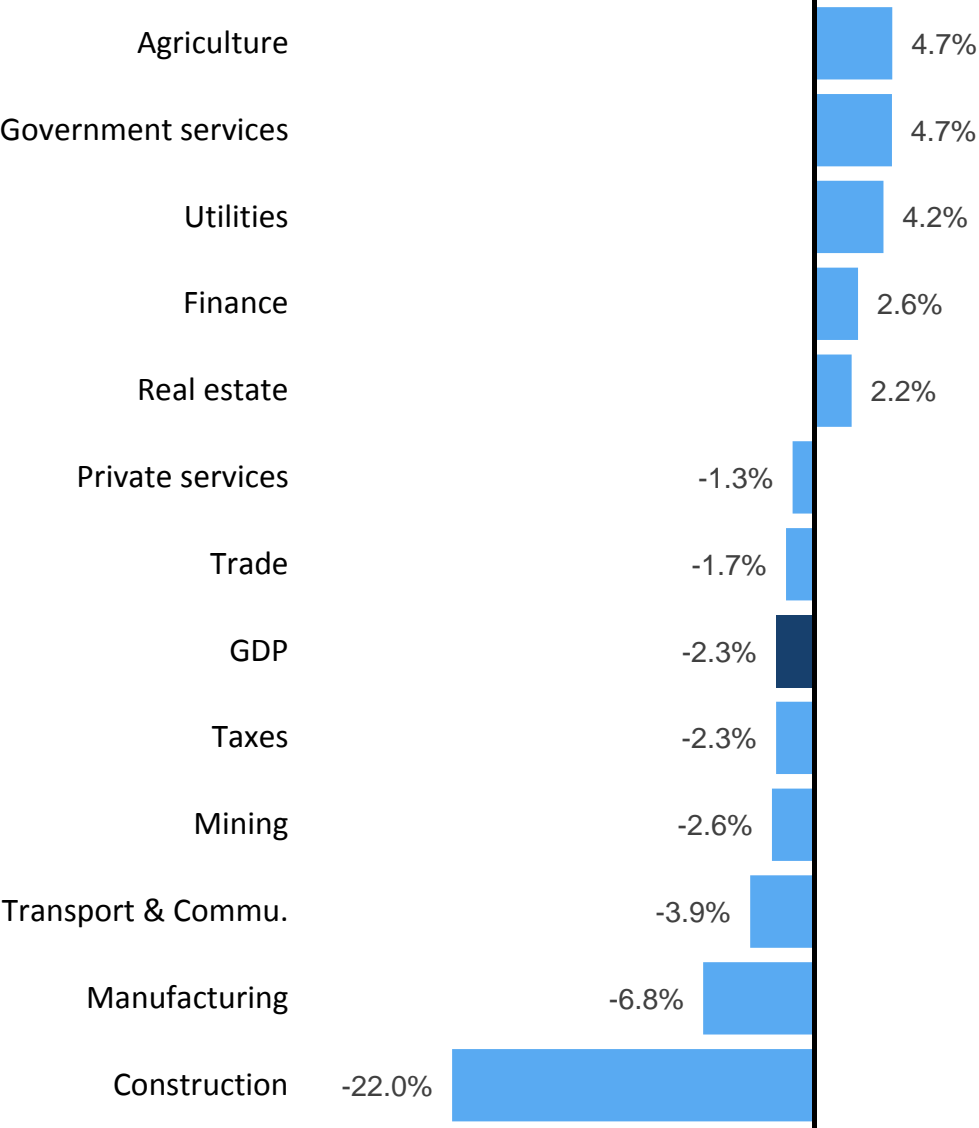
In 2014, Brunei's economy contracted 2.3% with the collapse in Investment the main culprit. Capital formation decreased 34.7% and contributed -16.1% to the overall growth.

Note: (*) C = Private Consumption, I = Investment including: I (capital) = Capital formation and I (inventory) = change in inventory
G = Public consumption, X = Export of goods and services, M = Import of goods and services

On production side, Mining was the main source of contraction

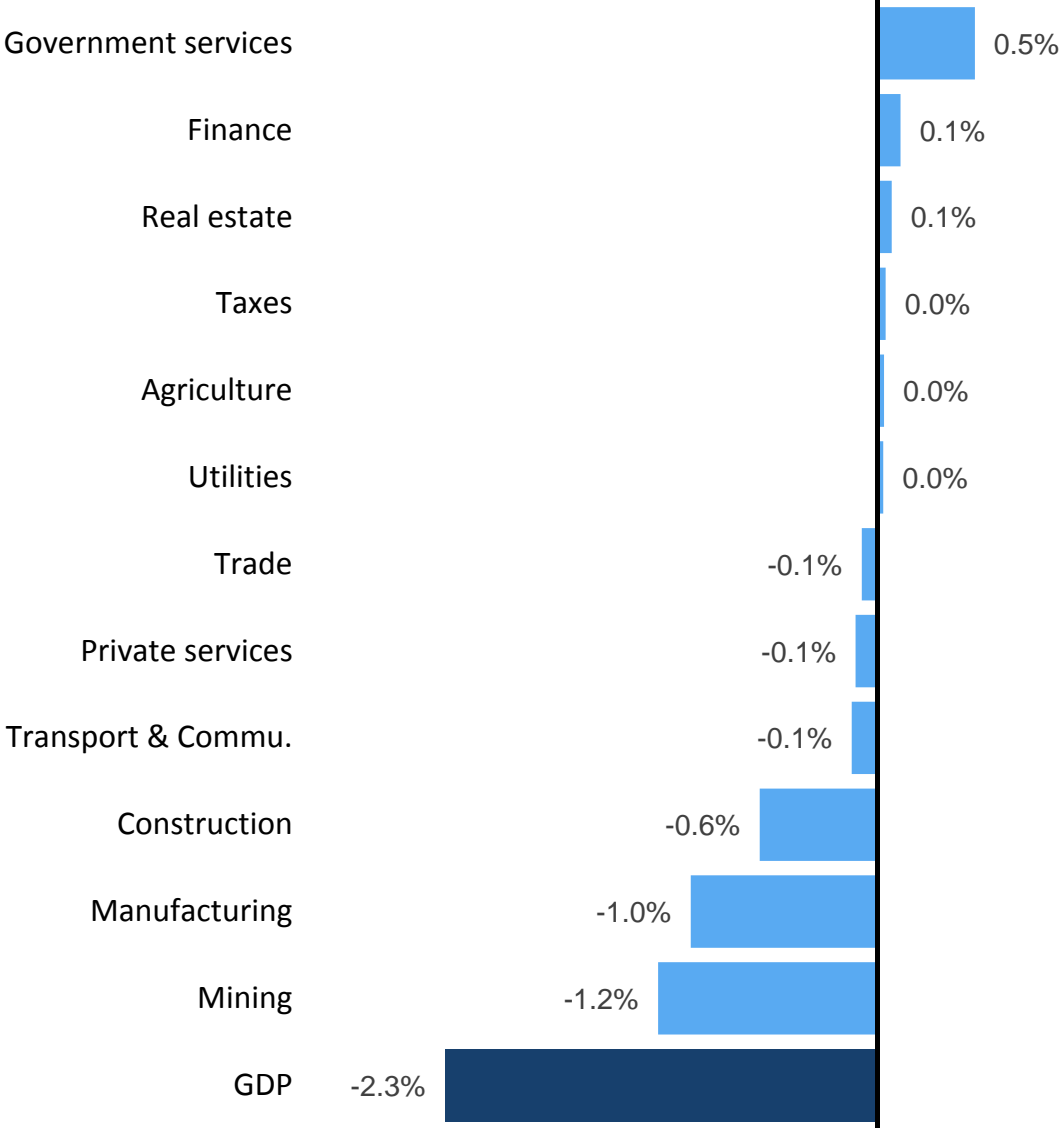
Real growth by production sectors

2014, % change of value added from last year



GDP growth contribution

% Contributions to total Real GDP growth



Real GDP growth by production sectors

It shows the real growth rate of value add from each production sector.

GDP growth contribution from production sectors

GDP growth contribution from production sectors shows each sector's contribution to the total GDP growth. The contribution from each sector must add up to the total GDP growth

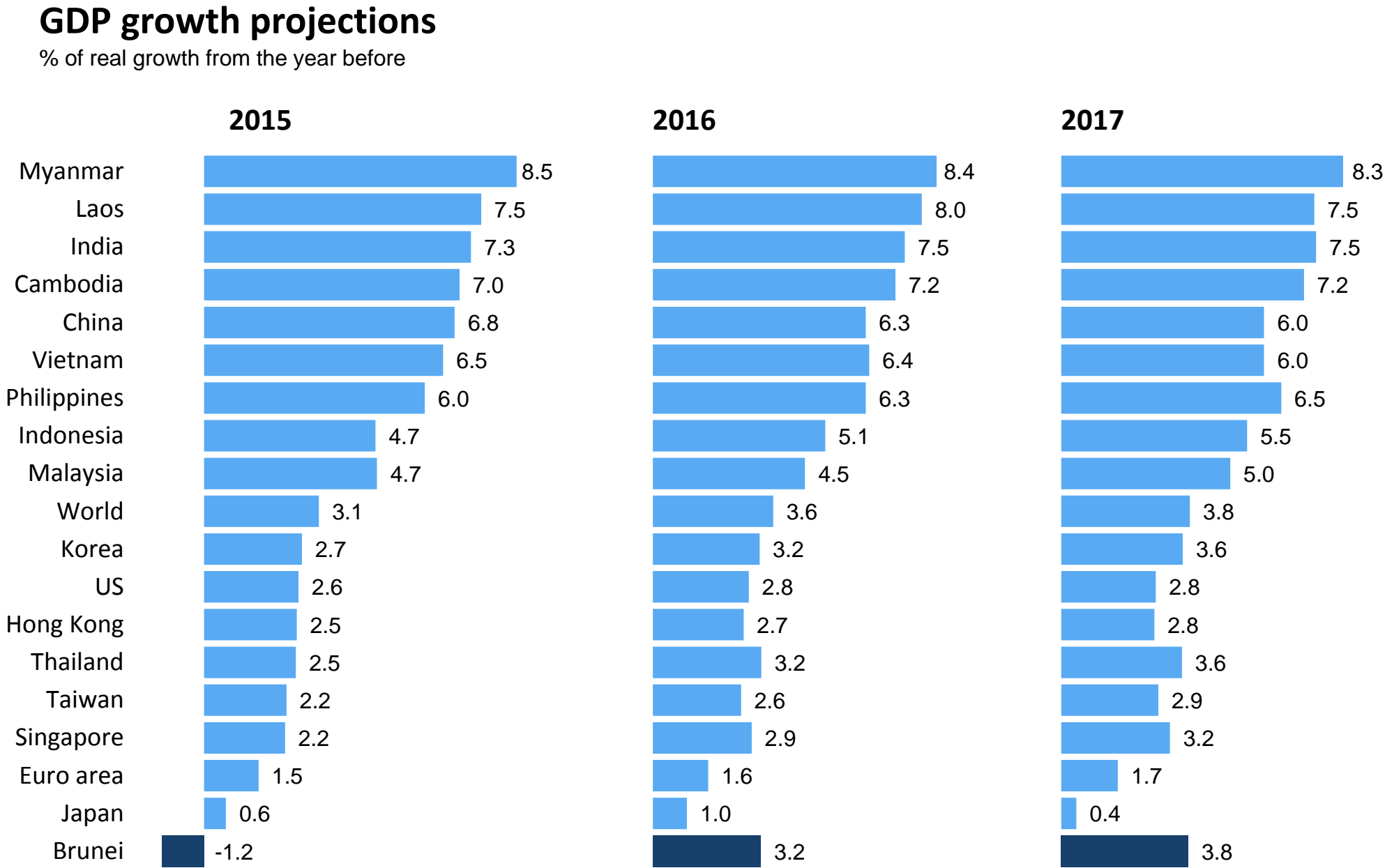
Most contributing sectors for Brunei's economy in 2014

On production side, Mining was the main source of contraction. The decrease in Mining value added contributed -1.2% to the overall growth. Manufacturing and Construction also contributed negatively.

Brunei's economy is projected to continue to contract this year but will bounce back in 2016-2017



Interactive chart for this page is available online to provide you with more perspectives



GDP growth projections

GDP growth projection is an exercise done by various parties, international and domestic. We use the projections by International Monetary Fund which releases in its World Economic Outlook report in April and October of every year.

Growth prospect for Brunei's economy

Brunei's economy is projected to continue to contract in 2015 but will bounce back in 2016-2017.

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Stability

- Inflation in Brunei has been very low and is expected to be close to zero in 2016
- Brunei's banking sector is healthy with high capital ratio and low NPL
- Brunei's fiscal sector is also healthy with high fiscal surplus and low public debt
- Brunei's external sector is healthy with continuous current account surplus and zero external debt
- BND depreciated 4% against USD in 2014, a big loss compared to its recent history
- BND depreciated more than 5% during the first 10 months of 2015

Economic Stability

Part of the country's economic outlook, this section explores the country's macro economic risks, including inflation, financial sector, budget deficit as well as balance of payment and exchange rate.

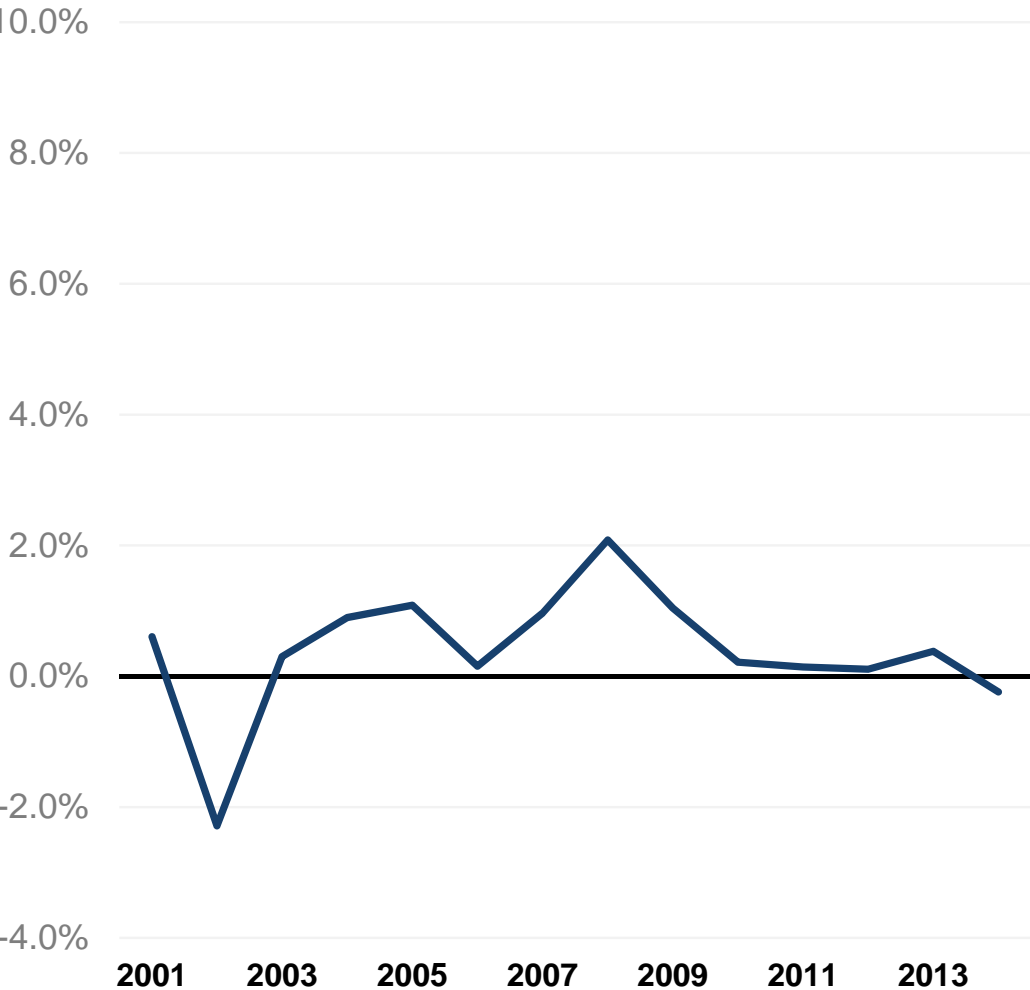
Inflation in Brunei has been very low and is expected to be zero this year



Interactive chart for this page is available online to provide you with more perspectives

Brunei's Inflation

Percentage change in consumer price index

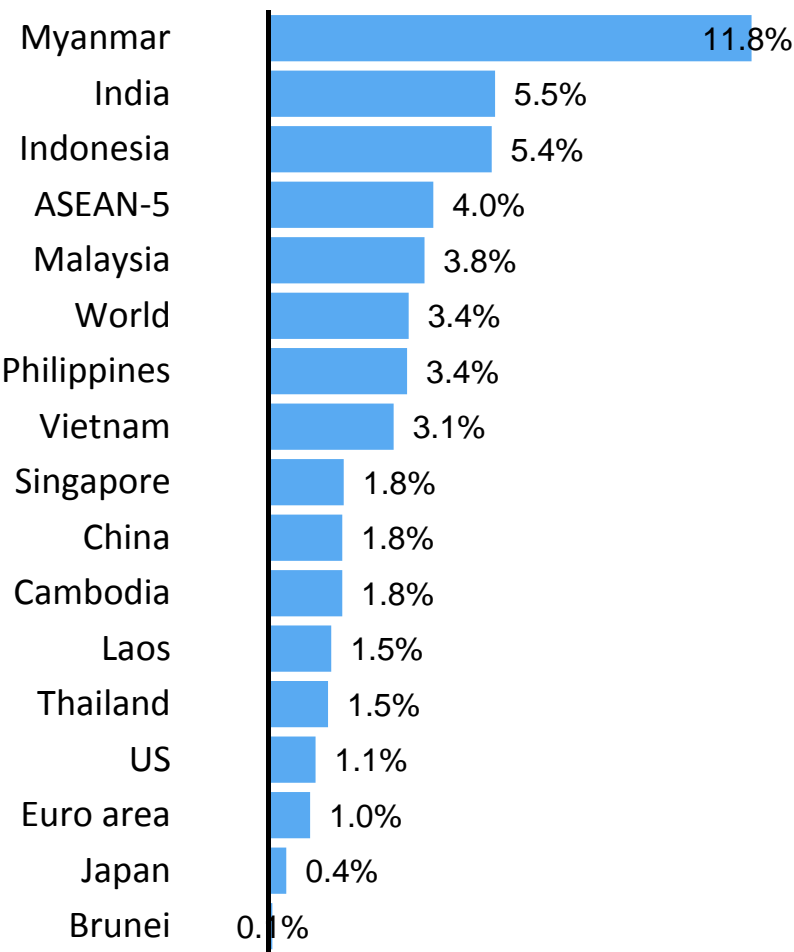


Note: (*) Forecasted by IMF in World Economic Outlook report, Oct 2015

Source: IMF

Projected Inflation*

2016, annual percentage change in CPI



Inflation

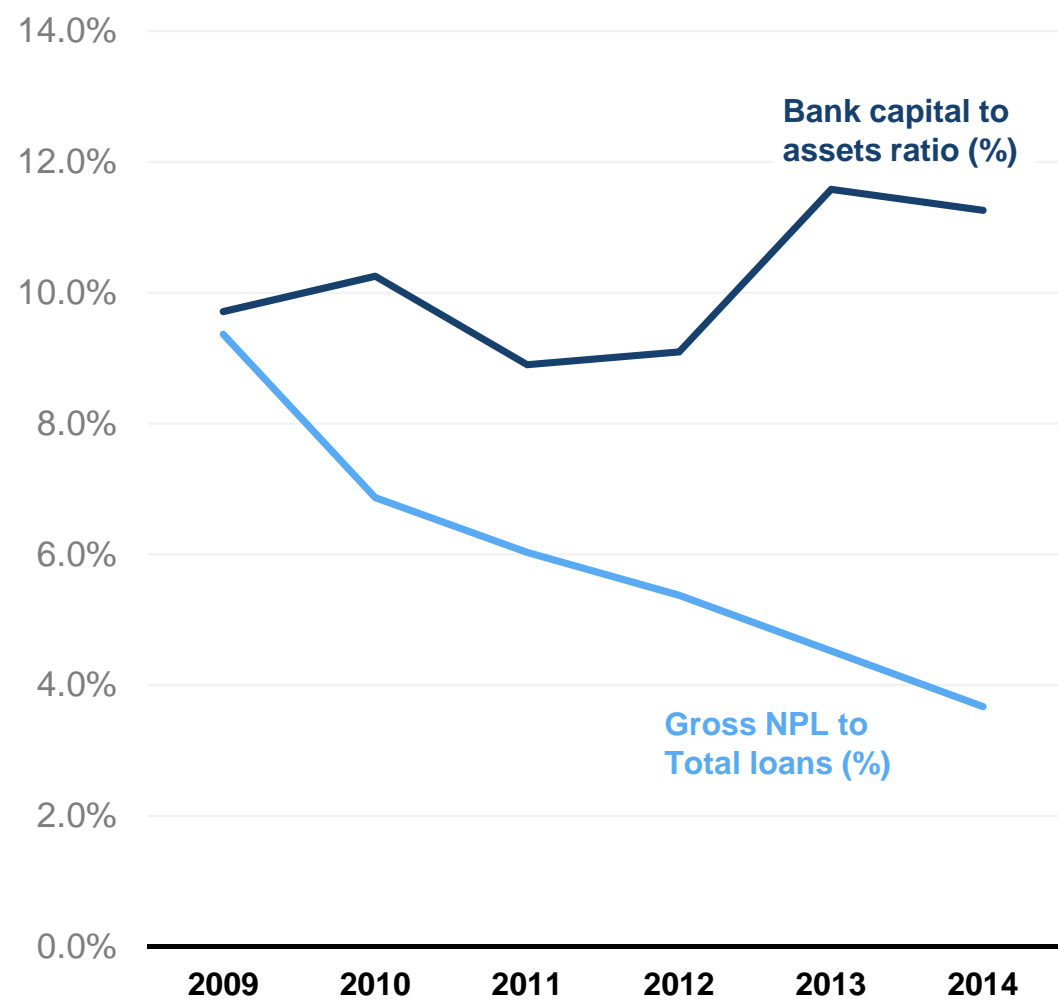
Inflation is normally calculated from the change in the Consumer Price Index (CPI). CPI is the general price level of goods and services purchased by consumers.

Inflation in Brunei

Inflation in Brunei has been very low and is expected to be close to zero in 2016.

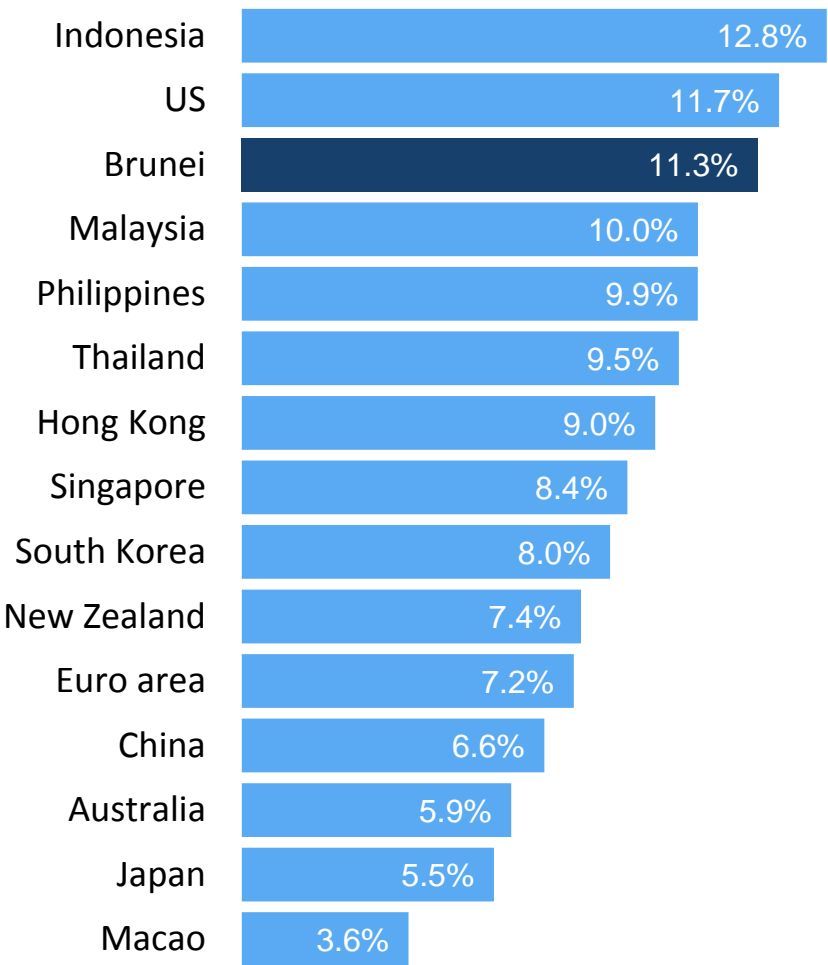
Brunei's banking sector is healthy with high capital ratio and low NPL

Brunei's Banking sector



Bank Capital ratio

2014, % of assets



Stability in banking sector

Stability in banking sector is achieved when there is a high capital ratio as well as low bad debt among banks. Capital ratio is bank capital divided by assets. Bad debt is usually measured by gross non-performing loan divided by total loans.

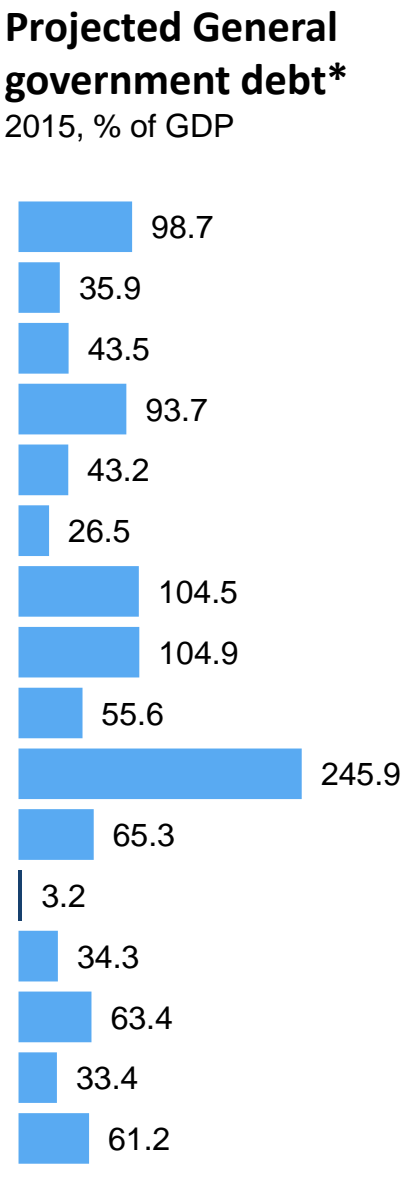
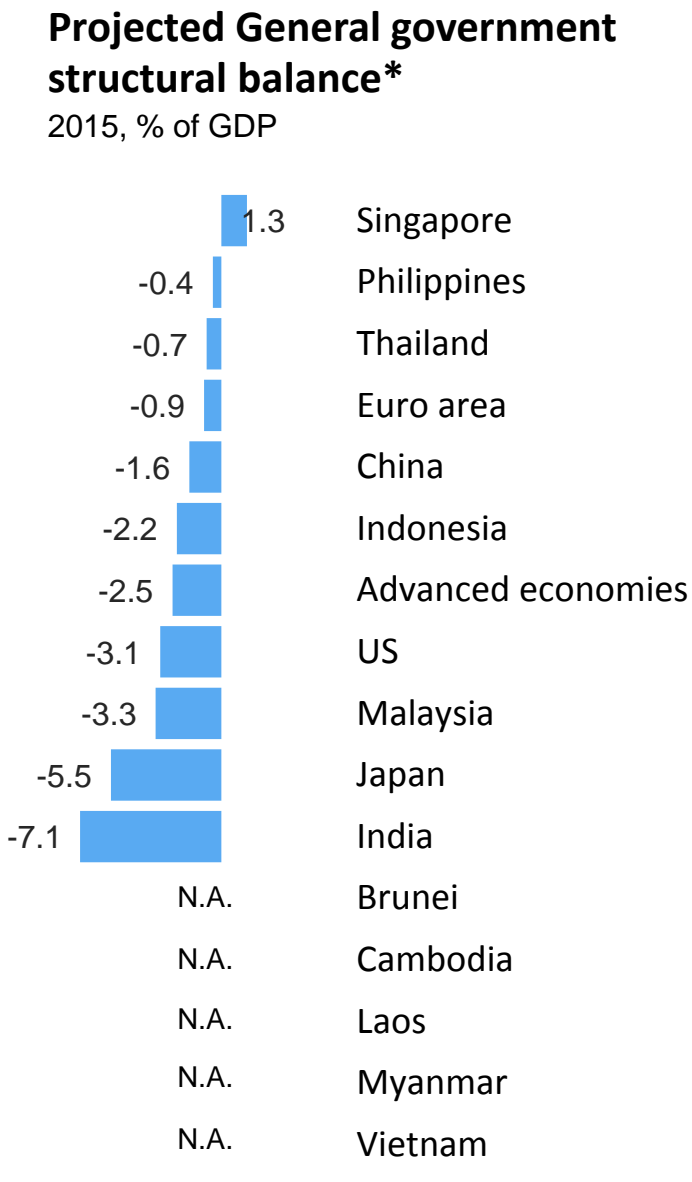
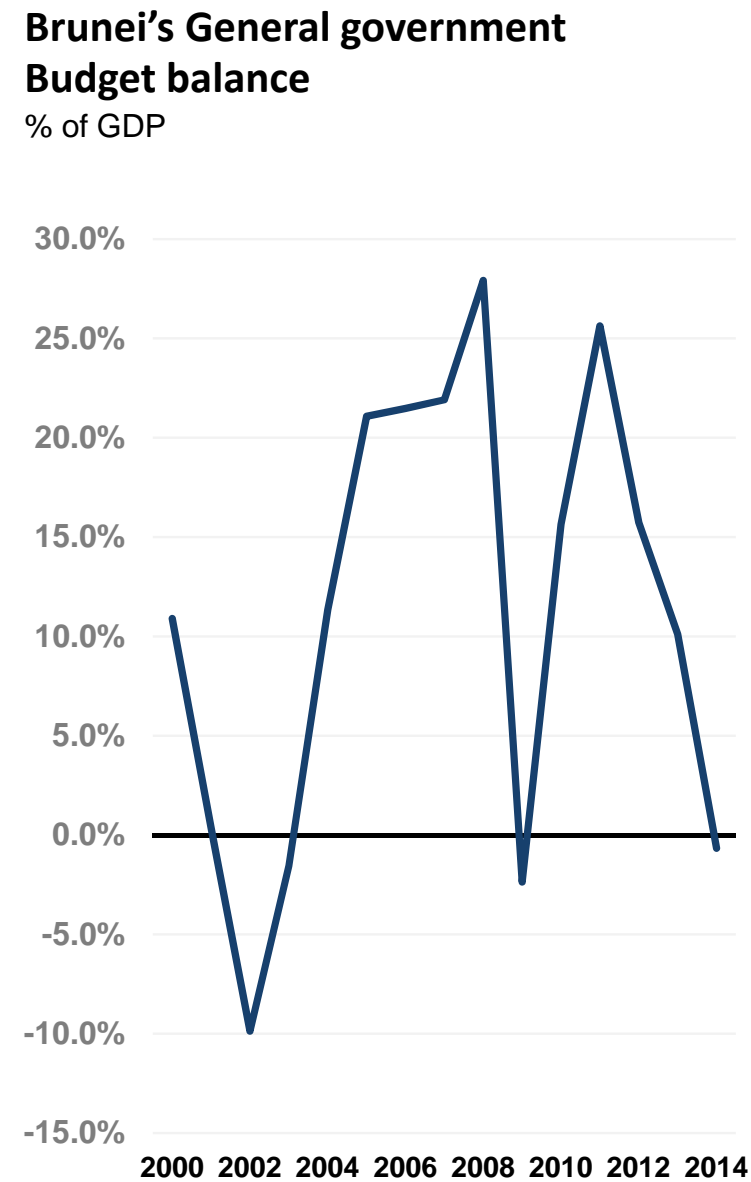
Brunei's banking sector

Brunei's banking sector is healthy with high capital ratio and low NPL.

Brunei's fiscal sector is also healthy with typically high budget surplus and low public debt



Interactive chart for this page is available online to provide you with more perspectives



Fiscal or Government budget balance

Budget balances are the government revenues net of the government expenditures. When compared across countries, it is commonly standardized in the form of percentage of GDP.

Public debt

Public debt includes direct government debt, debt of State Enterprises and others. When compared across countries, it is commonly standardized in the form of percentage of GDP.

Brunei's fiscal situation

Brunei's fiscal sector is also healthy with typically high budget surplus (with few exceptions) and low public debt.

Note: (*) Forecasted by IMF in World Economic Outlook report, Oct 2015

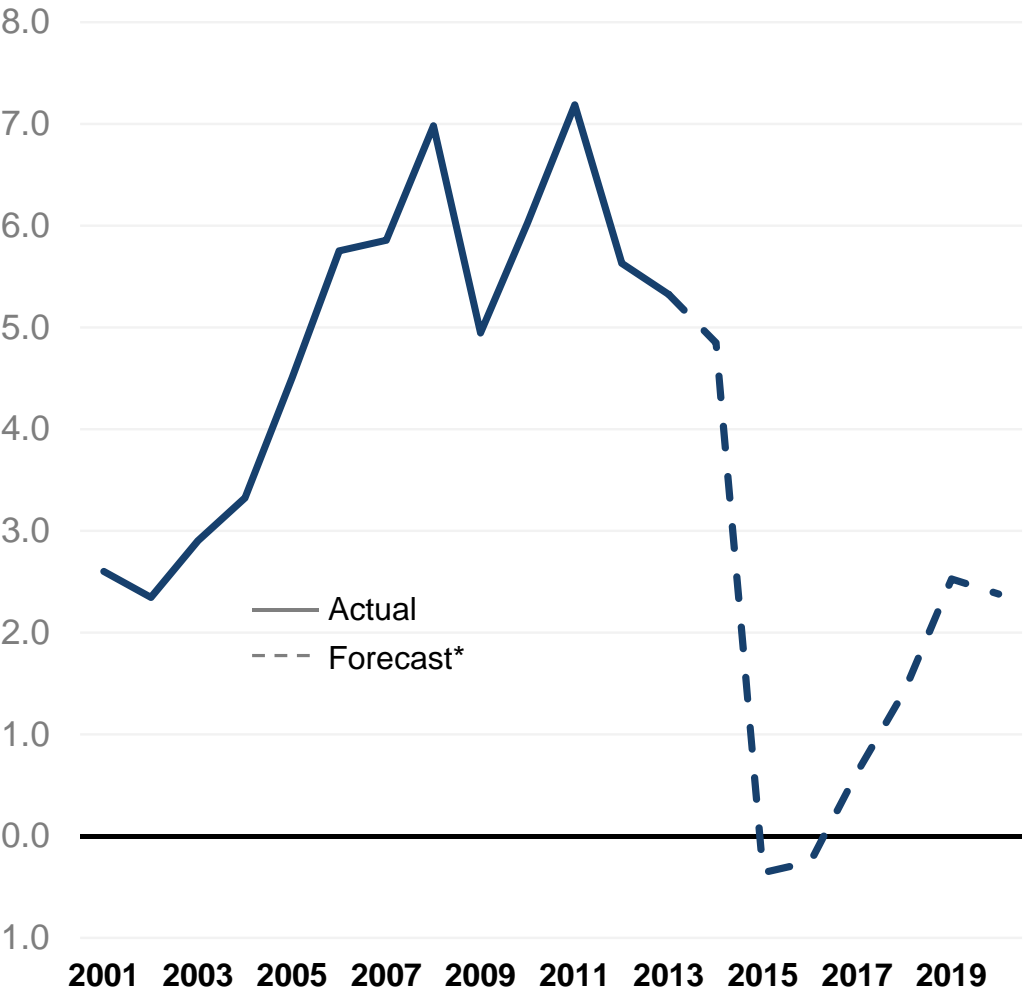
Brunei's large current account surplus is expected to be the thing of the past, given negative oil outlook



Interactive chart for this page is available online to provide you with more perspectives

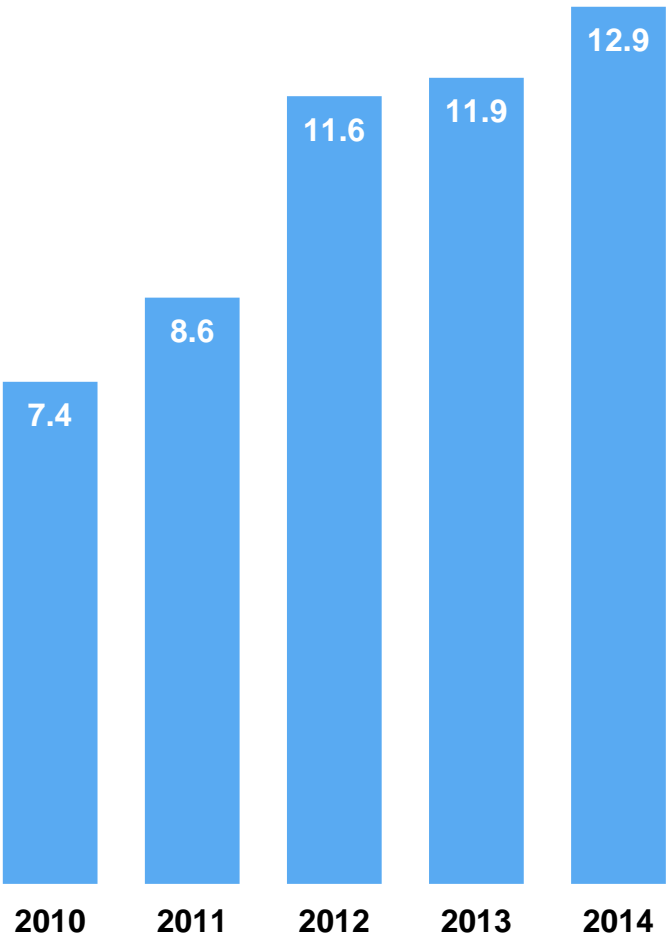
Brunei's Current Account balance

USD billion



Import Cover

International reserves as months of import



Current Account balance

Current Account balance equals Trade balance plus Net Services. Trade balance refers to net export (export less import) of goods. Net Services are the net result of foreign trade related to services, defined as the net export (export less import) of services. Income consists of compensation of employees, investment income, and donation and grant. Current Account balance reflects the capability of a country to obtain foreign exchange through commercial means.

International reserves

International reserve assets refer to external assets that are held or controlled by central bank and are readily available for immediate uses, for instance, in financing payment imbalances or in implementing exchange rate policy. Import Cover shows reserves expressed in terms of the number of months of imports of goods and services they could pay for [Reserves/(Imports/12)].

Brunei's external sector

Brunei's large current account surplus is expected to be the thing of the past, given negative oil outlook. Brunei's international reserves can finance more than one year of import, a lot higher than the rule of thumb of 3 months.

Note: (*) Forecasted by IMF in World Economic Outlook report, Oct 2015

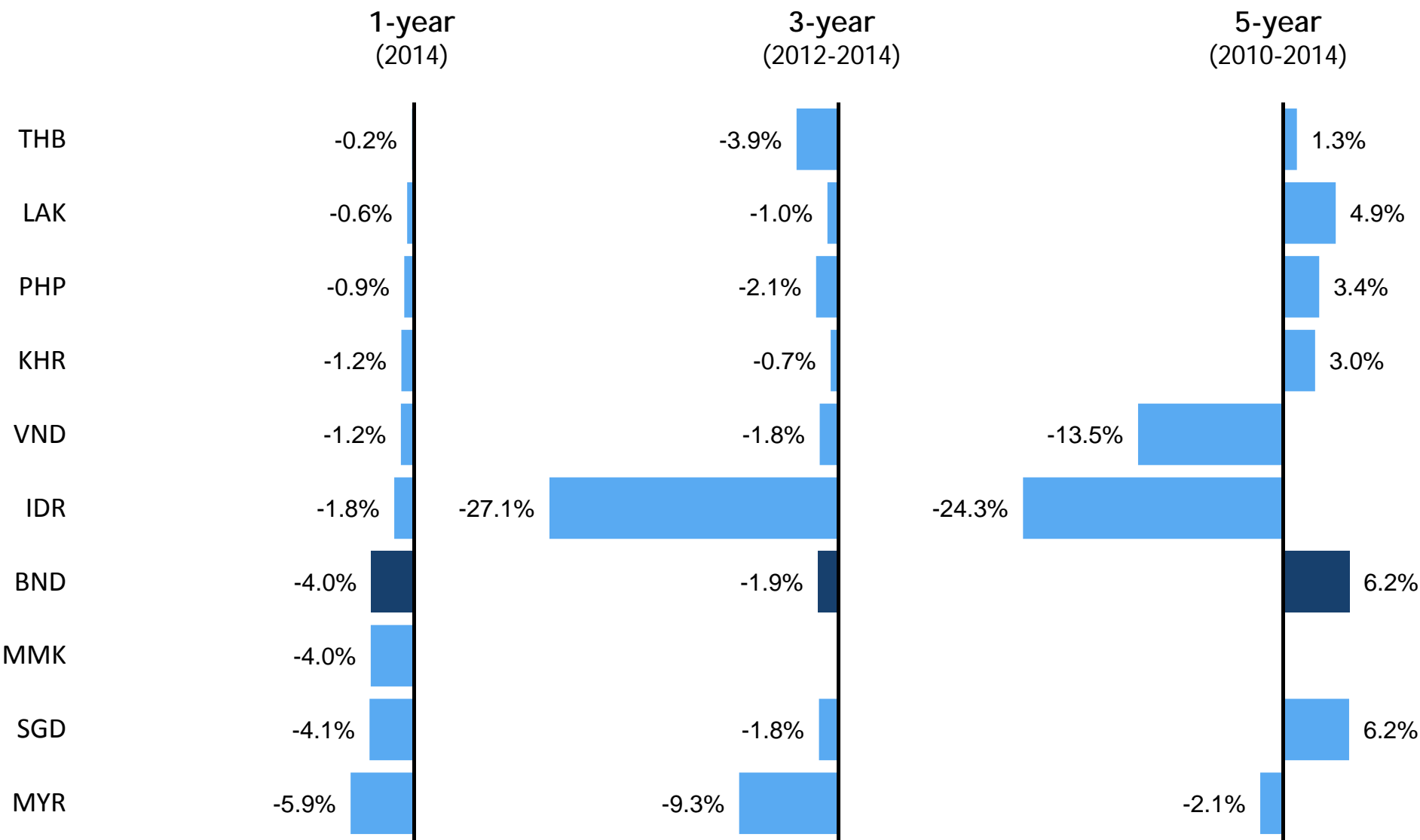
(**) Current Account = Trade balance + service income

Source: IMF, ADB; Charting Economy analysis

Brunei Dollar depreciated 4% against USD in 2014, a big loss compared to its recent history

ASEAN Exchange rate performance

Change in value against USD, percentage



Exchange rate

A stable exchange rate is preferred in the world where most countries adopt floating rate policy. Volatile exchange rate can certainly harm international trade and investment.

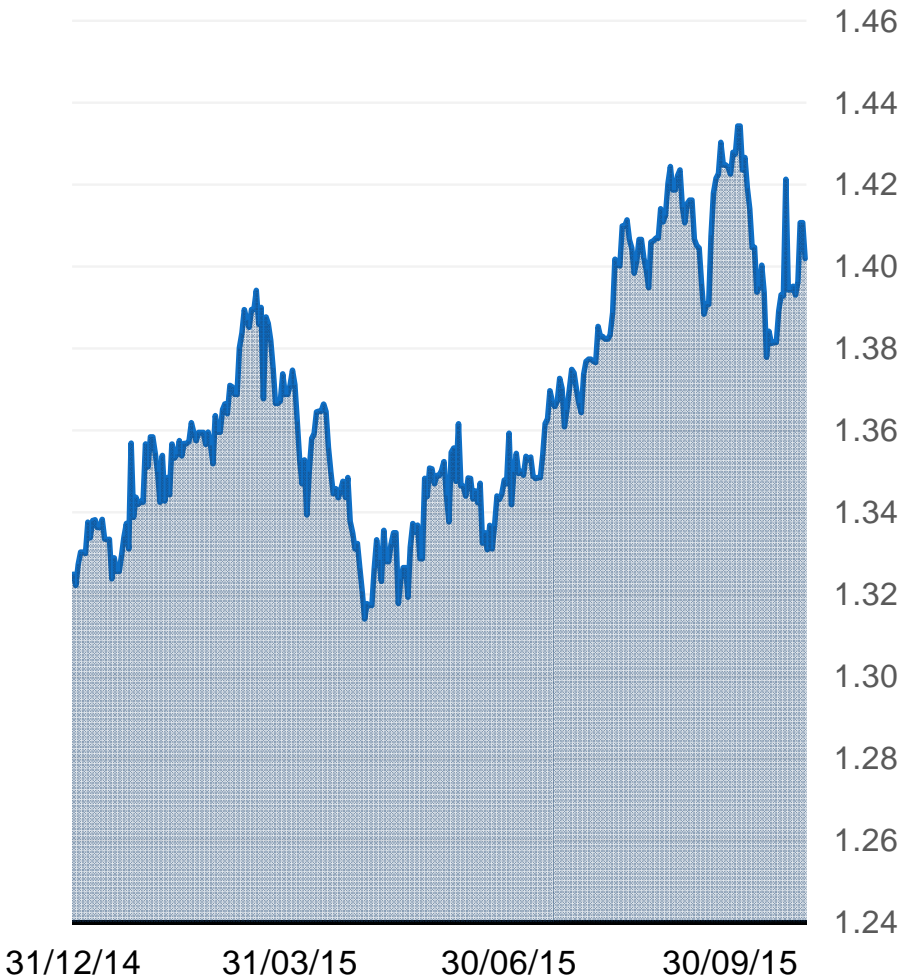
Brunei's exchange rate

Brunei Dollar depreciated 4% against USD in 2014, a big loss compared to its recent history.

BND depreciated more than 5% during the first 10 months of 2015

Brunei Dollar Exchange Rate

Per USD, mid point



Brunei Dollar Value

Indexed per USD, mid point, 31/12/14 = 100



Exchange rate

A stable exchange rate is preferred in the world where most countries adopt floating rate policy. Volatile exchange rate can certainly harm international trade and investment.

YTD change in Brunei's exchange rate

BND depreciated more than 5% against USD during the first 10 months of 2015.

APPENDIX 1:

KEY PROJECTIONS

**From IMF's World Economic Outlook Report
October 2015**

KEY PROJECTIONS:

BRUNEI'S ECONOMY

Indicators	Units	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Estimates Start After
Current account balance	Billion USD	7.19	5.63	5.32	4.85	-0.36	-0.25	0.63	1.42	2.53	2.38	2013
General government gross debt	% of GDP	2.13	2.10	2.21	2.31	3.17	3.09	2.81	2.53	2.15	1.93	2014
Gross domestic product per capita, current prices	USD	47,097	47,641	44,540	41,460	27,759	27,818	30,110	33,070	38,312	42,044	2013
Gross domestic product, constant prices	% change	3.7	0.9	-2.1	-2.3	-1.2	3.2	3.8	5.5	11.2	5.0	2014
Gross domestic product, current prices	Billion USD	18.5	19.0	18.1	17.1	11.6	11.9	13.0	14.6	17.1	19.1	2014
Inflation, average consumer prices	% change	0.1	0.1	0.4	-0.2	0.0	0.1	0.1	0.2	0.1	0.1	2014
Population	Million Persons	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	2013
Unemployment rate	% of total labor force	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2011

Source: IMF World Economic Outlook Oct 2015

www.ChartingEconomy.com

On Projections

Economic projections change all the time, given new data available. Even best forecasters, IMF included, do not often get them right at the end. Do not take them as certainty, but a guideline to apply to your business, if you need to.

APPENDIX 2:

DOING BUSINESS 2016

**Detailed rankings and scores for Brunei
and comparable economies**

Starting a business in Brunei is easier than most ASEAN countries

Starting a business rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in min. capital (% of income per capita)
New Zealand	1	100.0	1.0	0.5	0.3	0.0
Hong Kong SAR, China	4	98.1	2.0	1.5	1.2	0.0
Singapore	10	96.5	3.0	2.5	0.6	0.0
Australia	11	96.5	3.0	2.5	0.7	0.0
Malaysia	14	95.3	3.0	4.0	6.7	0.0
Korea, Rep.	23	94.4	3.0	4.0	14.5	0.0
Brunei Darussalam	74	87.6	7.0	14.0	1.2	0.0
Japan	81	86.3	8.0	10.2	7.5	0.0
Thailand	96	85.1	6.0	27.5	6.4	0.0
Timor-Leste	104	83.6	4.0	9.0	0.3	156.6
Vietnam	119	81.3	10.0	20.0	4.9	0.0
China	136	77.5	11.0	31.4	0.7	0.0
Lao PDR	153	73.8	6.0	73.0	4.9	0.0
India	155	73.6	12.9	29.0	13.5	0.0
Myanmar	160	70.0	11.0	13.0	97.1	0.0
Philippines	165	68.6	16.0	29.0	16.1	3.3
Indonesia	173	66.0	13.0	47.8	19.9	31.0
Cambodia	180	58.1	7.0	87.0	78.7	24.1
Central African Republic	189	31.4	10.0	22.0	204.0	540.1

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

www.ChartingEconomy.com

Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate. To make the data comparable across 189 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. The most recent round of data collection for the project was completed in June 2015.

Starting a Business in Brunei

Starting a business in Brunei is easier than most ASEAN countries. It takes just two weeks to set up a business.

Getting construction permits in Brunei is easier than in Japan and Korea

Dealing with Construction Permits rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0-15)
Singapore	1	93.0	10.0	26.0	0.3	14.0
Australia	4	86.6	10.0	112.0	0.5	14.0
Hong Kong SAR, China	7	84.8	11.0	72.0	0.7	12.0
Vietnam	12	82.2	10.0	166.0	0.8	14.0
Malaysia	15	81.1	15.0	79.0	1.4	13.0
Brunei Darussalam	21	79.1	14.0	119.0	0.2	12.0
Korea, Rep.	28	77.8	10.0	28.0	4.3	8.0
Thailand	39	75.6	17.0	103.0	0.1	11.0
Lao PDR	42	75.1	11.0	83.0	0.5	6.5
Japan	68	71.7	12.0	197.0	0.6	10.0
Myanmar	74	71.0	14.0	95.0	4.0	9.0
Philippines	99	67.7	24.0	98.0	1.1	11.0
Indonesia	107	66.7	17.0	210.2	3.8	13.0
Timor-Leste	154	57.2	16.0	207.0	0.3	4.0
China	176	48.3	22.0	244.3	7.2	9.0
Cambodia	181	38.1	20.0	652.0	6.2	6.5
India	183	32.5	33.6	191.5	26.0	11.0
Afghanistan	185	22.9	11.0	353.0	76.6	1.5

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, this year Doing Business introduces a new measure, the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2015.

Getting construction permits in Brunei

Getting construction permits in Brunei is easier than in Japan and Korea. Building quality control in Brunei is relatively high as well.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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Getting electricity in Brunei is relatively easy, taking less than 2 months and does not cost a lot

Getting Electricity rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of income per capita)	Reliability of supply and transparency of tariff index (0-8)
Korea, Rep.	1	99.9	3.0	18.0	39.8	8.0
Singapore	6	94.3	4.0	31.0	25.9	8.0
Hong Kong SAR, China	9	91.6	4.0	28.0	1.3	7.0
Thailand	11	90.5	4.0	37.0	45.9	7.0
Malaysia	13	90.1	5.0	32.0	30.7	8.0
Japan	14	89.9	3.4	97.7	0.0	8.0
Philippines	19	86.9	4.0	42.0	28.7	6.0
Australia	39	82.3	5.0	75.0	8.4	7.0
Indonesia	46	80.7	5.0	79.0	383.0	7.0
Brunei Darussalam	68	74.9	5.0	56.0	40.1	4.0
India	70	74.6	5.0	90.1	442.3	5.5
China	92	68.7	5.5	143.2	413.3	6.0
Timor-Leste	95	67.9	3.0	63.0	733.4	0.0
Vietnam	108	63.3	6.0	59.0	1322.6	3.0
Cambodia	145	52.4	4.0	179.0	2336.1	2.0
Myanmar	148	50.9	6.0	77.0	1673.4	0.0
Lao PDR	158	45.2	6.0	134.0	1522.6	0.0
Bangladesh	189	15.3	9.0	428.9	3140.5	0.0

Getting Electricity

This topic tracks the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. In addition to assessing efficiency of connection process, new indicators were added to measure reliability of power supply and transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2015.

Getting Electricity in Brunei

Getting electricity in Brunei is relatively easy, taking less than 2 months and does not cost a lot.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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Registering property in Brunei is cumbersome and take almost 10 months to complete

Registering Property rank

Economy	Rank	DTF*	Procedures (number)	Time (days)	Cost (% of property value)	Quality of the land administration index (0-30)
New Zealand	1	94.5	2.0	1.0	0.1	26.0
Singapore	17	85.7	4.0	4.5	2.9	26.5
Malaysia	38	76.3	8.0	13.0	3.3	27.5
Korea, Rep.	40	76.2	7.0	6.5	5.1	27.5
China	43	75.0	4.0	19.5	3.4	17.0
Australia	47	74.2	5.0	4.5	5.2	20.0
Japan	48	73.9	6.0	13.0	5.8	24.5
Thailand	57	71.3	3.0	3.0	6.3	13.5
Vietnam	58	70.6	5.0	57.5	0.6	14.0
Hong Kong SAR, China	59	69.8	5.0	27.5	7.7	23.0
Lao PDR	66	68.7	4.0	53.0	1.1	9.5
Philippines	112	57.5	9.0	35.0	4.3	12.5
Cambodia	121	54.9	7.0	56.0	4.4	7.5
Indonesia	131	52.4	5.0	27.4	10.8	8.3
India	138	50.3	7.0	47.0	7.5	7.0
Myanmar	145	49.3	6.0	85.0	5.1	4.0
Brunei Darussalam	148	48.6	7.0	298.0	0.6	14.5
Bangladesh	185	27.5	8.0	244.0	7.0	4.5
Timor-Leste	189	0.0	no practice	no practice	no practice	0.0

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, this year Doing Business adds a new measure to the set of registering property indicators, an index of the quality of the land administration system in each economy. The quality of land administration index has four dimensions: reliability of infrastructure, transparency of information, geographic coverage and land dispute resolution. The most recent round of data collection for the project was completed in June 2015.

Registering Property in Brunei

Registering property in Brunei is cumbersome and take almost 10 months to complete.

Getting credit in Brunei is quite hard with weak legal rights and zero credit bureau coverage

Getting Credit rank

Economy	Rank	DTF*	Strength of legal rights index (0-12)	Depth of credit information index (0-8)	Credit registry coverage (% of adults)	Credit bureau coverage (% of adults)
New Zealand	1	100.0	12.0	8.0	0.0	100.0
Australia	4	90.0	11.0	7.0	0.0	100.0
Cambodia	12	80.0	11.0	5.0	0.0	29.3
Singapore	17	75.0	8.0	7.0	0.0	50.8
Hong Kong SAR, China	23	70.0	7.0	7.0	0.0	96.1
Malaysia	23	70.0	7.0	7.0	56.2	78.6
India	36	65.0	6.0	7.0	0.0	22.4
Korea, Rep.	36	65.0	5.0	8.0	0.0	100.0
Vietnam	36	65.0	7.0	6.0	41.8	1.4
China	71	50.0	4.0	6.0	33.2	0.0
Indonesia	71	50.0	4.0	6.0	46.4	0.0
Japan	71	50.0	4.0	6.0	0.0	100.0
East Asia & Pacific	..	48.6	6.2	3.6	11.0	20.4
Brunei Darussalam	89	45.0	4.0	5.0	56.6	0.0
Thailand	89	45.0	3.0	6.0	0.0	52.7
Philippines	104	40.0	3.0	5.0	0.0	11.3
Lao PDR	116	35.0	7.0	0.0	3.5	0.0
Timor-Leste	160	20.0	0.0	4.0	5.7	0.0
Myanmar	171	10.0	2.0	0.0	0.0	0.0

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: World Bank. 2014. Doing Business 2015: Going Beyond Efficiency

www.ChartingEconomy.com

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2014.

Getting Credit in Brunei

Getting credit in Brunei is quite hard with weak legal rights and zero credit bureau coverage.

Getting credit in Brunei is quite hard with weak legal rights

Getting Credit rank

Economy	Rank	DTF*	Strength of legal rights index (0-12)	Depth of credit information index (0-8)	Credit registry coverage (% of adults)	Credit bureau coverage (% of adults)
New Zealand	1	100.0	12.0	8.0	0.0	100.0
Australia	5	90.0	11.0	7.0	0.0	100.0
Cambodia	15	80.0	11.0	5.0	0.0	37.0
Hong Kong SAR, China	19	75.0	8.0	7.0	0.0	96.0
Singapore	19	75.0	8.0	7.0	0.0	58.6
Malaysia	28	70.0	7.0	7.0	57.0	77.1
Vietnam	28	70.0	7.0	7.0	41.5	6.9
India	42	65.0	6.0	7.0	0.0	22.0
Korea, Rep.	42	65.0	5.0	8.0	0.0	100.0
Indonesia	70	55.0	5.0	6.0	48.5	0.0
Lao PDR	70	55.0	6.0	5.0	5.1	0.0
Brunei Darussalam	79	50.0	4.0	6.0	61.2	0.0
China	79	50.0	4.0	6.0	89.5	0.0
Japan	79	50.0	4.0	6.0	0.0	100.0
Thailand	97	45.0	3.0	6.0	0.0	60.2
Philippines	109	40.0	3.0	5.0	0.0	14.0
Timor-Leste	162	20.0	0.0	4.0	5.8	0.0
Myanmar	174	10.0	2.0	0.0	0.0	0.0
Yemen, Rep.	185	0.0	0.0	0.0	1.3	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2015.

Getting Credit in Brunei

Getting credit in Brunei is quite hard with weak legal rights.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Minority investors in Brunei are treated the same as in China

Protecting Minority Investors rank

Economy	Rank	DTF	Strength of minority investor protection index (0-10)	Extent of conflict of interest regulation index (0-10)	Extent of disclosure index (0-10)	Extent of director liability index (0-10)	Ease of shareholder suits index (0-10)	Extent of shareholder governance index (0-10)	Extent of shareholder rights index (0-10)	Extent of ownership and control index (0-10)	Extent of corporate transparency index (0-10)
Hong Kong SAR, China	1	83.3	8.3	9.0	10.0	8.0	9.0	7.7	9.0	7.0	7.0
New Zealand	1	83.3	8.3	9.3	10.0	9.0	9.0	7.3	8.0	7.0	7.0
Singapore	1	83.3	8.3	9.3	10.0	9.0	9.0	7.3	8.0	7.0	7.0
Malaysia	4	78.3	7.8	8.7	10.0	9.0	7.0	7.0	6.0	8.0	7.0
India	8	73.3	7.3	6.7	7.0	6.0	7.0	8.0	10.0	8.0	6.0
Korea, Rep.	8	73.3	7.3	7.0	7.0	6.0	8.0	7.7	7.0	8.0	8.0
Japan	36	63.3	6.3	7.0	7.0	6.0	8.0	5.7	8.0	4.0	5.0
Thailand	36	63.3	6.3	7.7	10.0	7.0	6.0	5.0	5.0	6.0	4.0
Australia	66	56.7	5.7	6.0	8.0	2.0	8.0	5.3	5.0	3.0	8.0
Timor-Leste	81	55.0	5.5	4.7	5.0	4.0	5.0	6.3	8.0	7.0	4.0
Indonesia	88	53.3	5.3	5.7	10.0	5.0	2.0	5.0	7.0	4.0	4.0
Cambodia	111	48.3	4.8	6.3	5.0	10.0	4.0	3.3	1.0	4.0	5.0
Vietnam	122	45.0	4.5	3.7	7.0	3.0	1.0	5.3	7.0	4.0	5.0
Brunei Darussalam	134	43.3	4.3	5.7	4.0	5.0	8.0	3.0	4.0	1.0	4.0
China	134	43.3	4.3	5.0	10.0	1.0	4.0	3.7	1.0	2.0	8.0
Philippines	155	38.3	3.8	4.0	2.0	3.0	7.0	3.7	1.0	4.0	6.0
Lao PDR	178	31.7	3.2	3.3	6.0	1.0	3.0	3.0	5.0	4.0	0.0
Myanmar	184	26.7	2.7	2.0	3.0	0.0	3.0	3.3	5.0	3.0	2.0
Afghanistan	189	10.0	1.0	1.7	1.0	1.0	3.0	0.3	0.0	0.0	1.0

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

www.ChartingEconomy.com

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2015.

Minority Investors in Brunei

Minority investors in Brunei are treated the same as in China.

Corporate taxes in Brunei is as low as 8.7%

Paying Taxes rank

Economy	Rank	DTF	Payments (number per year)	Time (hours per year)	Total tax rate (% of profit)	Profit tax (% of profit)	Labor tax and contributions (% of profit)	Other taxes (% of profit)
Qatar	1	99.4	4.0	41.0	11.3	0.0	11.3	0.0
Hong Kong SAR, China	4	98.7	3.0	74.0	22.8	17.5	5.2	0.1
Singapore	5	96.6	6.0	83.5	18.4	2.0	15.3	1.1
Brunei Darussalam	16	89.6	18.0	89.0	8.7	0.8	7.9	0.0
Korea, Rep.	29	84.5	12.0	188.0	33.2	18.2	13.8	1.2
Malaysia	31	84.3	13.0	118.0	40.0	22.7	16.4	0.9
Australia	42	82.4	11.0	105.0	47.6	26.0	21.1	0.5
Timor-Leste	57	80.0	18.0	276.0	11.2	11.2	0.0	0.0
Thailand	70	77.7	22.0	264.0	27.5	19.5	5.4	2.6
Myanmar	84	74.8	31.0	188.0	31.4	25.3	0.2	5.9
Cambodia	95	73.1	40.0	173.0	21.0	19.5	0.5	1.0
Japan	121	67.2	14.0	330.0	51.3	..	..	..
Philippines	126	66.2	36.0	193.0	42.9	20.3	8.7	13.9
Lao PDR	127	66.1	35.0	362.0	25.3	16.0	5.6	3.7
China	132	64.5	9.0	261.0	67.8	..	..	..
Indonesia	148	60.5	54.0	234.0	29.7	..	..	..
India	157	56.1	33.0	243.0	60.6	..	..	..
Vietnam	168	45.4	30.0	770.0	39.4	14.5	24.8	0.1
Bolivia	189	12.2	42.0	1025.0	83.7	0.0	18.8	64.9

Paying Taxes

This topic addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes. The most recent round of data collection for the project was completed on June 1, 2015 covering for the Paying Taxes indicator calendar year 2014 (January 1, 2014 – December 31, 2014).

Paying Taxes in Brunei

Corporate taxes in Brunei is as low as 8.7% and is considered one of the most attractive factors in doing business in Brunei.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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Trading across borders in Brunei is harder than most ASEAN countries

Trading Across Borders rank

Economy	Rank	DTF	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Austria	1	100.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0
Korea, Rep.	31	92.5	14.0	185.0	1.0	11.0	6.0	315.0	1.0	27.0
Singapore	41	89.4	12.0	335.0	4.0	37.0	35.0	220.0	1.0	37.0
Hong Kong SAR, China	47	87.8	19.0	282.0	1.0	52.0	19.0	266.0	1.0	130.0
Malaysia	49	86.7	20.0	321.0	10.0	45.0	24.0	321.0	10.0	60.0
Japan	52	85.9	48.0	306.0	3.0	15.0	48.0	337.0	3.0	23.0
Thailand	56	84.1	51.0	223.0	11.0	97.0	50.0	233.0	4.0	43.0
Timor-Leste	92	70.4	96.0	350.0	33.0	100.0	96.0	410.0	44.0	100.0
Philippines	95	69.4	42.0	456.0	72.0	53.0	72.0	580.0	96.0	50.0
China	96	69.1	26.0	522.0	21.0	85.0	92.0	777.0	66.0	171.0
Cambodia	98	67.6	45.0	375.0	132.0	100.0	4.0	240.0	132.0	120.0
Vietnam	99	67.2	57.0	309.0	83.0	139.0	64.0	268.0	106.0	183.0
Indonesia	105	64.8	39.0	254.0	72.0	170.0	99.0	383.0	144.0	160.0
Lao PDR	108	64.1	3.0	73.0	216.0	235.0	5.0	153.0	216.0	115.0
Brunei Darussalam	121	60.7	72.0	340.0	168.0	90.0	48.0	395.0	144.0	50.0
India	133	56.5	109.0	413.0	41.0	102.0	287.0	574.0	63.0	145.0
Myanmar	140	55.1	144.0	432.0	144.0	140.0	120.0	367.0	48.0	115.0
Congo, Dem. Rep.	187	1.3	515.0	1323.0	698.0	2500.0	588.0	2089.0	216.0	875.0

Trading Across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Under the new methodology introduced this year, Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2015.

Trading Across Borders in Brunei

Trading across borders in Brunei is harder than most ASEAN countries.

Enforcing contracts in Brunei can be very cumbersome

Enforcing Contracts rank

Economy	Rank	DTF	Time (days)	Cost (% of claim)	Quality of judicial processes index (0-18)
Singapore	1	84.9	150.0	25.8	16
Korea, Rep.	2	84.8	230.0	10.3	14
Australia	4	79.7	395.0	21.8	16
China	7	77.6	452.8	16.2	14
Hong Kong SAR, China	22	72.6	360.0	21.2	11
Malaysia	44	66.6	425.0	37.3	12
Japan	51	65.3	360.0	23.4	8
Thailand	57	62.7	440.0	19.5	7
Vietnam	74	60.2	400.0	29.0	7
Lao PDR	92	58.1	443.0	31.6	7
Brunei Darussalam	113	54.5	540.0	36.6	7
Philippines	140	49.2	842.0	31.0	8
Indonesia	170	35.4	471.0	115.7	6
Cambodia	174	34.5	483.0	103.4	6
India	178	32.4	1420.0	39.6	8
Myanmar	187	24.5	1160.0	51.5	3
Bangladesh	188	22.2	1442.0	66.8	8
Timor-Leste	189	6.1	1285.0	163.2	3

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court. In addition, this year it introduces a new measure, the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the commercial court system. The most recent round of data collection was completed in June 2015.

Enforcing Contracts in Brunei

Enforcing contracts in Brunei can be very cumbersome and can take longer than a year.

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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Resolving insolvency in Brunei takes more than two years and the recovery rate is less than 50%

Resolving Insolvency rank

Economy	Rank	DTF	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)	Outcome (0 as piecemeal sale and 1 as going concern)	Strength of insolvency framework index (0-16)	Commencement of proceedings index (0-3)	Management of debtor's assets index (0-6)	Reorganization proceedings index (0-3)	Creditor participation index (0-4)
Finland	1	93.8	90.1	0.9	3.5	1.0	14.5	3.0	6.0	2.5	3.0
Japan	2	93.8	92.9	0.6	3.5	..	14.0	..	..	..	..
Korea, Rep.	4	90.3	83.6	1.5	3.5	1.0	14.5	2.5	6.0	3.0	3.0
Australia	14	81.7	82.1	1.0	8.0	1.0	12.0	2.5	6.0	0.5	3.0
Hong Kong SAR	26	75.1	87.2	0.8	5.0	1.0	9.0	3.0	3.0	1.0	2.0
Singapore	27	74.8	89.7	0.8	3.0	1.0	8.5	3.0	4.0	0.5	1.0
Malaysia	45	62.5	81.3	1.0	10.0	1.0	6.0	2.0	2.0	0.0	2.0
Thailand	49	58.8	42.5	2.7	36.0	1.0	11.5	2.0	4.0	2.5	3.0
Philippines	53	56.8	21.4	2.7	32.0	0.0	14.5	3.0	5.5	3.0	3.0
China	55	55.4	36.2	1.7	22.0	..	11.5	..	..	..	..
Indonesia	77	46.5	31.2	1.9	21.6	..	9.5	..	..	..	..
Cambodia	82	45.1	8.3	6.0	28.0	0.0	13.0	3.0	4.0	3.0	3.0
Brunei Darussalam	98	41.1	47.2	2.5	3.5	0.0	5.0	2.0	2.0	0.0	1.0
Vietnam	123	35.8	20.1	5.0	14.5	0.0	8.0	3.0	3.0	2.0	0.0
India	136	32.6	25.7	4.3	9.0	..	6.0	..	..	..	..
Myanmar	162	20.4	14.7	5.0	18.0	0.0	4.0	2.0	2.0	0.0	0.0
Liberia	168	4.5	8.4	3.0	42.5	0.0	0.0	0.0	0.0	0.0	0.0
Lao PDR	189	0.0	0.0	no practice	no practice	no practice	0.0	2.0	2.0	0.5	0.0
Timor-Leste	189	0.0	0.0	no practice	no practice	no practice	0.0	2.5	6.0	1.0	2.0

Note: (*) An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier

Source: Doing Business 2016: Measuring Regulatory Quality and Efficiency

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Resolving Insolvency

This topic identifies weaknesses in existing insolvency law and the main procedural and administrative bottlenecks in the insolvency process. The most recent round of data collection for the project was completed in June 2015.

Resolving Insolvency in Brunei

Resolving insolvency in Brunei takes more than two years and the recovery rate is less than 50%.



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