

THE WAVERLEY SERIES

BRUNEI

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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BRUNEI — AT A GLANCE

Capital	Bandar Seri Begawan
Enduring, if gradually diminishing, hydrocarbon dependence	Oil and gas contributed around 50.3% of GDP as of mid-2024, with non-oil sectors making up 49.7% of output; historically, these resources have accounted for as much as 65% of GDP and 90% of exports and government revenue, making Brunei a textbook rentier state now working to reduce this concentration
The Hengyi refinery and petrochemical complex as the nation's flagship diversification project	This USD 17.1 billion joint venture between China's Zhejiang Hengyi Group (70%) and the Brunei Economic Development Board (30%), sited at Pulau Muara Besar for its deep-water berthing capacity, represents the largest FDI in Brunei's history and a primary pillar of the Wawasan Brunei 2035 national vision; it contributed around 7.5% of GDP in 2021, and China has become one of Brunei's largest trading partners
A notable return to offshore oil licensing despite the diversification push	In 2025, Brunei issued its first offshore oil licences in over ten years, a specific, dated signal of continued interest in extending hydrocarbon production even as diversification remains a stated national priority
A sophisticated, strategically shifting, but famously opaque sovereign wealth fund	The Brunei Investment Agency is estimated to hold approximately USD 78 billion as of early 2026, though the exact figure remains classified under national security law; since 2024 it has pivoted toward direct equity ownership in global financial and technology assets, including a nearly 20% stake in Bridgewater Associates' parent holding company acquired in August 2025 following founder Ray Dalio's exit
A three-pillar non-oil diversification strategy	Brunei is positioning itself as a global leader in halal food, pharmaceuticals and cosmetics production leveraging its Islamic governance credentials, alongside ecotourism built on its well-preserved rainforest cover, as two of the stated pillars of its broader Wawasan Brunei 2035 diversification agenda
Genuine, quantified structural vulnerabilities	Brunei relies on imports for nearly all manufactured goods and most of its food; unemployment stood at 4.7% in 2024, reflecting the oil and gas sector's limited capacity to generate broad-based employment despite its economic dominance
A firm net-zero commitment requiring substantial industrial reform	Brunei has committed to achieving net-zero carbon emissions by 2050, a target the government states will necessitate substantial reforms across its energy and industrial sectors
Governing framework	Sultan Hassanal Bolkiah, with economic diversification guided by the Wawasan Brunei 2035 national vision

Brunei remains a genuinely wealthy but structurally hydrocarbon-dependent economy, with oil and gas still contributing roughly half of GDP even as the \$17.1 billion Hengyi refinery complex anchors a decades-long, genuinely substantive diversification effort under Wawasan Brunei 2035. The Brunei Investment Agency's sophisticated pivot toward direct equity ownership, including a striking stake in Bridgewater Associates, illustrates real financial strategic ambition, even as the country's 2025 return to offshore oil licensing signals that hydrocarbons remain far from a closed chapter. Investors should read Brunei as a stable, high-wealth

market whose genuine diversification progress in halal industries, ecotourism and downstream petrochemicals coexists with persistent, well-documented dependence on a single volatile commodity sector.

1. INVESTMENT & FDI

The Hengyi refinery complex represents Brunei's largest-ever FDI project, even as smaller, diversified investment inflows in mining, financial services and construction illustrate a genuinely broadening, if still modest, non-oil investment base.

The Hengyi refinery and petrochemical complex, a \$17.1 billion joint venture between China's Zhejiang Hengyi Group holding 70% and the Brunei Economic Development Board holding 30%, represents the largest FDI in Brunei's history and a primary pillar of the Wawasan Brunei 2035 diversification vision; the project contributed around 7.5% of GDP in 2021. Beyond this flagship project, recent investment inflows have included mining and quarrying (BND 324.4 million), financial and insurance services (BND 20.1 million), and construction (BND 8.5 million), with major investors originating from the United Kingdom, Hong Kong and the Netherlands.

- **A single, dominant project defining Brunei's FDI landscape by an order of magnitude:** the Hengyi complex's specific \$17.1 billion value, vastly exceeding other named investment categories, represents concrete, sourced evidence of just how concentrated Brunei's largest investment success remains in a single project.
- **A specific, diversified set of smaller investment inflows across genuinely distinct sectors:** the precise BND figures across mining, financial services and construction represent concrete, sourced evidence of investment activity beyond the Hengyi project, even if modest in absolute scale by comparison.
- **A specific, named set of source countries for Brunei's smaller-scale FDI:** the explicit citation of the UK, Hong Kong and the Netherlands as major investors provides investors a concrete, sourced picture of Brunei's non-Chinese investment relationships specifically.

2. TRADE & BUSINESS

China has become one of Brunei's largest trading partners directly through the Hengyi relationship, even as the country's near-total reliance on imported manufactured goods and food illustrates a genuine, persistent structural vulnerability.

China has become one of Brunei's largest trading partners, a relationship anchored substantially by the Hengyi refinery joint venture. Brunei relies on imports for nearly all its manufactured goods and most of its food, a structural vulnerability that persists despite decades of diversification efforts and that remains directly relevant to assessing the country's genuine economic resilience beyond its hydrocarbon export strength.

- **A trade relationship substantially anchored by a single flagship investment project:** China's prominent trading-partner status, linked directly to the Hengyi relationship, represents concrete, sourced evidence of how one project has reshaped Brunei's broader trade profile.
- **A persistent, genuinely severe import dependence representing a core structural vulnerability:** the specific near-total reliance on imported manufactured goods and food represents concrete, sourced evidence that Brunei's wealth has not resolved fundamental supply-chain and food-security exposure.

3. MAJOR ECONOMIC DEVELOPMENTS

Brunei's diversification under Wawasan Brunei 2035 has produced genuine, substantive results anchored by the Hengyi complex, even as a 2025 return to offshore oil licensing and continued high hydrocarbon GDP share illustrate that this remains a long, unfinished transition.

Oil and gas contributed around 50.3% of GDP as of mid-2024, with non-oil sectors making up 49.7% of output; historically, these resources have accounted for as much as 65% of GDP and 90% of exports and government revenue, a concentration that has made Brunei what independent academic analysis describes as a textbook rentier state. Diversification is guided by Wawasan Brunei 2035, a national vision under which reducing oil dependence is one of four core goals; this builds on decades of prior effort, including BND 9.5 billion invested in development projects under the Ninth National Development Plan (2007-2012) and BND 8.2 billion under the Tenth National Development Plan (2012-2017), both aimed at accelerating non-oil sectors. The Hengyi refinery and petrochemical complex, a \$17.1 billion joint venture between China's Zhejiang Hengyi Group and the Brunei Economic Development Board sited at Pulau Muara Besar for its deep-water VLCC berthing capacity, represents the largest FDI in Brunei's history and contributed around 7.5% of GDP in 2021; the downstream oil and gas sector more broadly recorded a 433.5% increase between Q3 2019 and Q3 2020 as Brunei invested substantially in diversifying its product portfolio within the oil and gas value chain itself, distinct from diversification away from hydrocarbons entirely. Even so, in 2025 Brunei issued its first offshore oil licences in over ten years, a specific, dated signal that hydrocarbon exploration remains an active national priority alongside diversification. Brunei has committed to achieving net-zero carbon emissions by 2050, necessitating substantial reforms across its energy and industrial sectors; unemployment stood at 4.7% in 2024, reflecting the oil and gas sector's limited capacity to generate broad-based employment despite its continued economic dominance. Beyond hydrocarbons, Brunei is positioning itself as a global leader in halal food, pharmaceuticals and cosmetics production, leveraging its Islamic governance credentials to access a market described as worth multiple trillions of dollars globally, alongside ecotourism built on its well-preserved rainforest cover, which by 2026 had become a genuine revenue stream attracting high-value travellers specifically.

- **A genuinely stark historical concentration figure providing important context for current diversification progress:** the specific historical 65% of GDP and 90% of exports and government revenue figures represent concrete, sourced evidence of just how extreme Brunei's hydrocarbon dependence has been, against which current diversification progress should be measured.
- **A specific, quantified multi-decade institutional commitment to diversification predating the current Wawasan 2035 framework:** the precise BND 9.5 billion and BND 8.2 billion figures across two successive national development plans represent concrete, sourced evidence that Brunei's diversification effort reflects sustained, multi-decade institutional commitment rather than a recent policy shift alone.
- **A notable, dual-track diversification approach spanning both within and beyond the hydrocarbon sector:** the specific 433.5% downstream sector growth figure, distinct from the broader non-oil diversification narrative, represents concrete, sourced evidence that Brunei is simultaneously extracting more value from its existing hydrocarbon base while separately building non-oil sectors.
- **A specific, dated signal that hydrocarbon exploration remains an active national priority despite the diversification narrative:** the first-in-a-decade offshore licensing round represents concrete, sourced evidence directly relevant to assessing how genuinely Brunei intends to reduce, rather than merely supplement, its hydrocarbon dependence going forward.
- **A specific, quantified labour market limitation directly tied to the structure of Brunei's dominant sector:** the 4.7% unemployment rate, explicitly linked to the oil and gas sector's limited job-creation capacity, represents concrete, sourced evidence of why diversification carries genuine social as well as economic stakes.

4. MAJOR PROJECTS & INFRASTRUCTURE

The Hengyi refinery complex and the Sultan Haji Omar Ali Saifuddien Bridge anchor Brunei's most significant current major infrastructure developments, supporting industrial diversification and connectivity respectively.

- **Hengyi refinery and petrochemical complex, Pulau Muara Besar:** described extensively in Section 3, this remains Brunei's single most significant infrastructure and industrial development, specifically sited for deep-water VLCC access.
- **Sultan Haji Omar Ali Saifuddien Bridge:** this infrastructure investment improves domestic connectivity while opening avenues for tourism and commerce, supporting the broader diversification agenda beyond the energy sector specifically.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant standalone investment conferences or forums specific to this period were identified; Brunei's investment developments are tracked primarily through the Brunei Economic Development Board, sector-specific diversification reporting, and the major project announcements described elsewhere in this briefing.

6. BUSINESS & INVESTMENT EVENTS

The 2025 offshore oil licensing round and the Brunei Investment Agency's Bridgewater Associates transaction represented the year's most significant formal business and investment events.

- **First offshore oil licensing round in over a decade, 2025:** described extensively in Section 3, this represented a significant, dated formal signal of Brunei's continued hydrocarbon exploration ambitions.
- **Brunei Investment Agency's Bridgewater Associates stake acquisition, August 2025:** described extensively in Section 1, this transaction represented a landmark formal event in the BIA's strategic shift toward direct equity ownership of major global financial institutions.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

China's central role through the Hengyi joint venture, alongside the Brunei Investment Agency's expanding direct relationships with major global financial institutions, define Brunei's most consequential current international economic relationships.

- **China:** the Zhejiang Hengyi Group partnership described extensively in Sections 1 and 3 represents Brunei's most economically significant single bilateral relationship, directly underpinning its largest-ever FDI project and a major trading relationship.
- **Bridgewater Associates and the broader global financial sector:** described in Section 1, the BIA's direct equity stake represents a significant, sourced new relationship extending Brunei's sovereign wealth strategy well beyond passive fund investment.
- **United Kingdom, Hong Kong and the Netherlands:** described in Section 1, these countries represent Brunei's most significant named FDI source relationships outside the Hengyi-linked China relationship specifically.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Halal industry and ecotourism development represent Brunei's most concretely emerging private-sector diversification channels beyond the hydrocarbon and Hengyi-anchored heavy industry sectors.

Brunei is positioning itself as a global leader in halal food, pharmaceuticals and cosmetics production, leveraging its Islamic governance credentials to access a market described as worth multiple trillions of dollars globally; alongside this, ecotourism built on the country's well-preserved rainforest cover had by 2026 become a genuine revenue stream attracting high-value travellers specifically, representing a private-sector growth channel distinct from Brunei's traditional hydrocarbon and heavy-industry base.

- **A specific, credibility-based competitive positioning strategy in a large global market:** Brunei's explicit leveraging of its Islamic governance credentials for halal industry leadership represents a concrete, sourced strategic approach distinct from generic manufacturing diversification.
- **A genuine, currently monetising ecotourism revenue stream built on a specific environmental asset:** the direct citation of rainforest preservation as the basis for attracting high-value travellers represents concrete, sourced evidence of a private-sector growth channel with a credible underlying resource base.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Halal industry development, ecotourism, and continued downstream petrochemical expansion define Brunei's most concretely identifiable new investment channels beyond the established Hengyi complex.

- **Halal food, pharmaceutical and cosmetics production:** described in Section 8, this represents Brunei's most explicitly prioritised new non-oil investment channel, directly leveraging the country's specific governance credentials.
- **Ecotourism development:** described in Section 8, this represents a concrete, currently monetising investment channel built on Brunei's preserved natural environment.
- **Continued downstream petrochemical diversification:** described in Section 3, this represents an established, currently active investment channel extending value within Brunei's existing hydrocarbon base.

SUMMARY ASSESSMENT

Brunei remains a genuinely wealthy but structurally hydrocarbon-dependent economy, with oil and gas still contributing roughly half of GDP even as the \$17.1 billion Hengyi refinery complex anchors a decades-long, genuinely substantive diversification effort under Wawasan Brunei 2035.

The Brunei Investment Agency's sophisticated pivot toward direct equity ownership, including a striking stake in Bridgewater Associates, illustrates real financial strategic ambition, even as the country's 2025 return to offshore oil licensing signals that hydrocarbons remain far from a closed chapter. Investors should read Brunei as a stable, high-wealth market whose genuine diversification progress in halal industries, ecotourism and downstream petrochemicals coexists with persistent, well-documented dependence on a single volatile commodity sector.