

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

BRUNEI

Asia South East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Bandar Seri Begawan	Capital and administrative/financial center	Finance, professional services, digital/HQ functions
Pulau Muara Besar (PMB)	Site of the Hengyi petrochemical and refining complex, Brunei's flagship downstream hydrocarbon investment, now expanding	Petrochemicals, oil refining, downstream manufacturing
Sungai Liang Industrial Park	Established gas-based industrial zone anchored by Brunei LNG and methanol production	LNG, methanol, downstream gas-based industry
Muara	Brunei's main deep-water port and maritime gateway, with ambitions as a regional logistics and free-trade node	Port logistics, trade, free-zone manufacturing
Temburong District	Brunei's forested 'last frontier,' bridge-linked to the capital since 2020, positioned for eco-tourism development	Eco-tourism, conservation-linked investment
Kuala Belait/Seria	Traditional onshore and offshore oil and gas production heartland	Upstream oil and gas, oilfield services
Anggerek Desa/iCentre (Bandar Seri Begawan)	Hub for Brunei's nascent tech and startup ecosystem, central to the digital-economy diversification push	Digital economy, startups, fintech

INVESTOR ENTRY ROUTES

- Darussalam Enterprise (DARE) acts as the national one-stop agency for business registration, licensing facilitation, and investor aftercare
- The Brunei Economic Development Board (BEDB) leads large-scale and strategic FDI promotion, particularly in downstream petrochemicals, digital economy, and food and agri-tech
- 100% foreign ownership is permitted in most sectors; there is no general capital-gains or personal income tax, and corporate tax exemptions of up to 11 years are available for pioneer-status industries
- Investors in the Sungai Liang or Pulau Muara Besar industrial zones typically engage directly with the zone operators and existing anchor investors, such as Brunei LNG and Hengyi, to access established infrastructure and feedstock arrangements
- The newly reorganized Ministry of Economy, Trade and Industry (formerly the Ministry of Primary Resources and Tourism) is the key ministerial counterpart for priority-sector investment following the June 2026 government restructuring
- Brunei's membership in ASEAN, APEC, and the CPTPP (as one of its founding signatories), alongside the Brunei-US Trade and Investment Framework Agreement, provides a layered platform for preferential market access

MARKET-ENTRY OBSERVATION

Brunei enters October 2026 as a small, extremely wealthy, hydrocarbon-dependent economy attempting a slow and still-incomplete diversification. After growth stalled to just 0.7% in 2025 as lower oil and gas prices cut government revenue, the economy is projected to recover to around 2.3% in 2026 on firmer energy prices, though the fiscal deficit that widened to roughly 18% of GDP in FY2025

will only partially narrow given rising subsidy costs. Hydrocarbons still account for roughly 45% of GDP and an even larger share of government revenue, and a current-account surplus close to a fifth of GDP in 2025, projected higher still in 2026, underscores how heavily Brunei's prosperity remains tied to oil and gas. The clearest diversification success story continues to be downstream petrochemicals: Chinese investor Hengyi Industries confirmed in January 2026 that it will proceed with a second-phase expansion of its Pulau Muara Besar refining and petrochemical complex, more than doubling total capacity to around 400,000 barrels per day by the time it is completed near the end of 2028, reinforcing Brunei's position as a petrochemical export hub even as regional analysts caution that FDI and non-oil export growth remain narrowly concentrated in this single sector.

Governance in Brunei remains an absolute monarchy under Sultan Hassanal Bolkiah, the world's longest-reigning monarch, who continues to hold the posts of Prime Minister, Defence Minister, and Finance Minister himself. A June 2026 cabinet reshuffle placed three of his sons in ministerial roles, including Crown Prince Al-Muhtadee Billah retaining his position as Senior Minister in the Prime Minister's Office, and reorganized the former Primary Resources and Tourism Ministry into a new Ministry of Economy, Trade and Industry explicitly tasked with accelerating priority-sector development. Regional analysts have described this arrangement, following the Sultan's reduced public appearances after January 2026 knee surgery, as a likely but still informal step toward succession planning, and characterize Brunei's stability as resting heavily on the person of the Sultan rather than on institutionalized checks. For investors, this means Brunei offers exceptional near-term predictability, generous tax and ownership terms, and a tightly managed business environment, but with limited transparency around long-term political succession and a policy-reform pace that regional bodies describe as incremental rather than transformational.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Heavy hydrocarbon dependence and price exposure	With hydrocarbons at roughly 45% of GDP and a larger share of government revenue, Brunei's fiscal position and broader economy remain highly exposed to oil and gas price swings	Model investment returns under multiple energy-price scenarios; favor projects with revenue streams less correlated to hydrocarbon prices
Succession and governance concentration	Political and economic stability rests heavily on Sultan Hassanal Bolkiah personally; while a June 2026 cabinet reshuffle suggests gradual succession planning, no formal transition framework has been publicly detailed	Structure long-horizon investments with awareness of this uncertainty; build relationships across the ministerial level rather than relying on a single relationship
Narrow diversification base	Non-oil FDI and exports remain heavily concentrated in downstream petrochemicals, principally the Hengyi complex, with limited depth yet in services, agri-food, digital, or clean-energy sectors	Engage the BEDB early to identify genuine pipeline opportunities in priority non-oil sectors rather than assuming broad-based diversification is already mature
Small domestic market and labor force	Brunei's population of roughly 450,000 limits domestic market size and the available skilled local labor pool for new industries	Plan for export-oriented business models and factor in foreign-labor quota and work-permit requirements for skilled roles
Subsidy-driven fiscal pressure	Rising subsidy costs for fuel, utilities, and other consumer support are limiting the fiscal improvement otherwise expected from higher energy prices	Monitor Ministry of Finance and Economy budget announcements for subsidy-reform signals that could affect cost structures
Conservative social and legal framework	Brunei's Syariah-influenced legal code and socially conservative environment, including alcohol prohibition, shape the operating environment for expatriate staff and certain consumer-facing business models	Conduct sector-specific legal and compliance review before committing to consumer-facing or hospitality-linked investment
Limited capital markets and financial infrastructure depth	Brunei's domestic capital markets and banking sector are small relative to regional peers, which can complicate local financing and liquidity management for larger projects	Plan financing structures that draw on regional (Singapore, Malaysia) banking relationships alongside domestic banks

INVESTOR RISK NOTE

Brunei is an absolute monarchy, and this briefing presents its governance structure factually: the Sultan holds the Prime Minister, Defence, and Finance portfolios directly, and recent cabinet changes placing his sons in ministerial roles have been read by regional analysts as a likely, though not formally confirmed, step toward succession planning. Investors should treat long-term political continuity as a genuine, if currently low-probability, source of uncertainty rather than a settled matter, while recognizing that Brunei's near-term governance and regulatory environment remains exceptionally stable and predictable by regional standards.

MARKET ACCESS

Brunei is a member of ASEAN and APEC and was one of the four founding signatories of what became the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), giving it preferential access to major regional and trans-Pacific markets. It also maintains a Trade and Investment Framework Agreement (TIFA) with the United States. As a small, high-income economy, Brunei's primary trade relevance for most investors lies less in its own domestic market size and more in its role as a low-tax, well-located production and export base for regional and global markets, particularly in petrochemicals and LNG-linked downstream products.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Brunei Economic Development Board (BEDB)	Leads strategic and large-scale FDI promotion, particularly in downstream petrochemicals, digital economy, and food/agri-tech	Primary first point of contact for large-scale strategic investment
Darussalam Enterprise (DARe)	National one-stop agency for business registration, licensing facilitation, and SME/investor aftercare	Practical entry channel for company registration and operational setup
Ministry of Economy, Trade and Industry	Newly reorganized (June 2026) ministry tasked with accelerating priority-sector development	Key ministerial counterpart for sector-specific policy engagement
Ministry of Finance and Economy	Sets fiscal policy, manages the budget, and oversees subsidy-reform decisions	Relevant for assessing fiscal-policy direction and cost-structure implications
Brunei LNG / Hengyi Industries	De facto anchor investors and gatekeepers for the hydrocarbon and petrochemical supply chain	Supplier qualification and co-location opportunities often run through these firms' ecosystems
Autoriti Monetari Brunei Darussalam (AMBD)	Central monetary authority overseeing banking, currency, and financial-sector regulation	Relevant for banking licensing and financial-services market entry
Prime Minister's Office (Sultan and royal family ministerial appointees)	Sets overall national policy direction, with increasing involvement of royal family members in ministerial roles	Monitor cabinet composition and royal statements for policy-direction and succession signals

CURRENT INTERNATIONAL BUSINESS CHANNELS

Foreign investors typically engage through the Brunei National Chamber of Commerce and Industry and sector-specific business councils, alongside direct engagement with BEDB and DARe. Given Brunei's small market and close regional integration, many investors also coordinate through Singapore- or Malaysia-based regional offices and chambers that maintain active Brunei-focused business lines.

INVESTOR PROFILE BEST SUITED

Brunei suits investors seeking a low-tax, high-stability base for petrochemical, LNG-linked, or export-oriented manufacturing investment, particularly those able to partner with or supply into the Hengyi and Brunei LNG ecosystems. It is also a reasonable fit for niche eco-tourism, digital-economy, and agri-food investors willing to engage with BEDB on Brunei's still-maturing diversification agenda. It is a weaker fit for investors seeking scale in a large domestic consumer market, rapid institutional or policy transformation, or full transparency on long-term political succession.

FROM INTELLIGENCE TO ENGAGEMENT

- STEP 1: Confirm sector fit and incentive eligibility
Determine whether the proposed investment aligns with BEDB's priority sectors and what pioneer-status or tax-holiday incentives may be available.
- STEP 2: Engage DARe and BEDB in parallel
Approach DARe for registration and licensing mechanics while engaging BEDB on any strategic incentive package or land allocation for larger projects.
- STEP 3: Assess zone and anchor-investor fit
For petrochemical or gas-linked investment, scope co-location or supply opportunities with Hengyi or Brunei LNG at Pulau Muara Besar or Sungai Liang.

STEP 4: Model hydrocarbon-price and fiscal-policy scenarios

Build financial projections that account for Brunei's hydrocarbon-price exposure and the possibility of future subsidy or fiscal-policy adjustments.

STEP 5: Finalize structure and complete registration

Complete company registration through DARE and finalize any BEDB-negotiated incentive agreement before committing capital.

WAVERLEY'S ROLE

- Independent assessment of BEDB/DARE incentive structures and sector-priority alignment
- Coordination with Hengyi, Brunei LNG, and relevant industrial-zone operators for petrochemical and gas-linked investment
- Ongoing political and fiscal-policy monitoring, including succession developments and subsidy-reform signals
- Introductions to the Brunei National Chamber of Commerce and relevant regional (Singapore/Malaysia) banking and business networks

INVESTOR CALL TO ACTION

Engage Waverley for a structured BEDB/DARE incentive and sector-fit assessment before committing capital to Brunei.

Contact Waverley for an independent political and fiscal-risk briefing ahead of any long-horizon investment in Brunei.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley is tracking opportunities across three tiers: (1) downstream petrochemical and supply-chain positions linked to the Hengyi Pulau Muara Besar expansion, due for completion near the end of 2028; (2) digital-economy and fintech investment supporting Brunei's diversification push through BEDB-backed initiatives; and (3) selective eco-tourism and conservation-linked investment in Temburong District for investors comfortable with a smaller-scale, longer-horizon opportunity set.

POSITIONING

Waverley views Brunei as a niche but genuinely attractive destination for petrochemical and LNG-linked downstream investment, offering exceptional tax terms and near-term stability, balanced against real structural questions around hydrocarbon dependence, a narrow non-oil investment base, and a governance model whose long-term succession path remains informally signaled rather than formally established.

Waverley's approach is to help clients capture Brunei's genuine downstream-petrochemical and strategic-location advantages while building realistic diversification expectations and maintaining independent monitoring of fiscal policy and succession-related developments, rather than treating Brunei's current stability as guaranteed to persist unchanged.

SELECTED SOURCES

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