

EU statement at the Trade Policy Review of Brunei Darussalam, 10 & 12 February 2015

Statement by Ambassador Angelos Pangratis

I would first like to welcome the Delegation of the Sultanate of Brunei Darussalam led by H. E. Dato Paduka Lim Jock Hoi, Permanent Secretary of the Ministry of Foreign Affairs and Trade. I would also like to thank the WTO Secretariat and the Brunei Government for their reports which form the basis of our discussion today. Let me extend my appreciation to H.E. Mr Haluk Ilicak (Turkey), for getting us started today with his remarks.

This is the 3rd Trade Policy Review of Brunei Darussalam. Brunei is a well-integrated member in the ASEAN community. Brunei's economy continues to be hugely dependent on crude oil and natural gas (accounting for the bulk of GDP and exports earnings). The Sultanate is the fourth world producer of liquid gas and is the third largest oil producer in Southeast Asia after Indonesia and Malaysia. Given the chair's conclusions of the last TPR that noted the insufficient pace of diversification of the economy, an important issue that will certainly be discussed today is how the country can increase its efforts towards diversification in light of the current decrease in the world prices of oil? In this regard, an important element to keep in mind is that much of the active population is employed in the public sector or in sectors where the State has a major influence, if not a monopoly.

Regarding the ongoing Bruneization policy, the EU also notes the risk of such policy to impede further diversification of the economy given the chronic labour shortages witnessed in a number of sectors.

Brunei is known for its support to the multilateral trading system and the EU welcomes the notification of its commitments in category A in the Trade Facilitation agreement. Despite the general recognition that the economy is open and greatly dependant on



European
Union

MISSION TO THE
WORLD TRADE
ORGANIZATION

GENEVA



imports for its diversification, the EU wonders why certain commodities are subject to export restrictions or even prohibitions, for example the exports of prawn, of stone and gravel, of round timber of logs and sawn timber.

The EU also notes that the country is rather poorly ranked by the World Bank in its "doing business" report. Can the authorities elaborate on the measures they intend to take to improve the situation? The EU is convinced that enhanced transparency could help in this regard. For example, the EU would be interested to know which sectors are opened to FDI and what are the criteria for allowing foreigners for example in the distribution sector or in banking or in telecoms?

Regarding the general process of trade policy formulation, the EU would like to recall one paragraph of the Marrakesh Agreement Annex 3 which sets the main rules for the TPRs and in particular the one on domestic transparency: "*Members recognize the inherent value of domestic transparency of government decision-making on trade policy matters for both Members' economies and the multilateral trading system, and agree to encourage and promote greater transparency within their own systems, acknowledging that the implementation of domestic transparency must be on a voluntary basis and take account of each Member's legal and political systems.*" Keeping this in mind, the EU wonders whether more consultation of stakeholders before the authorities adopt decrees or legislations on trade could not be an avenue to consider.

The EU very much welcomes the fact that Brunei adopted the alternative timeframe for its review so that the replies to the written advanced questions can contribute to our discussions. In this regard, the EU welcomes the replies provided and is looking forward to the measures announced, in particular regarding the adoption of a law on competition, but may follow up on certain answers received. The EU wishes the delegation of Brunei Darussalam a very successful TPR.