

INDIA BRUNEI BILATERAL RELATIONS

BRUNEI - HISTORY

Negara Brunei Darussalam, i.e., “State of Brunei - Abode of Peace”, or “Brunei Darussalam”, or just “Brunei”, is one of the oldest continuing monarchies in the world and one of the few executive ones. Its earliest known history dates back to 6th century, when Brunei was called “Puni” (possibly a distortion of the Sanskrit “Baruni”), or “Poli”. Brunei, then a Hindu-Buddhist kingdom, had linkages with the famed Sri Vijaya and Majapahit empires of the region, as well as with China. In the late 14th century, Brunei converted into an Islamic Sultanate when its ruler, Awang Alak Betatar, married a Muslim Johore princess from Malacca, and embraced Islam to become Brunei’s first Sultan – Mohammed Shah. Malay customs, rituals, and culture have many linkages with Indian culture.



Bollywood film stars, movies, and film music are also very popular.¹

GEOGRAPHICAL PRESENCE

Brunei is located in Southeast Asia, along the northern coast of the island of Borneo, bordering the South China Sea and Malaysia.²

BRIEF BIO - BRUNEI

Brunei, with **Bandar Seri Begawan** as its capital has a population size of **436,620 (July 2016 est.)**. The **Brunei Dollar** is the official currency and **Malay** is the official language. On the economic front, main export partners include **Japan 36.1%, South Korea 14.9%, Thailand 10.9%, India 9.3%, NZ 5.6%, Australia 5% (2015)** whereas main import partners are **Singapore 27.9%, China 25.3%, Malaysia 12.3%, UK 10.6%, South Korea 4.9% (2015)**. A statistical look from the economic stand point follows³.



GDP INDICATORS	GDP: \$33.73 billion (PPP) Industrial Production Growth Rate: 1%
TRADE	Exports: \$5.315 billion Imports: \$3.648 billion
MISC.	Unemployment Rate: 6.9% Inflation Rate: -0.2%

* 2016 est.

INTRODUCTION – INDIA & BRUNEI RELATIONS

The contacts between India and Brunei have historical and cultural roots as extension of India's relations with peninsular Malaysia and the Indonesian Island.

The diplomatic relations between India and Brunei were established in May 1984. The interest in upgrading bilateral relations started in friendly meetings between late Prime Minister Rajiv Gandhi and the Sultan of Brunei at CHOGM meetings, etc. In response to Prime Minister Rajiv Gandhi's invitation, the Sultan of Brunei paid a State visit to India in September 1992 and Indian resident diplomatic mission was opened in Brunei on 18 May, 1993. Brunei set up its High Commission in India in 12 August, 1992. By virtue of their common membership of UN, NAM, Commonwealth and ARF etc and as developing countries with strong traditional and cultural ties, Brunei and India enjoy a fair degree of commonality in their perceptions on major international issues. Brunei is supportive of India's 'Look East Policy' welcomes 'Act East' policy and expansion and deepening of cooperation with ASEAN. Brunei took over as India ASEAN Coordinator from July 2012 for three years.⁴

INDIAN COMMUNITY IN BRUNEI

The discovery of oil in Brunei in 1929 brought a substantial number of Indians into Brunei in the oil sector and allied services and later as teachers. Shri Mohinder Singh, an NRI and now a



Bruneian citizen, was awarded the Pravasi Bharatiya Samman Award (PBSA) 2010 in acknowledgement of his outstanding achievements in the field of community service.

Majority of the doctors in Brunei are from India. Other professionals include engineers, IT professionals, bankers, teachers etc. Indian businessmen have a near monopoly in textiles. According to local government’s official sources there are around 11,500 Indians living in Brunei. They also have a presence in hardware and electronics. More than half of the Indian expatriates are semi and unskilled workers.

There are three Indian Associations, Indian Chamber of Commerce as well as Brunei India Friendship Association. The Indian Associations celebrate the Indian Festivals viz: Diwali, Pongal, Onam as well as Independence Day and Republic Day.⁵

INTRODUCTION – INDIA & BRUNEI TRADE RELATIONS

The major imports of India from Brunei are of crude oil. As per statistics released by the Brunei’s Department of Economic Planning and Development (DEPD), in May 2016, India was the second highest destination of exports at 15.7% after Japan at 37.3%. However, there are very low level of exports from India. The reasons for low level of exports are mainly due to relatively high shipping costs and Brunei’s small population base of 422,000. Due to the small size of demand, most of the consumer goods from India are received in Brunei through re-exports via Malaysia and Singapore. Main exports to Brunei from India consist of transport equipment, meat and meat products and gems & jewellery. Highly qualified professionals and skilled/semi-skilled workers also visit on work visas. Efforts are being made to expand exports to Brunei and exploring the possibilities of exporting the pharmaceutical products, rice, sugar etc. Five reputed pharmaceutical companies visited Brunei in July 2016 and held discussions with the Bruneian authorities for supply of pharmaceutical products to Brunei.⁶

TRADE OVERVIEW (USD MILLIONS)⁷

Details	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
EXPORT	40.02	32.45	41.99	28.45	42.89
%Growth		-18.91	29.38	-32.25	50.79
IMPORT	814.8	763.6	840.88	554.02	627.85
%Growth		-6.28	10.12	-34.11	13.33
TOTAL TRADE	854.82	796.05	882.87	582.46	670.74
%Growth		-6.88	10.91	-34.03	15.16

Bilateral trade has seen mixed signals with Brunei. With an overall decrease compared to previous years, India has a trade deficit with Brunei. The imports are majorly driven by Oil & Gas and with a dip in the oil demand the overall trade has also taken a hit.



FREE TRADE AGREEMENTS

India and the ASEAN (Association of South East Asian Nations) comprising **Brunei Darussalam**, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam signed the Trade in Goods Agreement under the broader framework of Comprehensive Economic Cooperation Agreement (CECA) between India and the ASEAN on 13 August, 2009.⁸

KEY INITIATIVES BY CII

CII works actively with the Embassy of India in Brunei Darussalam, to develop its institutional contacts and relationships in Brunei. In engaging with ASEAN, parallel to India's 'Look East' policy, CII also looks forward to creating a meaningful and mutually beneficial economic relationship between India and Brunei. Some key events that took place in the past: -

- Meeting with Minister Dato Ali Apong from the Prime Minister's Office, Brunei Darussalam on 28 November 2014 at CII, Lodhi Road, New Delhi.
- As a part of the ASEAN students visit to India organised by CII, 10 students from Brunei visited Jaipur, Mumbai, Agra & Delhi from 11 – 21 December 2012.
- CII coordinated the visit 10 Students from Brunei to Mumbai, Kolkata, Bangalore, Chennai, New Delhi, Agra and Jaipur from 10 – 17 December 2007 as part of ASEAN Students India Tour.
- CII made presentation on Indian Economy and a briefing on CII to delegates from Brunei as part of the visit of diplomats from ASEAN Countries to New Delhi, 29 August 2007
- CII coordinated the visit of delegation from Brunei Investment Agency (BIA) to Mumbai, 3 August 2007
- Participation from Brunei at the Interactive session organized by CII for the ASEAN journalists in New Delhi, 2 July 2007

REFERENCES

-
- ¹ High Commission of India in Brunei - Website
 - ² CIA World Fact Book
 - ³ IBID
 - ⁴ MEA Foreign Relations Portal
 - ⁵ The High Commission of India, Brunei – Website
 - ⁶ MEA Foreign Relations Portal
 - ⁷ EXIM Data – Ministry of Commerce, India - Website
 - ⁸ Department of Commerce, Ministry of Commerce, India