

BRUNE! DARUSSALAM newsletter

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Cordial BruneiJapan relations

Two ancient countries



Japanese Prime Minister His Excellency Mr. Kiichi Miyazawa speaking at a dinner reception at the Istana Nurul Izzah on 17 January, given in his honour by His Majesty Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.

Islamic Bank of Brunei Bhd opens



His Majesty Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam takes a close look at the plaque to commemorate the launch of the Islamic Bank of Brunei Berhad. Looking on are His Royal Highness Paduka Seri Pengiran Digadong Sahibul Mal Pengiran Muda Haji Jefri Bolkiah, Finance Minister; Yang Berhormat Pehin Jawatan Luar Pekerma Raja Dato Seri Utama Dr. Ustaz Awang Haji Mohd Zain bin Haji Serudin, Minister of Religious Affairs (far left) and Dato Seri Laila Jasa Awang Haji Abdul Rahman bin Haji Abdul Karim, Chairman/Managing Director of the newly-opened bank (second from right).

Brunei Darussalam now has its own Islamic bank. Called the Islamic Bank of Brunei Berhad, IBB, it was officially launched into operation on 13 January by His Majesty Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei with a call on government departments and agencies as well as private individuals to place emphasis on their financial transactions towards the Islamic banking

system.

"This would be one of the ways of applying and absorbing Islamic tenets and practices into the financial administration and management of the country," said the Brunei monarch in his address at the opening ceremony, which was attended by dignitaries including pengiran-pengiran cheteria, cabinet ministers and their deputies, foreign diplomats, permanent secretaries and

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BRUNEI DARUSSALAM NEWSLETTER

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YOUR TURN

The next issue of the Brunei Darussalam newsletter will appear on 15 February, 1993. If there are events relating to our country you would like featured in this newsletter please call us on Tel: 02-225941 or better still, send us a report with a picture, if possible. All editorial rights reserved.

From page 1 (IBB)

senior government officials.

His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam added that the financial system which we are now undertaking is a mark of farsightedness beyond the demands of the after-life, and one which will be inherited for generations to come.

The Brunei Sultan also officially opened a new building housing the bank and consented to becoming one of its first investors.

The new multi-million dollar building is situated in the heart of the Brunei Darussalam capital of Bandar Seri Begawan, the construction of which began in January 1991.

In his address, the Brunei ruler among other things also said that the establishment of the Islamic bank has placed Brunei Darussalam "in the family of nations which have their own Islamic financial institutions, operated on lines permitted by Allah, God the Almighty."

His Majesty further said the idea of establishing Brunei Darussalam's own Islamic bank was conceived quite sometime ago, possibly at the same time when others planned theirs, but owing to various reasons we are left behind for a while.

"Nevertheless, we have now come to that moment we have waited for, as an aware and devout Islamic community."

The ruler pointed out that the development of a nation is to some extent shaped by clean and just economic and trading practices, free of oppression and frauds.

"One of the ways of averting oppression is by having a trading system devoid of interests (riba). And this is exactly how our Islamic bank will operate," said His Majesty.

His Majestty cited instances where the giving out of interests is permissible to some and forbidden for others, such as with the practices of the Jewish religious principles.

The ruler expressed the optimism that Muslim customers would be more confident with the existence of the Islamic banking system as a way out of sinful receipt of riba or interest, on the contrary, will get blessed benefits instead.

He urged non-Muslims not to have

any doubt over the formation of the Islamic bank, because an Islamic financial system is aimed at looking after the welfare of all mankind, regardless of their race and religion.

The birth of the Islamic Bank of Brunei Berhad will also help to further strengthen and glorify the hardiness of our Malay Muslim Monarchy concept, said the Brunei monarch in closing his address.

The establishment of the Islamic Bank of Brunei Berhad came less than two years after the Sultanate launched its first Islamic-run financial institution called the Tabung Amanah Islam Brunei, TAIB, or the Brunei Islamic Trust Fund, which was opened by the Brunei monarch in September 1991.

The Islamic bank is to be controlled by a body called The Syariah Advisory Body, which will ensure that all forms of financial dealings and transactions are permissible in accordance with Islamic laws.

While presently the bank only offers such services as the provision of savings facility, it will at a later date open shares to Muslim investors.

After launching the Islamic Bank of Brunei Berhad and opening its building, His Majesty consented to receive a souvenir, from the Religious Affairs Minister, as joint-patron of the opening ceremony's committee. The monarch later proceeded to sign a visitor's book and open an account with the Islamic Bank of Brunei Berhad. His Majesty also toured the bank's counter and met its officials and employees.

His Majesty was accompanied by His Royal Highness Paduka Seri Pengiran Digadong Sahibul Mal Pengiran Muda Haji Jefri Bolkiah, the Finance Minister.

IBB and TAIB to operate together

In his own speech, the Religious Affairs Minister, Yang Berhormat Pehin Jawatan Luar Perkerma Raja Dato Seri Utama Dr. Haji Mohd. Zain bin Haji Serudin, among others, expressed the hope that the Islamic Bank of Brunei Berhad and the Brunei Islamic Trust Fund will operate together effectively, in fulfilling the responsibility towards implementing financial dealings in accordance with the Islamic financial principles. Continued on page 3

He urged members of the public specially Muslims to become active customers of the Islamic bank, as an alternative for financial dealing free from 'riba' because the Islamic bank is also able to provide sponsorship, investment, and service on trading and other economic activities.

The minister noted that observance of financial dealings in accordance with Islamic principles is also an act of piety.

Background on IRR

The Islamic Bank of Brunei Berhad was established by command of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam to fulfill the religious obligation incumbent upon the public (fardu kifayah) for the country, through the establishment of a banking system which is permissible according to the teachings of the Holy Quran.

The same subject was mentioned by His Majesty during the launching of The Tabung Amanah Islam Brunei (TAIB) or the Brunei Islamic Trust Fund, on 29 September 1991, whereby IBB (The International Bank of Brunei) was commanded to be the first model of an Islamic bank.

The establishment of the Islamic bank was again mentioned in His Majesty's titah (royal address) from the Throne Room, Istana Nurul Iman on 15 July 1992, during an audience ceremony in conjunction with His Majesty's 46th birthday celebration.

With His Majesty's consent efforts towards this end have been implemented using local expertise and know-how.

With His Majesty's consent, the International Bank of Brunei was renamed BANK ISLAM BRUNEI BERHAD (ISLAMIC BANK OF BRUNEI BERHAD) or with the acronym IBB.

SERVICES

In line with the requirements of

Islam where Allah, God the Almighty has permitted sell/purchase trading and forbidden riba (interest) as decreed in the Holy Quran, Al-Baqarah Chapter, verse 275, services with elements of riba (interest) are changed to services based on sale/purchase (trade).

(In no event engaged in the alcoholic beverage trade, the gambling industry or the pork meat or in any other un-Islamic activity.

Services to be offered are as fol-

CURRENT ACCOUNT (Based On Al-Wadiah)

This account is open to individuals aged not less than 18 years and matured according to Islam (akil baligh) with a minimum amount of B\$ 500.00; and also to companies, firms, associations, corporations, departments or government agencies and any registered association with a minimum amount of B\$1,000.00.

Account holders will be supplied with a cheque book and withdrawals may be made at any time.

In the Al-Wadiah concept, banks entrusted with the safety of savings will be allowed by depositors to use their money for, among others, investment, business, management purposes.

The profit obtained and the loss incurred through investments or businesses carried out by the bank is the right and responsibility of the bank, and the depositors have no right of claim to the profit, and the bank will not demand compensation from its depositors.

However, at the discretion of the bank and subject to the profits obtained, the bank will grant a bonus or dividend to depositors with a minimum monthly balance of B\$3,000.00.

SAVINGS ACCOUNT (Based on Al-Wadiah)

This account is open to any individuals regardless of age. However for those below 12 years old, they are required to open dependent accounts, to be administered by their guardians. This account is also open to companies, firms, associations corporations, departments or government agencies and any registered association. The minimum amount is B\$50.00.

Account holders will be supplied with savings books and withdrawals may be made at any time.

This account will be operated based on the concept of Al-Wadiah similar to the current account mentioned earlier; the only difference is that the bank will grant bonus or dividend to depositors with minimum monthly balance of \$50.00, also subject to the discretion of the bank and its profits.

INVESTMENT ACCOUNT (Based on Al-Mudharabah)

This account is open to any individuals regardless of age. However for those below 12 years old, they are required to open their account under the administration of their guardians. This account is also open to companies, firms, associations, corporations, departments or government agencies and any registered establishment. The minimum amount of investment is B\$300.00.

Periods of investment accepted are 3, 6, 9, 12, 15, 18, 24, 36, 48, 60 months and above.

Investors will hand over the money for investment for the period agreed. In the Al-Mudharabah concept, the profits obtained will be divided among the investors and the bank according to the ratio mutually agreed. However, loss will be fully borne by the investors.

Profits will not be given if the investment is withdrawn by the investors less than three months after the initial investment.

IBB INVESTMENT CERTIFI-CATE (Based on Al-Bai'u Bithaman Aajil)

This investment is open to any individual regardless of age. However for those below 12 years old, they are required to open their accounts under the administration of their guardians. This account is also open to companies, firms, associations, corporations, departments or government agencies and any registered association. The minimum amount of investment is B\$500.00.

Special periods for this investment are 1 year, 3 years and 5 years, but other periods are also accepted.

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From page 1

Brunei - Japan

H is Majesty Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam has expressed the hope not only for greater participation by both the private sector of Brunei Darussalam and Japan, but also cooperation in the fields of industry, management and technical training, particularly in activities outside the oil and gas industry.

His Majesty was speaking at a dinner he hosted for the visiting Japanese Prime Minister, His Excellency Mr. Kiichi Miyazawa at Istana Nurul Izzah on January 17. The 74-year-old Japanese Prime Minister was leading a more than 60-member delegation on a two-day official visit toBrunei Darussalam as part of a tour to four ASEAN countries, Indonesia, Malaysia, Thailand and Brunei Darussalam.

His Majesty said: "At this stage, the future is bright, as the level of cooperation has increased, especially in the field of industry, management and technical training."

The Brunei monarch pointed out that as a country which is keen in learning the experiences of other friendly nations, "we highly praise Japan's capabilities in performing its role as an industrial country."

"Through its economic power and influence, Japan has maintained its high position in the eyes of the world. And its success in stabilising its economy, has influenced the development of the people of East Asia in general."

His Majesty added: "This surely is a contribution towards the improvement of the standard of living of the people of this region, whether today or in the future, as they share common fate and objectives."

The Brunei monarch also hoped that new aspects of cooperation could be explored by both countries, which would bring benefits to their people.

His Majesty also welcomed efforts to improve communication services between Brunei Darussalam and Japan.

His Majesty expressed appreciation for Japan's positive contribution in promoting political and economic development, which form an essential His Excellency Mr Kiichi Miyazawa in discussion during his audience at the Istana Nurul Iman with His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam. Present at the audience were the Special Adviser to His Majesty in the Prime Minister's Office and Home Affairs Minister; and the Japanese Ambassador to Brunei Darussalam (extreme left).

part of the region's survival as well as international prosperity.

The Brunei ruler said that the call for cooperation, peace and stability of the Asia-Pacific region, which forms the most important aspect of cooperation between ASEAN and Japan, "is the wish of all which should be given utmost priority."

His Majesty also described the visit of the Japanese Premier to Brunei Darussalam as a splendid manifestation of the desire to develop friendship and to continue the existing cooperation, and was indeed a positive approach towards the mutual welfare of both countries.

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His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam and the Japanese Prime Minister at the dinner reception at the Istana Nurul Izzah, which was also attended by His Royal Highness Paduka Serl Pengiran Digadong Sahibul-Mal Pengiran Muda Haji Jefri Bolkiah (far right).

From page 4 (Brunei/Japan)

Earlier, His Majesty pointed out that historic visits such as this symbolised the excellent and cordial relations which exist between Brunei Darussalam and Japan, based on the principle of understanding between two ancient countries, which are still firm with their respective cultures and traditions.

The monarch outlined his visits to Japan on several occasions as well as the visits of his ministers, senior officials and members of the private sector and business community.

His Majesty said: "All these contribute to our effort in fostering valuable professional contacts which will help us in a more effective way, in development process of our programme of cooperation."

The Japanese Prime Minister and his delegation arrived in Bandar Seri Begawan on 17 January, to a red-carpet welcome led by His Royal Highness Paduka Seri Pengiran Digadong Sahibul-Mal Pengiran Muda Haji Jefri Bolkiah, the Finance Minister.

Japan highly values the Sultanate as reliable supplier of LNG

In his own speech at the dinner, the Japanese Prime Minister said that Japan and Brunei Darussalam have developed a close and cordial relationship based on mutually beneficial economic ties.

He said: "Japan highly values Brunei as a reliable supplier of natural gas and oil. Exactly twenty years ago last month, the first ever shipload of

Continued to page 11

His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam called for greater cooperation in many areas in his titah (royal address) at a dinner reception in honour of visiting Japanese Prime Minister (picture, top right). The Japanese leader meets Brunei dignitaries shortly after arriving at the Brunei International airport, where he was greeted by His Royal Highness Paduka Seri Pengiran Digadong Sahibul-Mal Pengiran Muda Haji Jefri Bolkiah (centre picture). The Japanese leader inspecting a guard of honour, accorded to him at the airport, both on his arrival and departure.









Islamic bank, IBB, officially opened

His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam with His Royal Highness Paduka Seri Pengiran Digadong Sahibul Mal Pengiran Muda Haji Jefri Bolkiah, the Finance Minister (far left) at the Islamic Bank of Brunei's opening ceremony.





Shortly after he launched the IBB and declared its building officially open, the Brunei ruler consented to meet the officials and other staff of the newly-opened bank.

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This investment is based on the Al-Bai'u Bithaman Aajil sell/purchase trading concept, i.e. whereby the investor buys certain good(s) from the bank in cash and obtain profit by selling the goods to the bank which pays through deferred payment made on a fixed date (date of maturity).

Every investor will be given investment certificate as the bank's acknowledgement to pay the face value of the said certificate on maturity date. The certificates issued will be B\$500, B\$1,000, B\$5,000, B\$50,000,

Profits will not be given out should

the investment is withdrawn by the investors before six months have lapsed.

SUBSIDIES (Based on Al-Bai'u Bithaman Aajil)

Al-Bai'u Bithaman Aajil means deferred-cost sale either through installments or a single payment. The bank will obtain profit from the sale of certain good(s) to customers at deferred cost

Every individual is required to participate in the 'Takaful Scheme' which is intended to provide protection of debt claims by the bank on the individual's kins in the event of death of the individual. Each successful applicant should bank in his/her salary or income into an account in this bank.

Subsidies based on Al-Bai'u Bithaman Aajil are divided into 4 types of services or schemes.

a) Personal Subsidy:

This services is in place of the 'personal loan' scheme to provide financial facilities and it is for private individuals only.

b) Purchase Subsidy:

This subsidy is intended to provide facility to the customers for the pur-

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IBB offers numerous services to customers

The Minister of Religious Affairs, Yang Berhormat Pehin Jawatan Luar Pekerma Raja Dato Seri Utama Dr. Ustaz Awang Haji Mohd. Zain bin Haji Serudin presenting a souvenir to His Majesty

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chase of a particular item such as vehicle, land, house, building, share or other valuable and expensive items.

c) Building Subsidy:

This subsidy is to provide service to property developers such as for the building of houses, shops or other buildings.

d) Overdraft Subsidy:

This subsidy is in place of the overdraft scheme and demand loan normally granted to entrepreneurs and sometimes to private individuals.

TAKAFUL (Assistance)

Each individual who is successful in the grant of subsidies from IBB is required to participate in this takaful scheme for a protection period until the end of the payment period.

The purpose is to give protection from further debt claims to their kins in the event of death of investors.

Each participant will make a fee contribution as 'tabarru' or donation to the takaful fund managed and administered by IBB.

BANKER'S GUARANTEE (Based on Al-Kafalah)

This is the bank's guarantee for taking over responsibility for a contract either for government or non-government requirement. The bank will impose a service charge.

LETTER OF CREDIT (Based on



His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam touring various sections of the Islamic bank after he launched it into operation.

Al-Wakalah)

The bank will be the agent for the payment on the purchase of a particular item whereby the customers will pay fully the cost of the said purchase to the bank either using their own money or through the purchase subsidy based on the aforementioned Al-Bai'u Bithaman Aajil. A service charge and commission will be made by the bank.

SAFETY BOX:

A deposit of B\$100.00 will be charged and will be refunded after returning the key of the safety box on termination of hire.

There are 4 types of safety boxes and the annual rents are as follows:

Type A 16" x 16" x 20" B\$250.00 Type B 10" x 10" x 20" B\$220.00 Type C 5" x 10" x 20" B\$130.00 Type D 3" x 10" x 20" B\$110.00

OTHER SERVICES

The following services remain unchanged.

a) Remittance

For payment overseas either by bank draft or telegraphic transfer.

b) Traveller's cheque:

To facilitate travelling, traveller's cheques in US Dollar, Sterling Pound, Australian Dollar and Saudi Riyal are provided by IBB.

c) Foreign Exchange:

There are also sale and purchase of major currencies and the rate of exchange is in accordance with the Bank Association's rate of exchange.

Special Instruction:

Customers may also pay or transfer money to other banks or from one account to another account.

TAP trust fund now in effect

Security for the retirement years



The Minister of Culture, Youth and Sports, Yang Berhormat Pehin Orang Kaya Digadong Seri Lela Dato Seri Paduka Haji Awang Hussain launches the Employees' Trust Fund, TAP, of which he is Chairman of the Board of Directors. To the minister's left is TAP's Managing Director, Awang Haji Metassan bin Momin.

E mployees of both the public and private sectors in Brunei Darussalam stand to benefit greatly from the newly-introduced Tabung Amanah Pekerja (TAP) or the Employees' Trust Fund, which assures them financial security on reaching retirement age.

The Government of His Majesty
The Sultan and Yang Di-Pertuan of
Brunei Darussalam has specified that
every civil servant and employee of the
private sector who is a citizen or permanent resident, except those holding
pensionable positions or members of
approved funds, will have to save five
percent of his or her monthly salary in
TAP, beginning 1 January this year.

Under the scheme, the employers are also required to contribute an additional five percent, which totals up to 10 percent the savings of their workers' basic incomes every month.

This was announced by the Minister of Culture, Youth and Sports, Yang Berhormat Pehin Orang Kaya Digadong Seri Lela Dato Seri Paduka

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Further forging of diplomatic relations

B runei Darussalam's relations with various countries of the international community is expanding rapidly.

On 1 December, 1992, the Federal Republic of Nigeria formally established diplomatic relations with Brunei Darussalam, with the documents being signed at the Brunei Darussalam Embassy in Jakarta, Indonesia.

Brunei Darussalam's ambassador in Jakarta, His Excellency Dato Paduka Awang Haji Yahya bin Haji Harris (right) signed on behalf of The Government of His Majesty The



Sultan and Yang Di-Pertuan of Brunei Darussalam, while his Nigerian counterpart in Jakarta, His Excellency Mr. Alhaji Tijani Boluri represented the

Federal Republic of Nigeria.

Embassy officials of both countries were also on hand to witness the signing.

Haji Awang Hussein at the launching ceremony of the TAP Scheme on January 4.

The minister in his capacity as Chairman of TAP's Board of Directors, said that the step carried out by the Government is timely and relevant to the country's socio-economic growth and development. In this way, employees both in the government and private sectors would together contribute to the development, he said.

The savings, Insya-Allah (God willing), he said will be invested by TAP, and the dividends or returns will be entered into the members' accounts, with the rate of returns to be decided by TAP's Board of Directors.

The TAP Chairman highlighted that this was also another positive measure carried out by the Government in providing members the opportunity to enjoy the returns of their own savings, while at the same time cultivating an attitude of self-dependency among them.

He spoke of other benefits of the scheme. These include the Retirement Withdrawal Service which allows the withdrawal of a quarter of the worker's saving upon reaching the age of 50 years for preparation prior to his pension, or 45 percent of the total savings to finance part of the cost of a house or its construction.

With the scheme, the Government hopes to encourage a greater flow of workers to the private sector, whereas presently workers' tendency is more towards joining the Government, even though the private sector's role is just as important in nationbuilding. Apart from that, the scheme will also help, the private sector especially, to retain every manpower.

The minister further pointed out to the importance of the scheme as a whole, which is to increase national savings, as this is one of the important sources for social and economic growth and wellbeing of a developing country. Other than providing benefits to members and their family, the scheme will also indirectly reduce the burden shouldered by the Government in the payment of pensions to workers in the future, he added.

Introduction of TAP

The Tabung Amanah Pekerja (TAP or Employees' Trust Fund is a form of social security which enables workers to have savings which will assist them in their retirement, at the age of 55 years.

The scheme will ensure that every worker will have saved a portion of his or her monthly pay with an additional contribution from the employers. Indirectly, the TAP scheme will also help cultivate a savings habit among workers. It will also enable more people to be willing to work with the private sector.

Background to the establishment of the scheme

The need to form an employees' provident fund scheme has been realised during the fifth Five-Year National Development Plan (1986-1990). To this end, the National Productivity Committee has decided to form a subcommittee to study the need for the establishment of a provident fund at the national level.

The matter was studied by the subcommittee which later found the need to form such an employees' provident fund, especially in ensuring a change in attitude whereby people of working age would also largely look to the private sector for employment, and the need to increase the savings ratio in the country.

His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam in his titah during the Audience and Decorations Bestowal Ceremony on his 45th birthday on 15 July, 1991, agreed in principle for the formation of such a fund. In his birthday titah in 1992, the Brunei ruler consented to the establishment of the Tabung Amanah Pekerja Board of Directors with the Tabung Amanah Pekerja Scheme to be introduced as soon as possible.

Qualifications to be members of TAP

Every worker who is a citizen or permanent resident of the country is required to be in the TAP scheme. They should be under 55 years of age (or above 55 years with approval) and are working with the Government in a non-pensionable post or in the private sector (except those who are working with a company that has an approved provident fund).

Under the Emergency (Tabung Amanah Pekerja) Order, 1992, every employer is responsible to ensure that its workers become members of TAP. If it fails to register workers or does not or refuses to pay the workers' contributions, it would have committed an offence under the Emergency Order.

TAP Services

During the early stages, TAP will only offer such services as Retirement Withdrawal i.e. full withdrawal of all the workers's savings upon reaching 55 years of age, Retirement Withdrawal i.e. partial withdrawal equivalent to a quarter of the worker's saving upon reaching 50 years of age, withdrawal services i.e. for a worker who is incapacitated and unable to continue working or has died or emigrated, and withdrawal not exceeding 45 percent savings to assist in paying for a house.

Other services will be introduced from time to time after suitable studies have been made.

TAP scheme to Government servants

The TAP Scheme will be effected to all government servants who are holding non-pensionable positions, i.e. those who are holding permanent non-pensionable positions, open vote, month-to-month, daily paid and contract.

From 1 January 1993, every new employee engaged by the government will be within the TAP scheme regardless of whether their appointments are permanent appointments or otherwise. Every employee currently serving in pensionable position will continue to be in a pensionable position.

The Government will automatically start the statutory saving from every non-pensionable employee from his/her January 1993 salary.

Brunei Motorists switch to unleaded gasoline

The environment is now a mainstream issue in many major international conferences and Brunei Darussalam has been treating and will continue to treat it as such.

On 1 January the country moved another step forward in the global efforts to protect the environment by introducing the unleaded motor gasoline, ULG, thus, taking its place alongside some 30 other countries including neighbours Malaysia, Singapore and Thailand, in pioneering the use of the fuel.

Other on-going measures taken by the country towards environmental restoration and protection include reforestation, wasteland rehabilitation and development of recreational parks.

For its part, the Brunei Shell Petroleum Company Sendirian Berhad, BSP, has also made efforts to integrate Environmental Impact Assessment, EIA, into its oil exploration and drilling operations.

Brunei Darussalam began reducing the lead content of gasoline from 400



The Law Minister, Yang Amat Mulia Pengiran Laila Kanun Diraja Pengiran Haji Bahrin fills up his car in a symbolic gesture that officially ushered the sales of unleaded motor gasoline at petrol kiosks in Brunei Darussalam.

milligrams per litre to 150 milligrams per litre during early 1992, with the opening of a reformer unit at BSP's own refinery, paving the way for unleaded this year.

The country's first Reformer Plant

was opened in April 1992, allowing for the production of ULG.

Officiating at ceremonies marking the official launch of the ULG, held at two venues on 1 January, were the Minister of Law, Yang Amat Mulia Pengiran Laila Kanun Diraja Pengiran Haji Bahrin bin Pengiran Haji Abas, and the Belait District Officer, Dato Paduka Awang Haji Mohd. Kassim bin Haji Johan.

The introduction of the new gasoline has been brought to the market around the world to control exhaust emissions and reduce air pollution. Lead in the past was added to the fuel because it was the cheapest means of increasing the octane level of the fuel. But there have been concern that lead could be harmful to health.

There also have been many radical changes in automotive technologies with a major emphasis on the design of smaller and more fuel-efficient engines. These changes have also created a need for improved fuel performance.

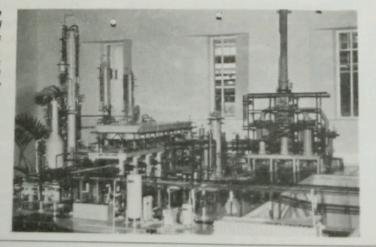
Leaded gasoline will continue to be available to Brunei motorists, but most stations will sell more ULG, which has a higher octane content than its lead counterpart.

Oil and gas exports on steady course

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Above: A bird's eye view of the Brunei Liquefied Natural Gas (BLNG) plant at Lumut, about 75 kilometres from the Brunei Darussalam capital of Bandar Seri Begawan. Among the biggest LNG plant in the world, a new loading jetty is being added to the complex. Right: A model of Brunei's first reformer plant at Seria, 95 kilometres from the capital, which produces ULG.



Meanwhile, Brunei Darussalam's crude and condensate exports during the first six months of last year had averaged 176.42 thousand barrels per day, which showed a daily increase of 11.53 thousand barrels over the same period in 1991.

Japan continued to be the largest single buyer, importing some 28.67 percent of the total export, followed by Korea at 22.8 percent, and Taiwan which imported 5.05 percent.

Australia imported 4.58 percent, while Singapore, Thailand and The Philippines together made up the market for the remaining 38.89 percent of the

Brunei crude and condensate exports.

Brunei Darussalam has also been supplying huge amounts of natural gas to Japanese companies, namely the Tokyo Electric Power Company. The Tokyo Gas Company and The Osaka Gas Company since the 1970s, under a 20-year agreement.

For the Annual Delivery Programme 19 or ADP-19, which ended on 31 March, 1992, 160 cargoes of Brunei liquefied natural gas, BLNG, were exported to these customers in Japan. This was an addition of one cargo over the previous programme in response to the increased demand from the buyers.

For the ADP-20 beginning 1 April,

1992 and ending 31 March, 1993, a total of 158 cargoes of BLNG were agreed to be delivered to these customers.

New LNG loading jetty being built

In another development, a contract was signed in June last year between Brunei LNG and All-Dutch Joint Venture to build a new liquefied natural gas loading jetty at Lumut, at a cost of B\$100 million.

This new loading facility, expected to be ready by the end of the year, is part of a major upgrading programme designed to take the LNG Plant into the twenty first century.

From page 5 (Brunei/Japan)

liquefied natural gas (LNG) was exported from Brunei to Japan."

The Prime Minister expressed the hope that the existing bonds would not only be maintained, but strengthened and broadened further in the years to come.

Mr Kiichi Miyazawa was pleased to note that Japan has been cooperating with Brunei Darussalam in its endeavour to develop human resources and diversify the economy.

He said almost one hundred Brunei nationals participate in JICA's (Japan's International Cooperation Agency) technical cooperation courses and programmes in Japan annually, while a number of Japanese experts are working together with their Brunei counterparts to preserve the valuable rain forests and to explore ways to develop ecotourism in Brunei Darussalam.

He also noted that cooperation for the peace and prosperity of the Asia-Pacific region constitutes a priority area of Japan's cooperation with ASEAN, of which Brunei is a new but active member.

The Japanese leader hoped that both countries would be able to continue to think and act together in the pursuit of peace and prosperity in the region and beyond.

He expressed confidence that un-

der His Majesty's excellent leadership, the close and warm cooperative relationship between the two countries will continue to grow and flourish and will benefit the region and the world.

Brunei Darussalam and Japan to boost trade investment

During an audience ceremony granted by His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam to His Excellency Mr Kiichi Miyazawa at Istana Nurul Iman, the two leaders exchanged views on the enhancement of bilateral relations, specially on the promotion of trade and investment.

His Majesty and the Japanese Premier also discussed regional and international issues, particularly the economic and political developments in the Asia-Pacific region.

At a press briefing, the Japanese Deputy Press Secretary, Mr. Sadaaki Numata said that during the 45-minute audience, His Majesty and the Japanese Prime Minister expressed satisfaction over the excellent state of affairs that exist in the bilateral relationship between the two countries.

He said that both leaders also discussed matters relating to aviation, LNG as well as technical cooperation.

These include the question of opening an air route between Japan and Brunei Darussalam, on which the Prime Minister has said that "he is instructing the Japanese aviation authorities to enter into negotiation with the Brunei Darussalam authorities soon"; the renewal of LNG contract between Japan and Brunei Darussalam; and continued technical cooperation to Brunei Darussalam by the Japanese.

Earlier in his briefing, Mr. Saddaki Numata said that according to statistics, Japan's bilateral trade with Brunei Darussalam in 1991 was a total of US\$ 1.6 billion. Japan's exports to Brunei Darussalam was US\$129 million while its imports from the Sultanate was US\$1.5 billion, which comprised LNG amounting to US\$1.1 billion. He added that Japan's investment in Brunei Darussalam in 1991 amounted to US\$350 thousand.

During his visit, the Japanese Prime Minister also met representatives of the Japanese community in Brunei Darussalam.

The Japanese Prime Minister's visit, among others, include reconfirming the importance Japan places on its relations with ASEAN; promoting mutual understanding; forging friendships between the premier and the leaders of ASEAN countries; and giving him an opportunity through policy speeches to clarify Japan's perception of the present situation and what direction it intends to follow in the future to the countries in the Asia-Pacific region and the world at large.

It's truly an architectural splendour!

Tow Brunei Darussalam does not only have an Islamic bank as an alternative venue for Muslims to save and invest their money in, but the birth of the Islamic Bank of Brunei Berhad has also brought with it a splendid building which is truly an architectural masterpiece.

Construction of the multimillion dollar IBB building began in January 1991, and was completed during the latter half of last year. Today the building stands out as one of the more prominent features in the centre of the Brunei Darussalam capital of Bandar Seri Begawan.

As with the external features, the interiors of the building also reflects Islamic and Malay designs. Indeed, the IBB building is a pleasing addition to the many modern buildings in the capital, more so to the eyes!

The IBB building was designed by a local architect.



Brunei in Brief

Bandar Seri Begawan

Land size: 5765 sq. km 260,000 (1991) Population:

Official Language: Malay Official Religion: Islam December rainfall: 250.9 mm

(annual 2,818mm)

PRIME LENDING RATE

December 6% (quoted by Bankers' Association)

Brunei Malay in a minute

E ach month we introduce our readers to a Brunei Malay word that is used in Brunei Darussalam

For this edition we have selected the word kepiah.

Kepiah, sometimes also pronounced kopiah, is songkok in standard Malay. It is an oval shape headgear or cap worn by Muslims at

official and religious functions.

It is made of fine cloth, such as velvet and comes in various colours.

In a sentence: Lelaki itu memakai kepiah hitam ketika menghadiri majlis perkahwinan rakannya.

The man was wearing a black headgear (cap) at his friend's wedding ceremony.

THE TRAFFICKING IN AND THE ILLEGAL IMPORTATION OF CONTROLLED DRUGS ARE VERY SERIOUS OFFENCES IN BRUNEI DARUSSALAM AND THE PENALTY FOR SUCH OFFENCES IS DEATH.