



## INVESTMENT OPPORTUNITIES IN BRUNEI DARUSSALAM'S AGRICULTURE AND AGRIFOOD SECTOR



Department of Agriculture & Agrifood  
Ministry of Primary Resources and Tourism

# Introduction

- With global food demand booming, Brunei is ideally placed to become a premium food supplier and a long-term partner of choice in agricultural production.
- To help its agribusiness sector scale-up and make the most of growth opportunities, Brunei is keen to attract investment in innovation, agriculture production and advanced food processing.

# Why Brunei?



Opportunity For  
Large Scale Farming



Infrastructure



Strategic Location  
and Access to Key  
Markets



Political and  
Economic Stability



Rainfall, Water &  
Soil



No History of  
Significant Natural  
Disasters

# Brunei Agriculture Sector at a glance

Brunei's growing agribusiness and food sector offers unique opportunities for investors looking to expand agricultural production as well as add value to downstream processing industries

In 2015, agricultural activities account for only 0.50% of GDP

Currently livestock industry account for 54% of output, crops industry 16% and agrifood processing contributed 30% to the overall gross output

Total agriculture and agrifood gross output is about B\$ 366.15 million in 2015

By 2020, agriculture and agrifood is expected to increase to B\$1,080 million, thus expected 24% growth per annum

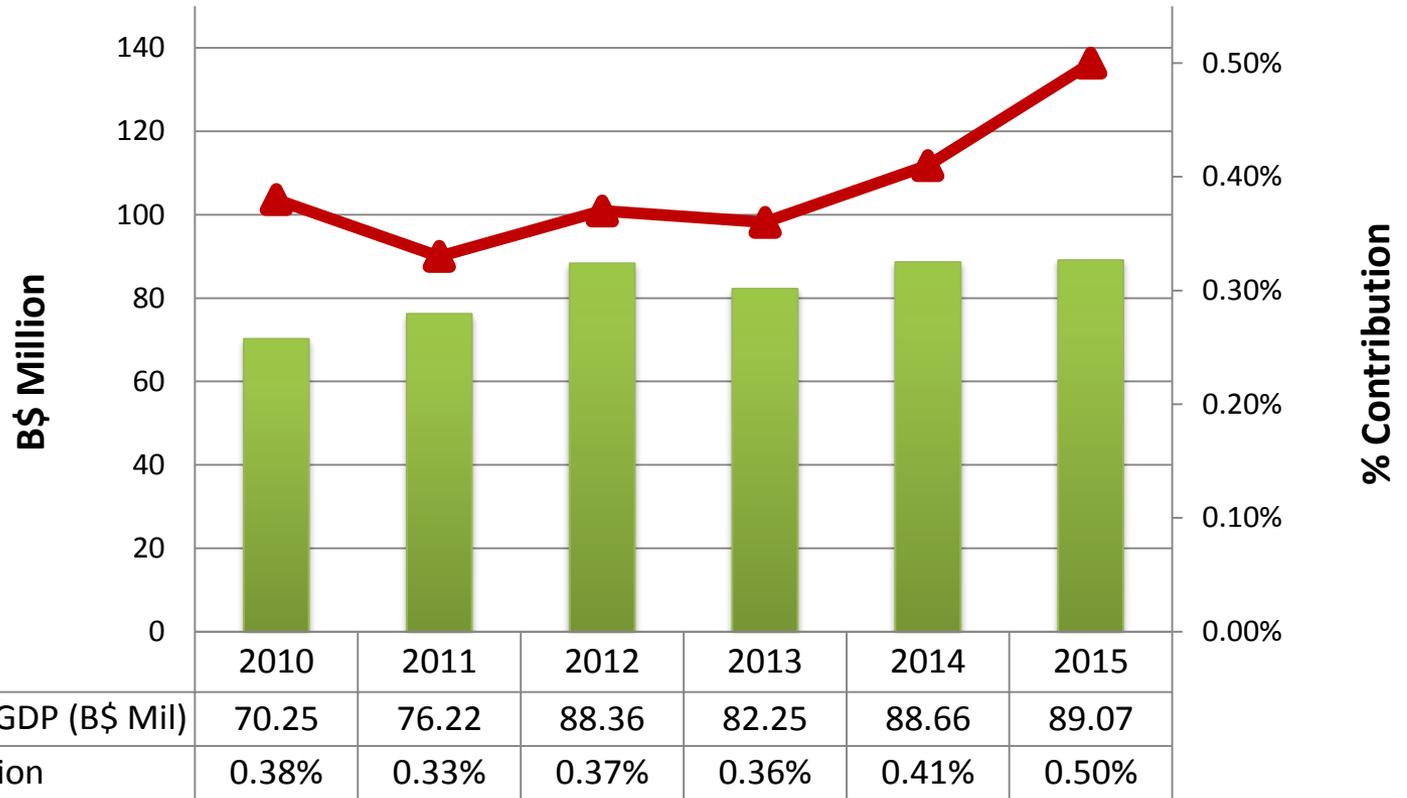
# Vision

Towards Increasing Production on Agriculture and Agrifood Based Industries through Increasing Productivity And High Technology Oriented For Export

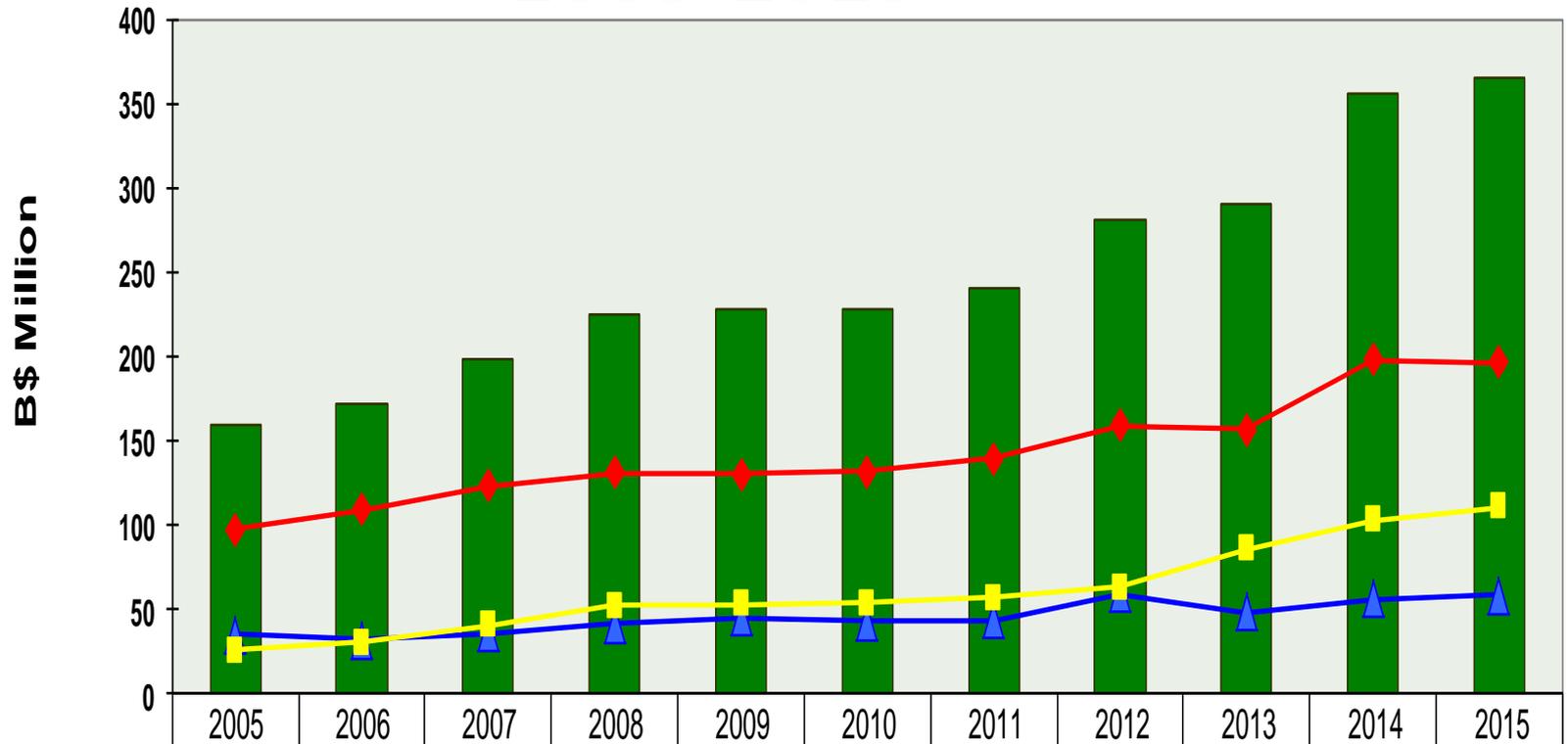
# Mission

To Stimulate The Growth of Agriculture and Agrifood-Based Industry through High-Technology and Export, Encouraging Progressive Involvement of Local and Foreign Direct Investment, while focusing on High-Yield Production inclusive of Primary and Processing Industry

# Agriculture GDP

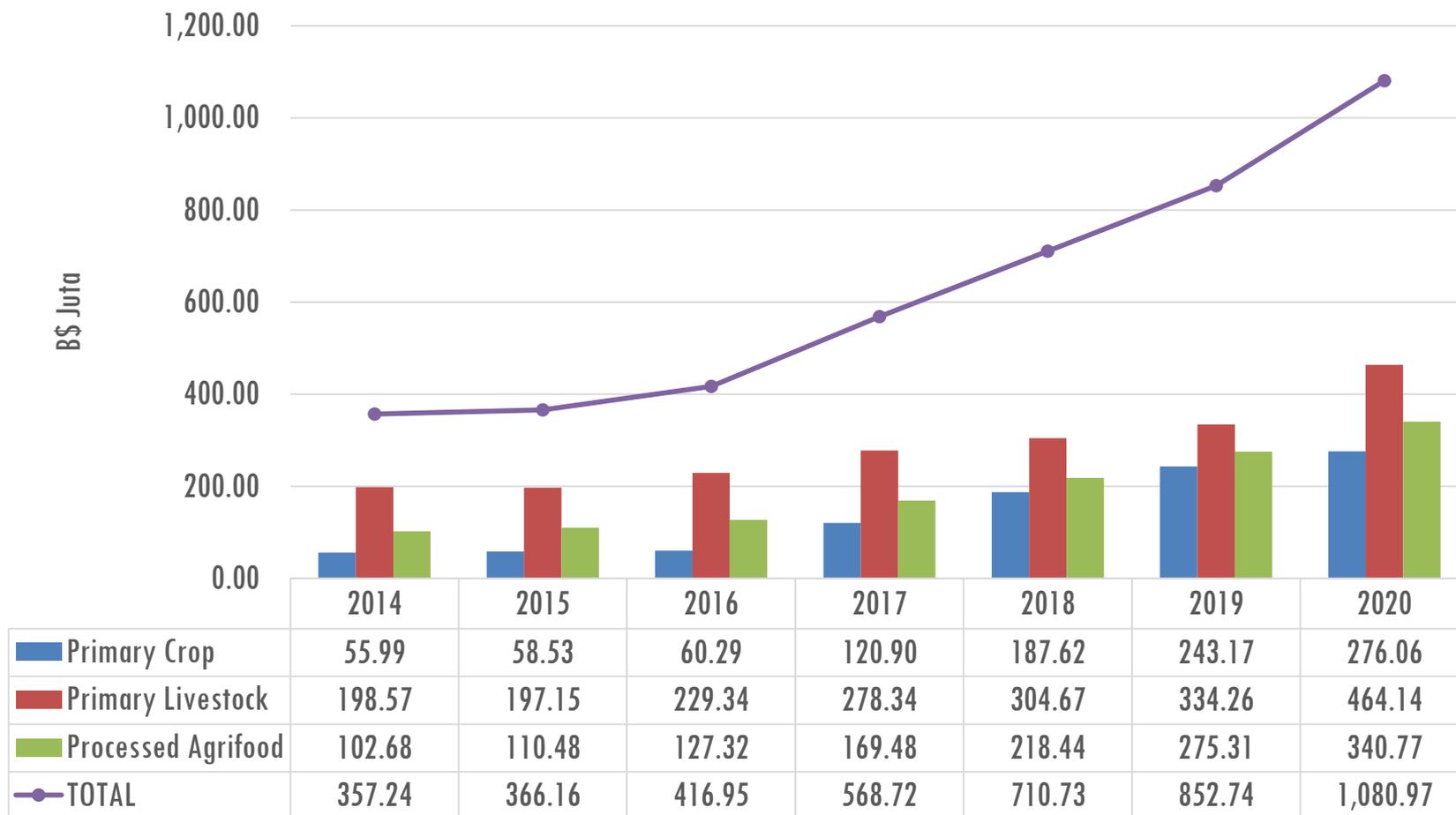


# Agriculture and Agrifood Gross Output 2005-2015



<b>Agriculture Production</b>	158.99	171.75	199.53	225.44	228.26	228.43	240.96	281.52	291.67	357.25	366.15
<b>Livestock Industry</b>	97.81	109.63	123.54	131.57	130.10	131.99	139.89	159.43	156.97	198.58	197.14
<b>Crop Industry</b>	35.39	32.02	35.77	41.34	44.96	42.67	43.86	59.27	48.46	55.99	58.53
<b>Agrifood Processing</b>	25.79	30.10	40.22	52.53	53.20	53.76	57.21	62.83	86.24	102.68	110.48

# Targets 2016 - 2020



**Note :**

1. Actual data for 2014 & 2015.
2. Annual growth : 24%

# Potential Focused Industries



Broiler



Vegetables



Cut  
Flowers



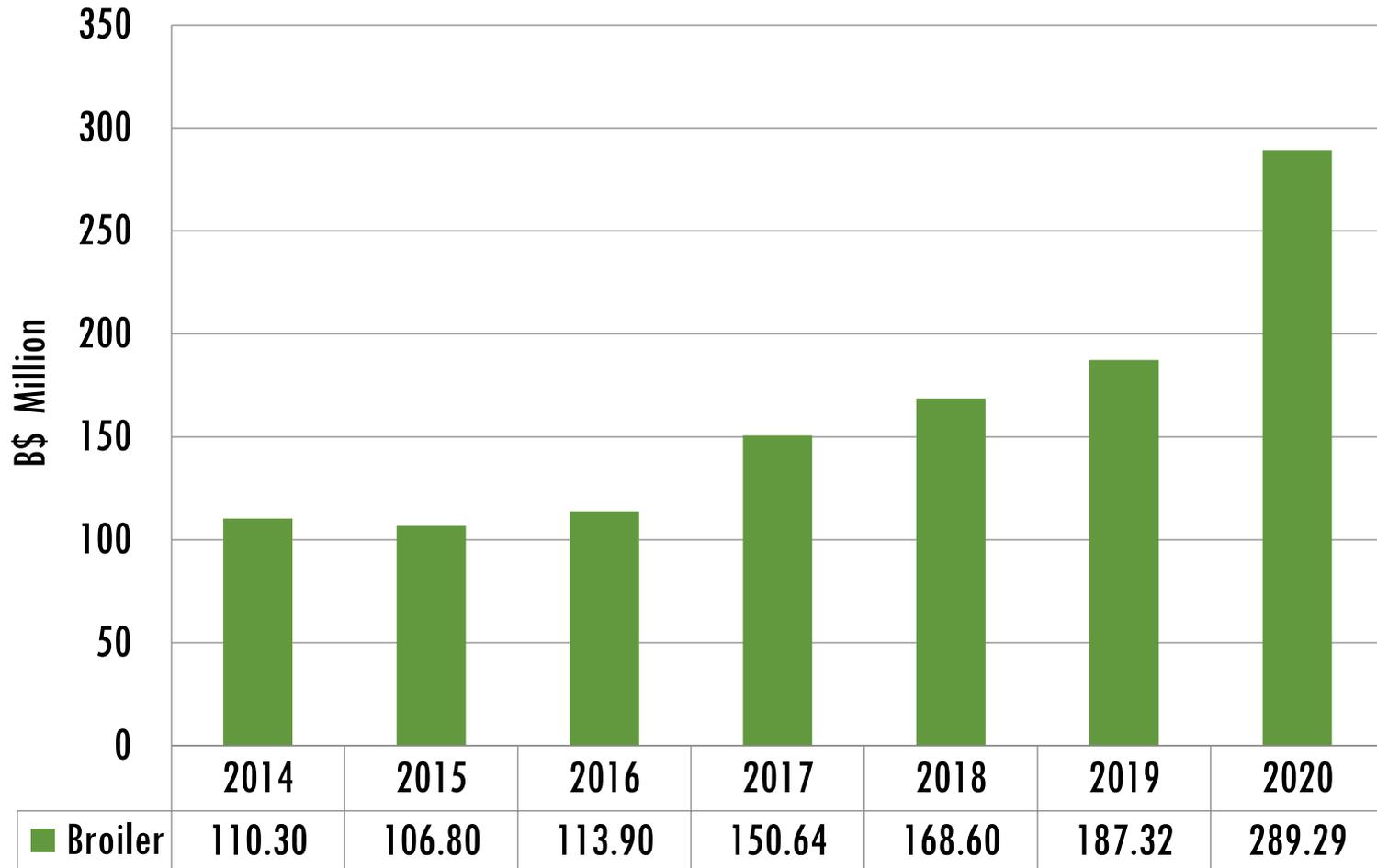
Agrifood  
Processing

# Broiler Industry at a Glance

- Livestock industry represent Brunei's largest contributor agricultural sector, which valued at B\$197.15 million,
- Main commodity; broiler; eggs, beef,
- In 2015, broiler contributed \$106.80 million, 54% of the livestock industry and 29% of the agriculture sector.



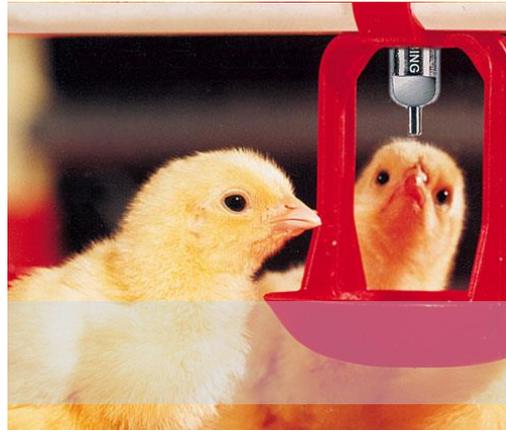
# Broiler Industry Targets



**Note :**

1. 2014 & 2015 are actual data.
2. Annual growth rate : 22.05 % (Based on the use of high/modern technology i.e close house system)

# New Technology and Innovation



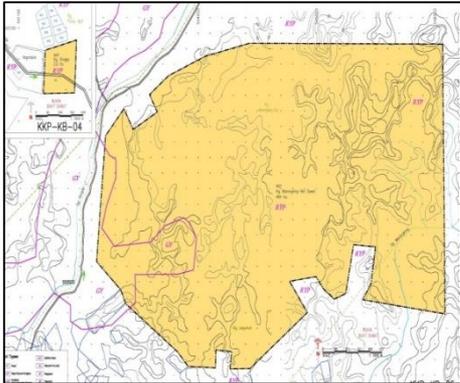
Photos sources:  
<http://www.lubing.com/with-cups.html>

# Broiler Industry Areas



## Tanah Tuah

Daerah: Brunei Muara  
Area : 56 ha



**Merangking**  
Daerah: Belait  
Area: 200 ha



**Batumpu**  
Daerah: Brunei Muara  
Area: 42 ha



**Sungai Tajau**  
Daerah: Brunei Muara  
Area: 4 ha



**Semabat**  
Daerah: Temburong  
Area: 200 ha

# Request For Proposal

No.	Project	Proposed Tender
1	Documentation For Investor Proposals To Invest, Develop, Operate And Produce Poultry Meat And Table Eggs And Its Value-added Processed Products In Semabat Agriculture Development Area (Site A), Temburong, Brunei Darussalam' @100 Ha	January 2017
2	Documentation For Investor Proposals To Invest, Develop, Operate And Produce Poultry Meat And Table Eggs And Its Value-added Processed Products In Semabat Agriculture Development Area (Site B) Temburong, Brunei Darussalam' @100 Ha	January 2017
3	Documentation For Investor Proposals To Invest, Develop, Operate And Produce Poultry Meat And Table Eggs And Its Value Added Processed Products In Merangking Agriculture Development Area (Site A) Belait, Brunei Darussalam' @100 Ha	February 2017
4	Documentation For Investor Proposals To Invest, Develop, Operate And Produce Poultry Meat And Table Eggs And Its Value Added Processed Products In Merangking Agriculture Development Area (Site B) Belait, Brunei Darussalam' @100 Ha	February 2017

# Broiler Industry Financial Model

Area	Item	Financial Estimate Per Year (\$BND)
<b>Closed House System</b> <b>Capacity per house :</b> <b>20,000 heads</b> <b>2 ha : 4 houses</b>	Revenue	2,667,600.00*
	Profit Margin	282,655.26
	CAPEX	837,274.70**
	OPEX	2,366,052.69***

Note:

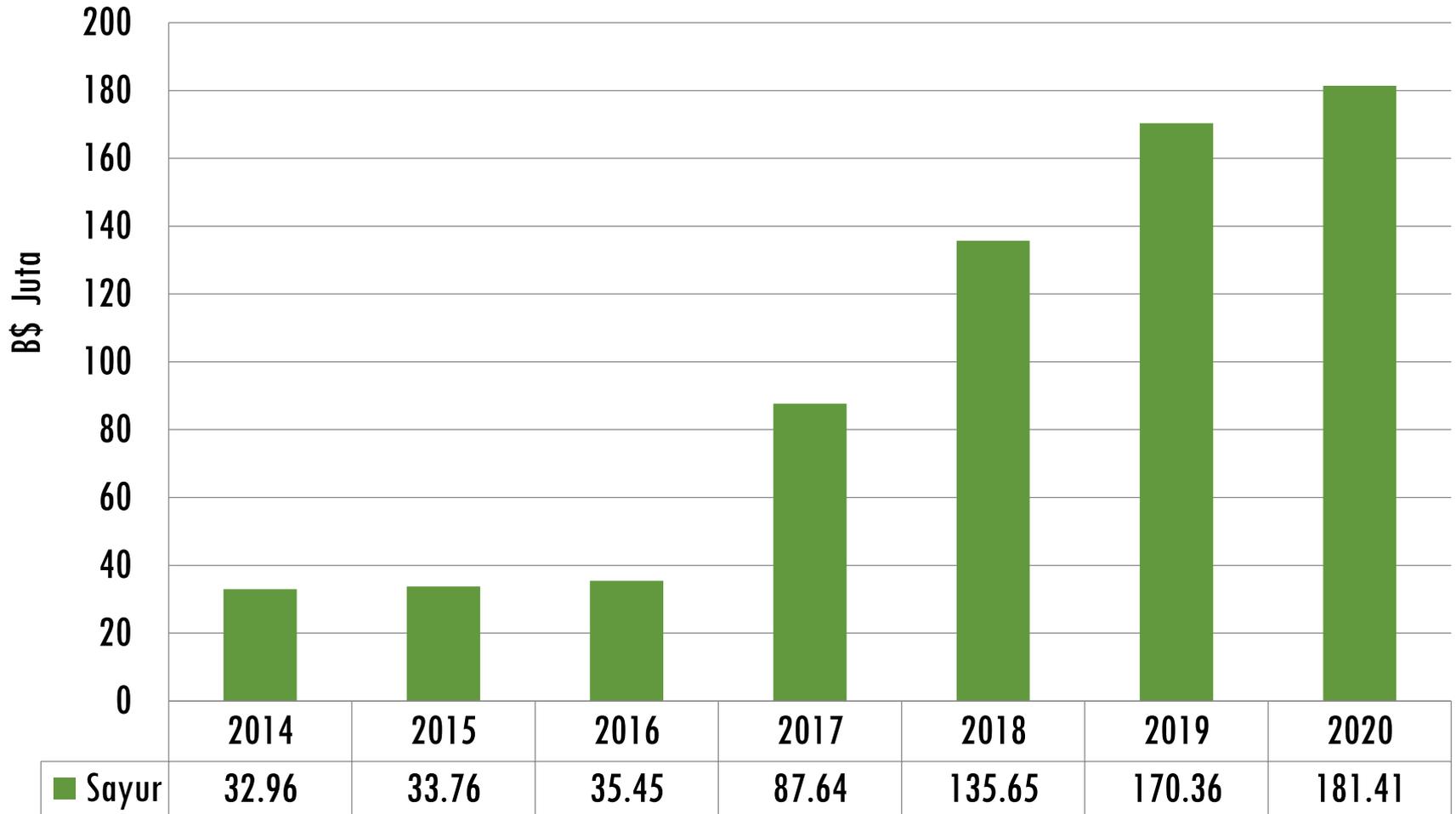
- \* Revenue Year 3 onwards
- \*\* Starting with 2 poultry houses (next 2 houses on the 2<sup>nd</sup> year)
- \*\*\* Operation expenses based on Year 3 onwards

# Vegetables Industry at a Glance

- Crop industry represent 16 % to the agricultural sector, with main commodity including vegetables, rice, fruits, floriculture which valued at B\$58.53 million,
- In 2015, vegetables industry contributed \$33.76 million, 58% of the crop industry and 9% of the agriculture sector.



# Vegetables Industry Targets



**Note :**

1. 2014 & 2015 are actual data
2. Annual Growth Rate: 40% (Using high technology i.e vertical farming, LED)

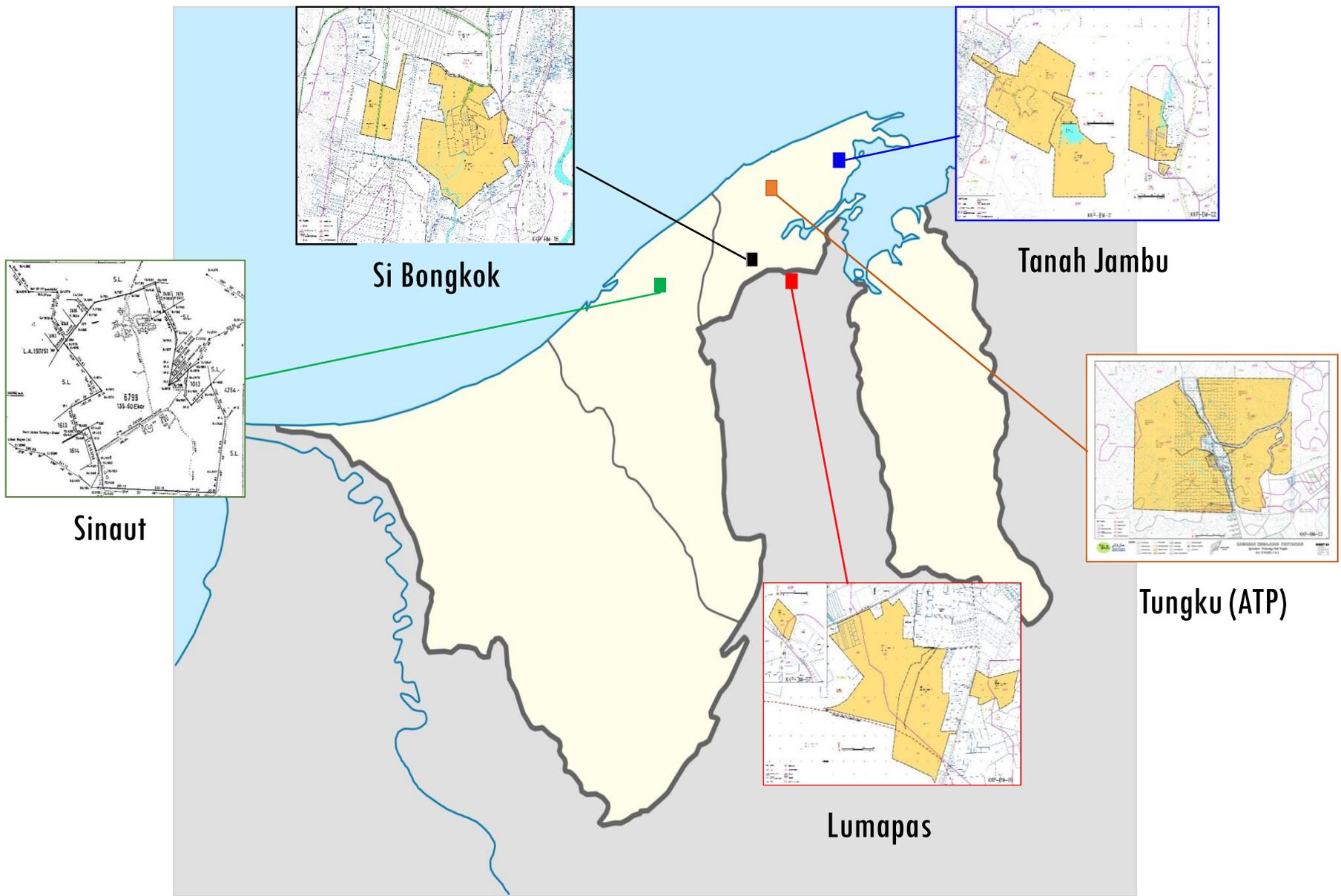
# New Technology and Innovation



Photos sources:

<http://www.powerhousehydroponics.com/4-commercial-vertical-farms-worth-attention/>

<http://www.eco-business.com/news/panasonic-ventures-into-farming-in-singapore/>



**Vegetables Industry Areas**

# Request for Proposal (Vegetable production)

Project	Area (Hectares)
1. Invest, Develop, Operate and Produce Vegetable Production in Tungku Agriculture Development Area: Agrotechnology Park (Site B), Brunei Darussalam	40 (Issued)
2. Invest, Develop, Operate, Maintain and Produce High Value crops in Tungku Agriculture Development Area: Agrotechnology Park (Site E), Brunei Darussalam	70
3. Invest, develop, operate and produce vegetable production in Site B Sinaut, Tutong, Brunei Darussalam	20
4. Invest, develop, operate and produce vegetable production in SiBongkok, Kg. Parit-Masin, Brunei Darussalam	20

# Vegetables Industry Financial Model

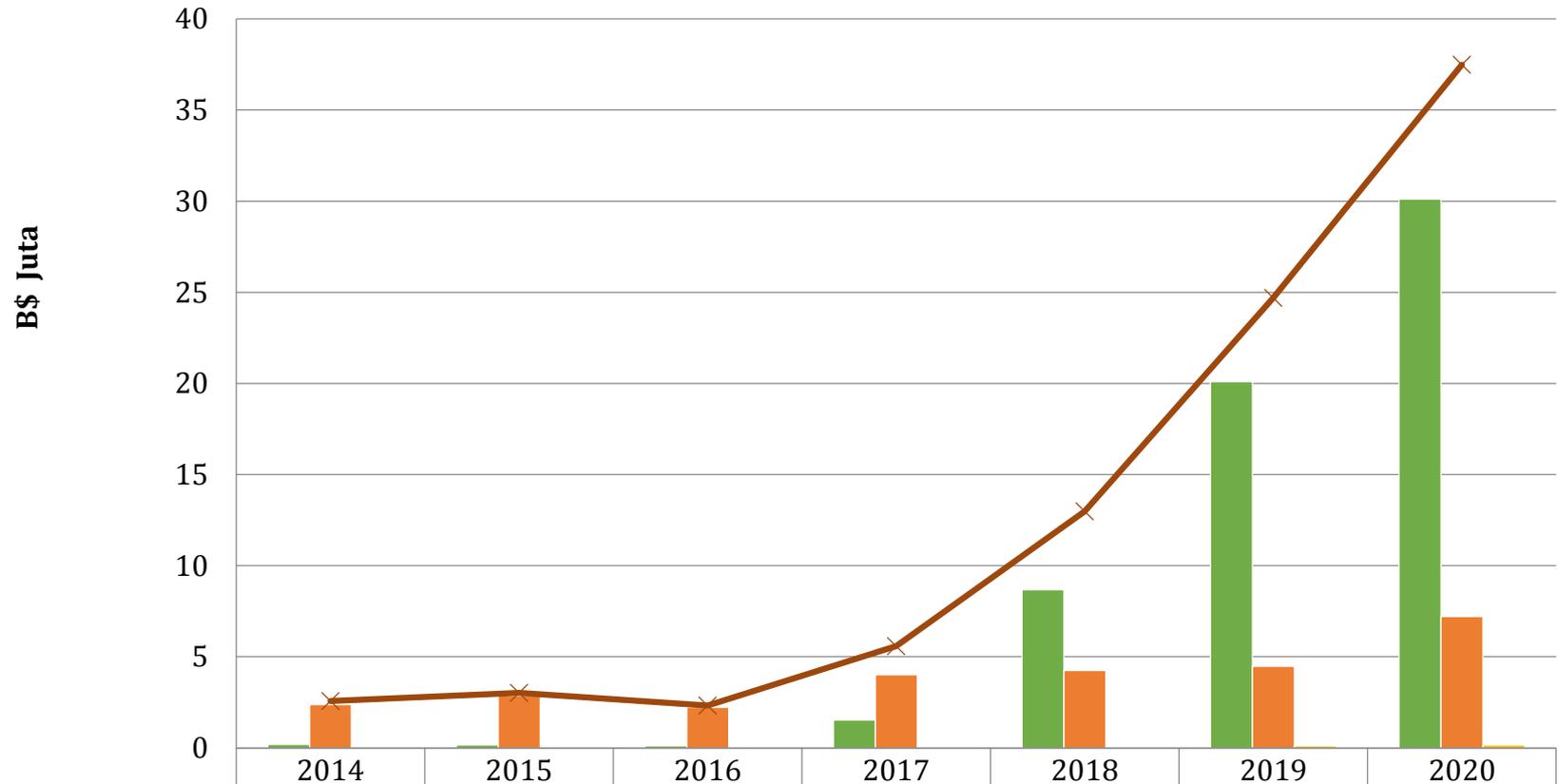
Area	Item	Financial Estimate Per Year
Minimum 1ha  Use of High technology system i.e Vertical Farming, Hydroponics, Fertigation etc	Revenue	\$10,692,000
	CAPEX	\$1,064,799
	OPEX	\$4,395,878
	Payback Period	1 <sup>st</sup> year

# Floriculture Industry at a Glance

- Valued at B\$3.03 million, floriculture industry represent 5 % of crop industry and 0.8% of the agriculture sector.
- In 2015, floriculture which consist of cut flowers and ornamental plants contributed \$2.86 million and \$0.16 million respectively.



# Floriculture Industry Targets



	2014	2015	2016	2017	2018	2019	2020
<span style="color: green;">■</span> Bunga Keratan	0.19	0.16	0.11	1.53	8.68	20.10	30.11
<span style="color: orange;">■</span> Tanaman Hiasan	2.38	2.86	2.22	4.01	4.25	4.48	7.21
<span style="color: yellow;">■</span> Loose Flower				0.03	0.06	0.11	0.16
<span style="color: brown;">—x—</span> Jumlah Keseluruhan	2.57	3.02	2.33	5.58	12.99	24.69	37.49

**Nota :**

1. 2014 & 2015 are actual data
2. 65.5annual growth rate: Ornamental plants 20.3%, Cut flowers 185%

# New Technology and Innovation



# Request for Proposal

Project	Area
1. Invest, Develop, Operate, Maintain and Produce High Value Ornamental Plants in Agrotechnology Park Greenhouses, Brunei Darussalam	1.11 ha (Issued)
2. Invest, Develop, Operate and Produce High Value Ornamental Plants in Agriculture Development Area, Batumpu (10ha), Pengkalan Batu, Brunei Darussalam	10 ha (advertised closing date 10 Jan 2017)
3. Invest, Develop, Operate and Produce High Value Ornamental Plants in Agriculture Development Area, Mumong (21ha), Belait, Brunei Darussalam	21 ha

# Floriculture Industry Financial Model

Area	Item	Financial Estimate Per Year
Minimum 1ha	Revenue	\$1,136,362
	CAPEX	\$1,180,700
	OPEX	\$279,863
	Payback Period	3 <sup>rd</sup> year

## Assumptions:

- Based on orchid production
- Sell after spike induced

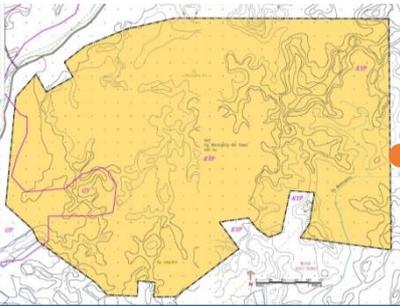
# Floriculture Industry Financial Model

Area	Item	Financial Estimate Per Year
Minimum 2ha	Revenue	\$2,197,125
	CAPEX	\$3,238,610
	OPEX	\$634,560
	Payback Period	3 <sup>rd</sup> year

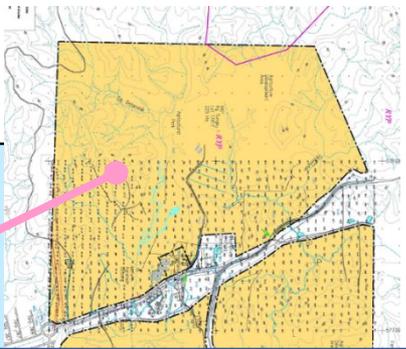
## Assumption:

- Based on anthurium production

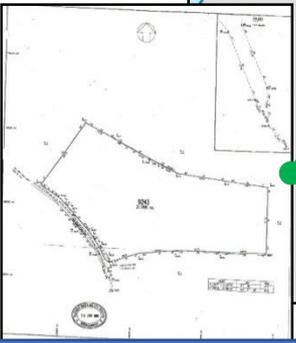
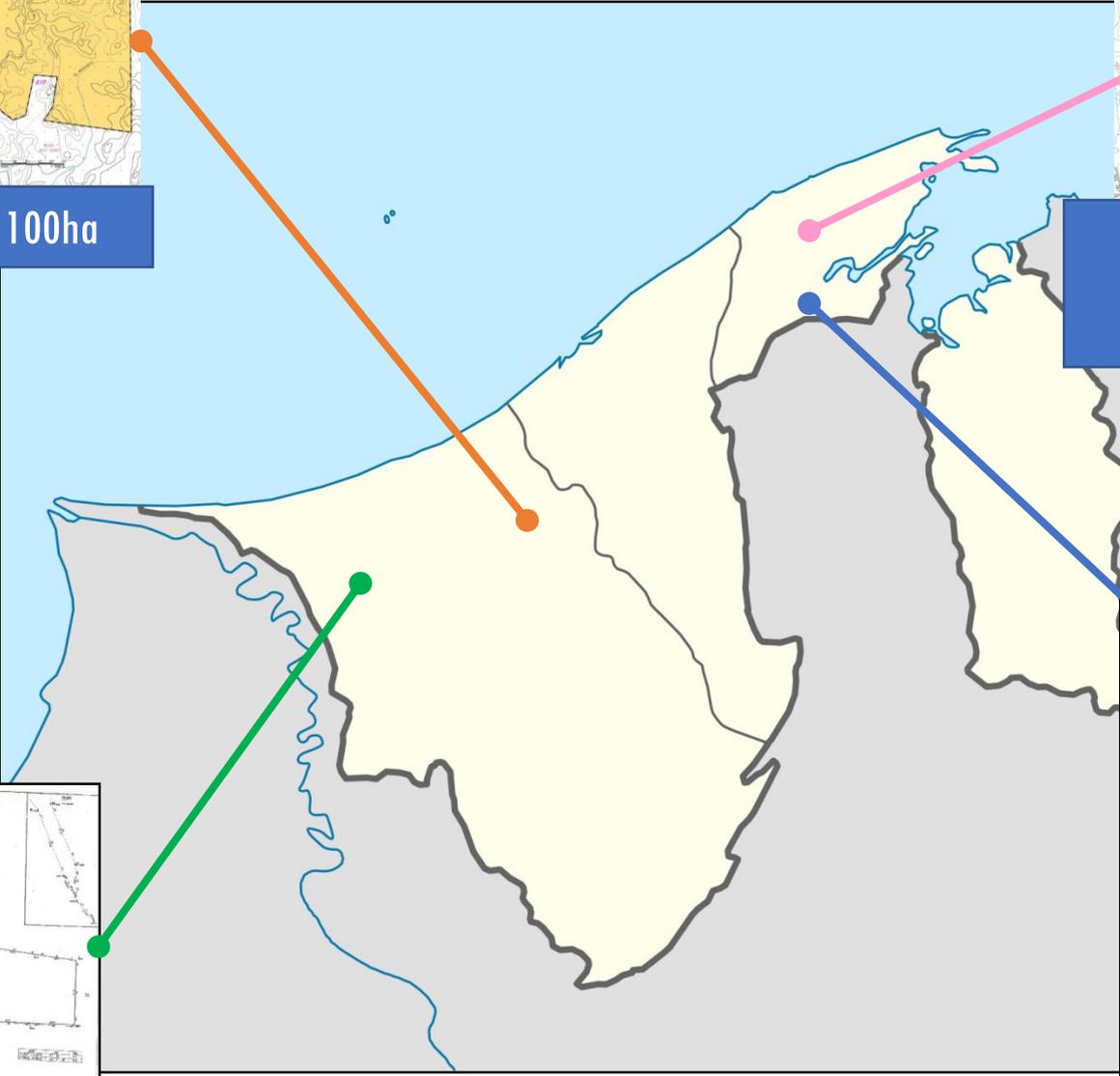
# Floriculture Industry Areas



Merangking — 100ha



Tungku — 72 ha  
Site A: 40 ha. Site B: 40 ha,  
Greenhouses: 2 ha



Mumong — 21 ha



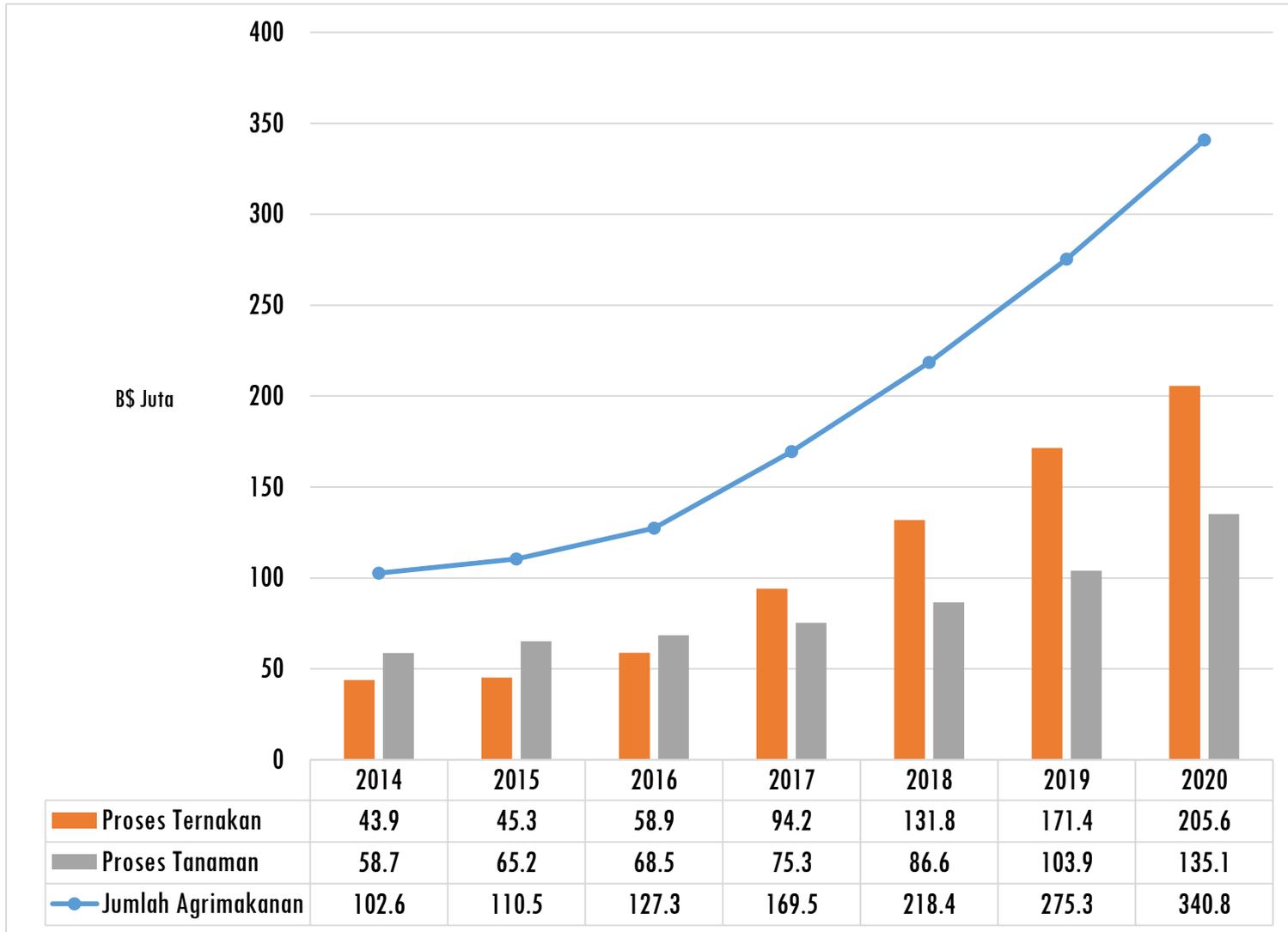
Batumpu — 10 ha

# Agrifood Industry at a Glance

- Valued at B\$110.48 million, Agrifood processing industry represent the 2<sup>nd</sup> contributor to the agricultural sector, with main commodity including meat based processing and crop based processing.
- In 2015, agrifood contributed \$110.48 million, 30% of the agriculture sector.



# Agrifood Industry Targets



**Nota :**

1. 2014 & 2015 are actual data
2. Annual Growth rate : 25%

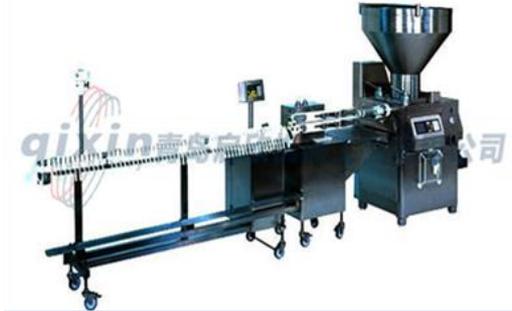
# New Technology and Innovation



Freeze Dryer



Fruit Washing Machine

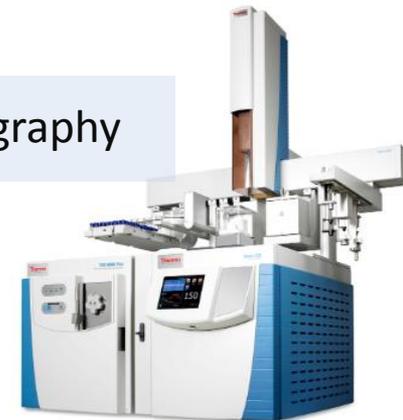


Sausage Production Line



Cold Pressed Juicer

Gas Chromatography



Photos sources: : 1) <http://www.cuddonfreedry.com/products/fd80-freeze-dryer> 2) <http://www.directindustry.com/prod/turatti/product-162310-1764995.html> 3) <http://www.slaughtering-equipment.com/En/Products/232.html> 4) <https://www.goodnature.com/juice-presses/> 5) <http://www.thermofisher.com/search/results?query=gcms&resultPage=1&resultsPerPage=15&autocomplete=>

# Agrifood Industry Financial Model

Area	Item	Financial Estimate Per Year
Minimum 4 ha Type of Processing: Fruits and Vegetables Value Added Products  Potential Products: Freeze dried fruits/vegetables, minimally processed fruits/vegetables, cold storage services	Revenue	\$28.6mil
	Profit Margin	12%
	CAPEX	\$11.82mil
	OPEX	\$18.3mil
	Payback Period	2 <sup>nd</sup> Year with at least B\$25mil initial investment

# Agrifood Industry Financial Model

Area	Item	Financial Estimate Per Year
Minimum 4 ha Type of Processing: Poultry-based Products  Potential Products: Chicken sausages, patty burgers, cold cuts, frozen chicken parts, etc	Revenue	\$21.37mil
	Profit Margin	19%
	CAPEX	\$ 8.28mil
	OPEX	\$17.2mil
	Payback Period	2 <sup>nd</sup> Year with at least B\$20mil initial investment

# Agrifood Industry Financial Model

Area	Item	Financial Estimate Per Year
Minimum 6.5ha Type of Processing: Meat-based products  Potential Products: Beef Sausages, Beef Cold Cuts, Patty Burgers, Corned Beef, etc	Revenue	\$15.52mil
	Profit Margin	0.4%
	CAPEX	\$21.5mil
	OPEX	\$15.5mil
	Payback Period	4 <sup>th</sup> Year with at least B\$24mil initial investment

# Other Request for Proposals

Project	Area (Hectares)
1. Invest, Develop, Operate and Produce Dairy Goat Production and Its Value Added Processed Products In Tungku Agriculture Development Area: Agrotechnology Park (Site D), Brunei Darussalam	40 (Issued)
2. Invest, develop, operate and produce fruit production in Batang Mitus, Tutong, Brunei Darussalam	121 (Issued)
3. Invest, develop, operate and produce miscellaneous crops in Site A, Site B and Site C, Merangking, Belait, Brunei Darussalam	20ha for each site
4. Invest, develop, operate and produce fruit production in Merangking, Belait, Brunei Darussalam	120

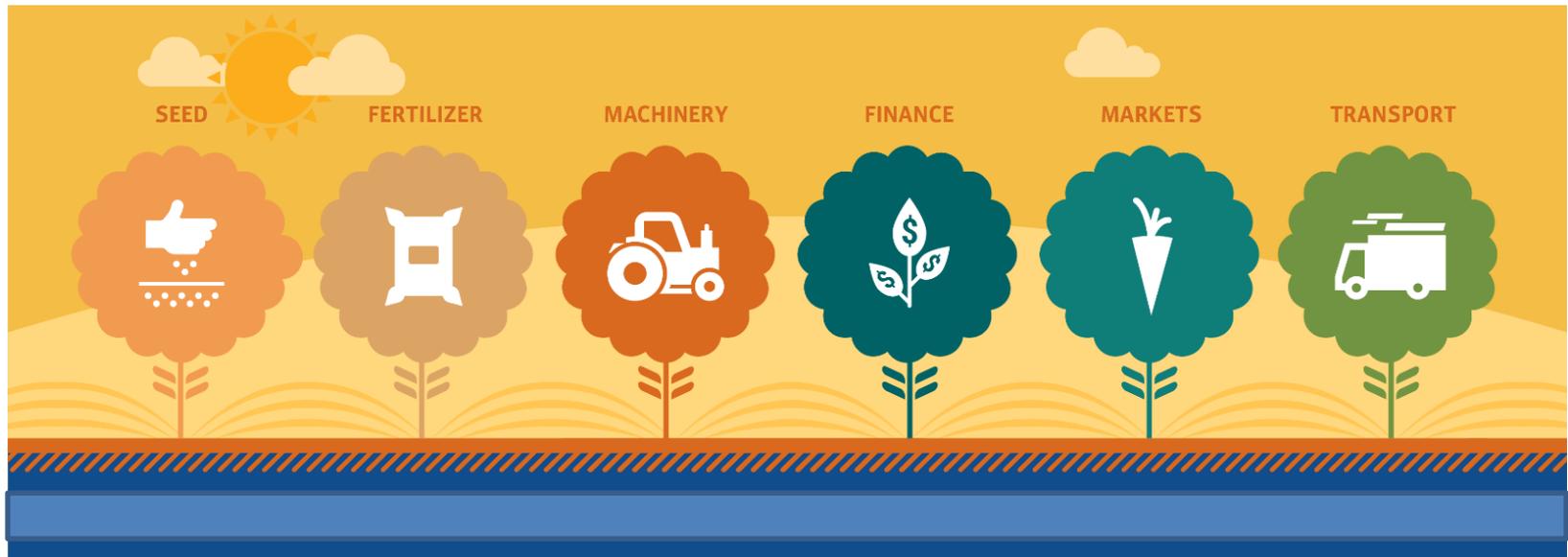
# Other Request for Proposal

Project	Area (Hectares)
5. Invest, develop, operate and produce paddy and its downstream products in Panchor Murai Paddy Area 'A', Brunei Darussalam	50 (advertised closing date 24 <sup>th</sup> Jan 2017)
6. Invest, develop, operate and produce paddy and its downstream products in Panchor Murai Paddy Area 'B', Brunei Darussalam	50 (advertised closing date 24 <sup>th</sup> Jan 2017)
7. Invest, develop, operate, maintain and produce mushroom spawn bags and fresh mushroom in Brunei Agriculture Research Centre (BARC), Kilanas	
8. Invest, Develop, Operate and Produce Beef and Its Downstream Products In Agriculture Development Area: Batang Mitus Livestock Area 'A', Tutong, Brunei Darussalam	75

# Other Request for Proposal

Project	Area (Hectares)
9. Invest, Develop, Operate and Produce Beef and Its Downstream Products In Agriculture Development Area: Batang Mitus Livestock Area 'B', Tutong, Brunei Darussalam	75
10. Invest, Develop, Operate and Produce Beef and Its Downstream Products In Agriculture Development Area: Batang Mitus Livestock Area 'C', Tutong, Brunei Darussalam	80.5
11. Invest, develop, operate and produce value-added products based on fruits and vegetables in Tungku, Brunei Darussalam	4
12. Invest, develop, operate and produce meat based agrifood products in Batang Mitus, Tutong, Brunei Darussalam	6.5

# Spin Off Opportunities In Agriculture



# Attributes and Support

- Clean and green image, disease-free status
- Disease surveillance/monitoring
- Efficient farm production methods in place i.e closed house system, Fertigation
- Government support i.e Export facilitation, Lab analysis Services, certifications, import permit etc.
- Technical advisory services i.e Good Manufacturing Practices and HACCP; food product labeling, GAP , IPM, etc.
- Addressing issues pertaining to quality and safety of food product
- Labor quota application
- Contract Farming negotiation

# RFP Application Process

- Tender invitation/ Request for proposal (RFP) of site advertised
  - Interested companies must register to RFP Secretariat by emailing [rfp@mprt.gov.bn](mailto:rfp@mprt.gov.bn)
  - RFP documents will be emailed to registered companies
  - Companies will be invited for Tender briefing & site visit
- Submission of RFP documents through Tender box located at Ground Floor, MPRT
- Evaluation of proposals
- Approval and Award

# Thank You



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