



## DIRECTIVES ON LOCAL BUSINESS DEVELOPMENT IN OIL & GAS INDUSTRY

As part of the efforts of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to ensure the sustainable development of capacities, capabilities, competencies and competitiveness of local contractors and suppliers to support the oil and gas industry within Brunei and provide a sound foundation for the pursuit of opportunities outside Brunei, Oil & Gas Operators and their Principal Contractors and Suppliers shall adopt the following in their contracting activities for goods and services, in order to pro-actively prevent monopolies/market domination which have as their object or effect the appreciable prevention, restriction or distortion of competition within Brunei.

There to, the Oil and Gas Operators and their Principal Contractors shall:

- i. Strive for a fair, level playing field and maintain a competitive environment, including but not limited to certain larger market segments, such as Offshore and Onshore Constructions & Maintenance Services;
- ii. Put in place mechanisms to prevent and discourage collusion, bid-rigging, price-fixing and other predatory behaviors towards competitors;
- iii. Award work by adhering to strictly set standard tender procedures, therewith avoiding awards based solely on trust or market domination; and
- iv. Ensure that proper measures and checks are in place to ensure that any sub-contracted activities are awarded in a competitive manner, with a particular scrutiny with regard to works being awarded to affiliates of Principal Contractors and Suppliers.

Provided, however, that neither of the above measures intend to impede initiatives undertaken by the Oil and Gas Operators and their Principal Contractors and Suppliers which aim to build and further strengthen sustainable local business development.

In support of the above measures, Oil & Gas Operators and their Principal Contractors and Suppliers shall put into place mechanisms to ensure compliance by confirming arrangement to achieve these.

The above measures will be reviewed from time to time.

Issued by:

A handwritten signature in black ink, appearing to read 'Hussein'.

Office of the Minister of Energy, Prime Minister's Office  
Bandar Seri Begawan, BRUNEI DARUSSALAM

Issued on: 07 April 2011