

# CSPS POLICY BRIEF

## CROSS-BORDER EXPENDITURE OF BRUNEIANS IN MIRI, SARAWAK

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### EXECUTIVE SUMMARY

This Policy Brief is based on a survey study which tries to understand (1) the levels of spending amongst Bruneian visitors in Miri, (2) the expenditure patterns of types of goods and services purchased by Bruneians visitors in Miri, and (3) reasons for such spending. The objective of the policy brief itself is to report on the survey findings of cross border expenditure of Bruneian visitors to Miri and to outline the main policy implications and recommendations.

A survey involving 594 groups of people coming back from their trips to Miri, through Sungai Tujuh Immigration Control Post, was conducted on two consecutive weekends from the end of August, 2014 just after payday.

Our survey findings show that Bruneians spend a total of B\$ 205.16 per group per trip, which corresponds to a total of B\$ 61.3 million a year. This estimated amount represents 1.4% of household final consumption expenditure in 2013. As it is quite a low figure comparatively, we argue that it is not a major policy concern by itself. It would seem that a large number of Bruneians are visiting Miri not just for shopping but as a preferred leisure and entertainment venue. There is a significant element of shopping for necessities in Miri especially amongst low income Bruneians.

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The main policy implications of this study include the need to improve the competitiveness of our local retail sector for more variety and price competitiveness of goods and services, encourage inward cross border shopping and tourism, improve our own leisure and entertainment provision to encourage Bruneians to spend their leisure time in Brunei itself, increase the liveability of the Belait district, better customs enforcement and a review of fiscal measures for importation of goods. Lastly, but perhaps more importantly, there is a need to revise social policy in Brunei in particular towards improving access to necessities for low income groups. Low income Bruneians are spending their income in Miri because they can buy more necessities, and this is an indication of the existence of poverty within the country. In this context, the increasing numbers of Bruneians going to Miri is often more a symptom of a social problem in Brunei itself, rather than the cause of the policy issue under review.