

Investment Environment in Myanmar

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Myanmar in Brief



Location:

Southeastern Asia,

Geographic coordinates:

22 00 N, 98 00 E

Area:

total: 678,500 sq km

land: 657,740 sq km

water: 20,760 sq km

Land boundaries:

total: 5,876 km

border countries: Bangladesh 193 km,
China 2,185 km, India 1,463 km, Laos
235 km, Thailand 1,800 km

The length of the coastline:

1,385 miles

Myanmar in Brief (Cont.)



Country's name :

The Republic of the Union of Myanmar

Capital:

Nay Pyi Taw

Population :

58 million

National people :

8

Ethnic group :

135

Religion:

Buddhism (89.3 %)

Christianity (5.6 %)

Islam (3.8 %)

Hinduism (0.5 %)

Animism (0.2%)

Myanmar in Brief (Cont.)

- ❑ The largest country in mainland South East Asia
- ❑ Location is geo-strategic, being situated at the tri-junction of South East Asia-South East Asia and East Asia
- ❑ Endowed with abundant natural resources
- ❑ A prime country for investments in the region



Myanmar in Brief (Cont.)

- ❑ Topography can roughly be divided into 3 parts: the Western Hills Region, the Central Valley Region and the Eastern Hills Region
- ❑ Has three seasons namely summer from March to May, rainy season from June to October and cold season from November to February



Background History of Japan-Myanmar Relations



- ❑ The relations of Japan and Myanmar have begun since 17 Century.
- ❑ According to the Diary of Missionary Manrike, in 1630, he met Japanese Christian soldiers who were serving the Rakhine King Thirithudhamma as bodyguards.
- ❑ Moreover, at the same time, Yamada Nagamasa's remaining followers (about 62 in all) in fleeing Siam took refuge in Kengtung in Northeast Myanmar.

(It was noted in a Japanese book entitled "A Country called Biruma" written by Takashi Suzuki who served as Ambassador of Japan in Myanmar from 1970 to 1974.)

Background History of Japan-Myanmar Relations (Cont.)



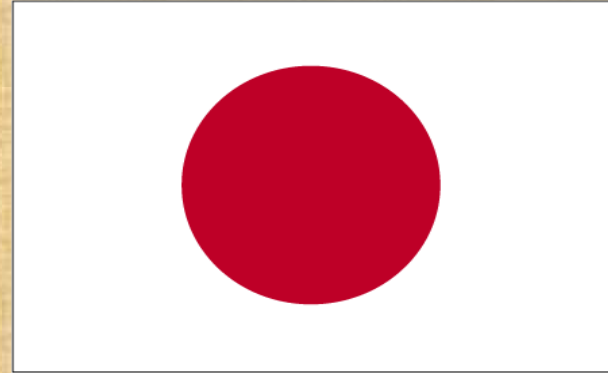
- ❑ Myanmar's Tatmadaw (Myanmar Army) was originated since the 30 comrades led by General Aung San underwent military training in Japan.
- ❑ In 1942, the 30 comrades came into Myanmar, together with Japanese and the Burma Independence Army (BIA) was formed.
- ❑ Then with the assistance of Japan, BIA had revolted against The British Imperialists and drove away them from the land of Myanmar.
- ❑ Japan played a critical role in the history of regaining Myanmar Independence.

Background History of Japan-Myanmar Relations (Cont.)



After World War II, in conducting the rehabilitation work in Myanmar, Japan gave much assistance to Myanmar.

Japan – Myanmar Relations



- ❑ Myanmar and Japan has related each other accord to history as well as in economy and there is also cooperation with organizations such as JETRO, JICA.
- ❑ Diplomatic relations of Japan and Myanmar was established in November 1954.

Trade Relations between Japan and Myanmar

Trade between Japan and Myanmar

No	Fiscal Year	Export	Import	Trade Volume
1	2007-2008	185.863	242.957	428.820
2	2008-2009	268.805	165.982	434.787
3	2009-2010	177.565	260.113	437.678
4	2010-2011	237.434	256.346	493.779
5	2011-2012 (End of April)	21.846	12.134	33.980

Trade Relations between Japan and Myanmar (Cont.)



- ❑ The major exports to Japan from Myanmar are garment, prawn, sesame, Matpe (Black Gram Bean), jewellery, butter bean, green mung bean, fish, minerals and ore.



- ❑ The major imports to Myanmar from Japan are motor vehicles and spare parts, tin and steel products, engines, materials for power supply, plastic raw materials, and synthetic cotton.

Trend of Myanmar's Economy

- ❑ The first sessions of Parliaments was convened on 31st January 2011 and successfully concluded on 30th March 2011.
- ❑ The new Government has been emerged democratically in the way of conclusion of Parliaments session .
- ❑ Market economic system will be practised according to the constitution.
- ❑ Changing measures are proceeding commensurate with new political system.
- ❑ Four economic objectives have been laid down by the Government.

Four Economic Objectives

- ❑ Building of modern industrialized nation through the agricultural development, and all-round development of other sectors of the economy
- ❑ Proper evolution of the market-oriented economic system
- ❑ Development of the economy inviting participation in terms of technical know-how and investment from sources inside the country and abroad
- ❑ The initiative to shape the national economy must be kept in the hands of the State and national peoples

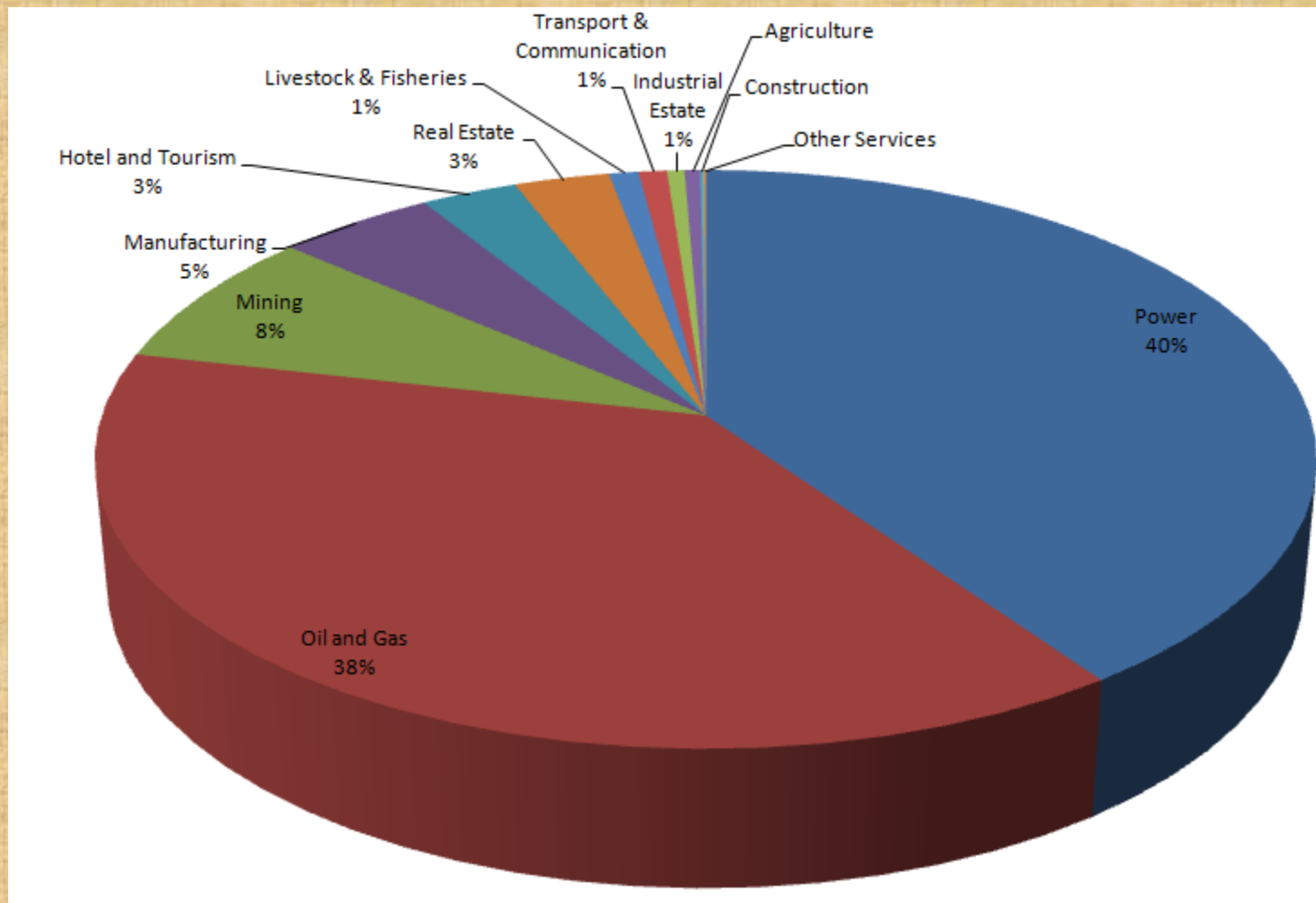
Investments in Myanmar

Table (2) Foreign Investment of Permitted Enterprises as of (31/5/2011)
(By Sector)

(US\$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	Power	4	14529.742	40.28
2	Oil and Gas	104	13815.375	38.30
3	Mining	64	2794.463	7.75
4	Manufacturing	159	1742.947	4.83
5	Hotel and Tourism	45	1064.811	2.95
6	Real Estate	19	1056.453	2.93
7	Livestock & Fisheries	25	324.358	0.90
8	Transport & Communication	16	313.272	0.87
9	Industrial Estate	3	193.113	0.54
10	Agriculture	7	173.101	0.48
11	Construction	2	37.767	0.10
12	Other Services	6	23.686	0.07
Total		454	36069.088	100.00

Investments in Myanmar



Investments in Myanmar (Cont.)

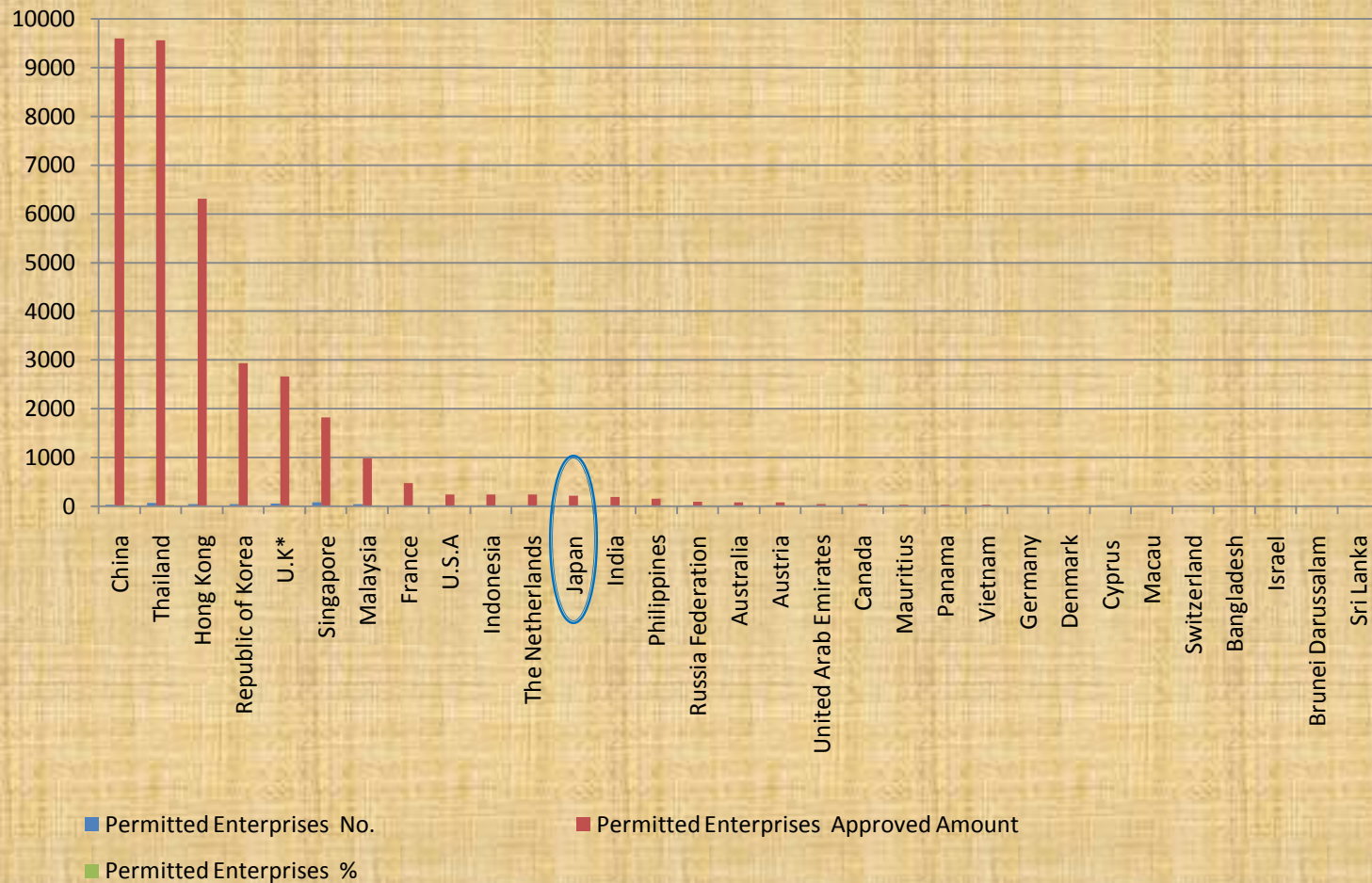
(By Country)

(US\$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	China	32	9603.168	26.62
2	Thailand	61	9568.093	26.53
3	Hong Kong	38	6308.495	17.49
4	Republic of Korea	47	2930.217	8.12
5	U.K*	51	2659.954	7.37
6	Singapore	74	1818.613	5.04
7	Malaysia	38	975.097	2.70
8	France	2	469.000	1.30
9	U.S.A	15	243.565	0.68
10	Indonesia	12	241.497	0.67
11	The Netherlands	5	238.835	0.66
12	Japan	22	211.902	0.59
13	India	5	189.000	0.52
14	Philippines	2	146.667	0.41
15	Russia Federation	2	94.000	0.26
16	Australia	14	82.080	0.23
17	Austria	2	72.500	0.20
18	United Arab Emirates	1	41.000	0.11
19	Canada	14	39.781	0.11
20	Mauritius	2	30.575	0.08
21	Panama	1	29.101	0.08
22	Vietnam	2	23.649	0.07
23	Germany	2	17.500	0.05
24	Denmark	1	13.370	0.04
25	Cyprus	1	5.250	0.01
26	Macau	2	4.400	0.01
27	Switzerland	1	3.382	0.01
28	Bangladesh	2	2.957	0.01
29	Israel	1	2.400	0.01
30	Brunei Darussalam	1	2.040	0.01
31	Sri Lanka	1	1.000	0.00
Total		454	36069.088	100.00

*Inclusive of enterprises incorporated in British Virgin Islands, Bermuda Islands and Cayman Islands.

Investments in Myanmar (Cont.)



Japan's Investment in Myanmar

(By Country)

(US\$ in Million)

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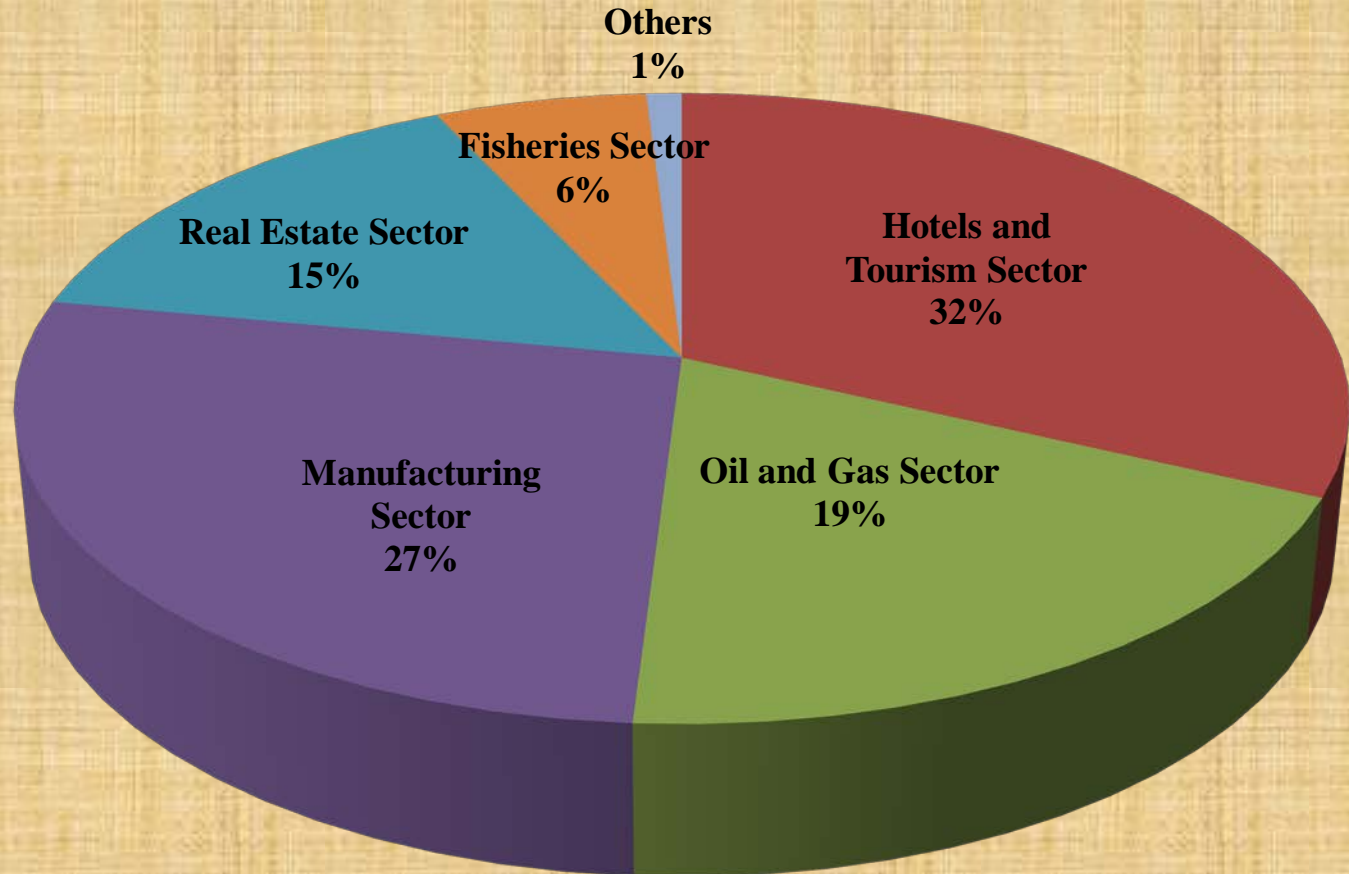
Japan's Investment in Myanmar (Cont.)

Foreign Investment of Permitted Japanese Enterprises (As of May 31, 2011)

Sr. No.	Particular	No. of Enterprises	Approved Amount (US\$ in million)
1	Livestock & Fisheries Sector	3	13.972
2	Manufacturing Sector	12	56.651
3	Oil and Gas Sector	1	40.000
4	Hotel and Tourism Sector	3	68.000
5	Real Estate	1	31.313
6	Others	2	1.966
Total		22	211.902



Japan's Investment in Myanmar (Cont.)



Investment Laws of Myanmar

- ❑ **The Union of Myanmar Foreign Investment Law (FIL)** was enacted on 30 November 1988, to induce foreign direct investment together with technology and also to mobilize its natural resources in accordance with the market economic system.
- ❑ **The Union of Myanmar Special Economic Zone Law** was enacted in January 2011
- ❑ **The Dawei Special Economic Zone Law** was also enacted in January 2011 subsequently.



Investment Laws of Myanmar (Cont.)

One – Stop Service

- ❑ Setting up of One Stop Service for investment measure is under forming process. However, MIC always provides necessary assistance to the investors, coordinating with the respective Ministries and Organizations for investment facilitation.
- ❑ MIC also provides solution by coordinating with the respective Ministries if the permitted enterprises face any problem or difficulty in their business operation.

Investment Laws of Myanmar (Cont.)

Investment Promotion and Protection Agreement

❑ Myanmar has signed investment promotion and protection agreement with Philippines, Vietnam, China, Lao PDR, India, Thailand and Kuwait.

What Myanmar?

The emergence of new government paves the way to facilitation and promotion of investment in Myanmar

- ❑ Constitution 2008 clearly states that Myanmar will practise Market Economic System
- ❑ Amending existing laws, regulations and procedures, enacting new laws to be in accord with current political change is being processed
- ❑ Adoption of government's economic objectives, one of which “*Development of the economy inviting participation in terms of technical know-how and investments from sources inside the country and abroad*” ensures the favourable atmosphere for investments
- ❑ Industrialization is one of the key priorities of the new Government
- ❑ Formation of new Myanmar Investment Commission which will streamline formalities and simplify procedures

What Myanmar (cont)

Excerpt from the Statement of President U Thein Sein on 30 March 2011

“ We have to ensure proper market economy designed to reduce the economic gap between the rich and the poor, and development gap between urban and rural areas. We will attract foreign investments and establish special economic zones to create jobs and technical know-how and we will provide assistance to national entrepreneurs for development of their industries and boost productivity”

Why Myanmar?

- ❑ Making investment in Myanmar will not only help the economic development of Myanmar but it will also strengthen existing friendship
- ❑ The economic development of Myanmar will speed up the democratization process of the new Government
- ❑ A unique country endowed with natural and human resources which guarantees the benefit to investors
- ❑ An emerging place to bridge investors and global market

What Myanmar wants you to do?

☐ Come

☐ See

☐ Decide

Conclusion

- ✓ Myanmar's potential with regard to trade and investment is enormous.
- ✓ Myanmar is endeavouring dynamically for the development of its economy.
- ✓ Therefore, in the near future, Myanmar will be the biggest treasury land for the investors.



Thank You

