

# INVEST IN MYANMAR CHALLENGES ARE ALSO OPPORTUNITY

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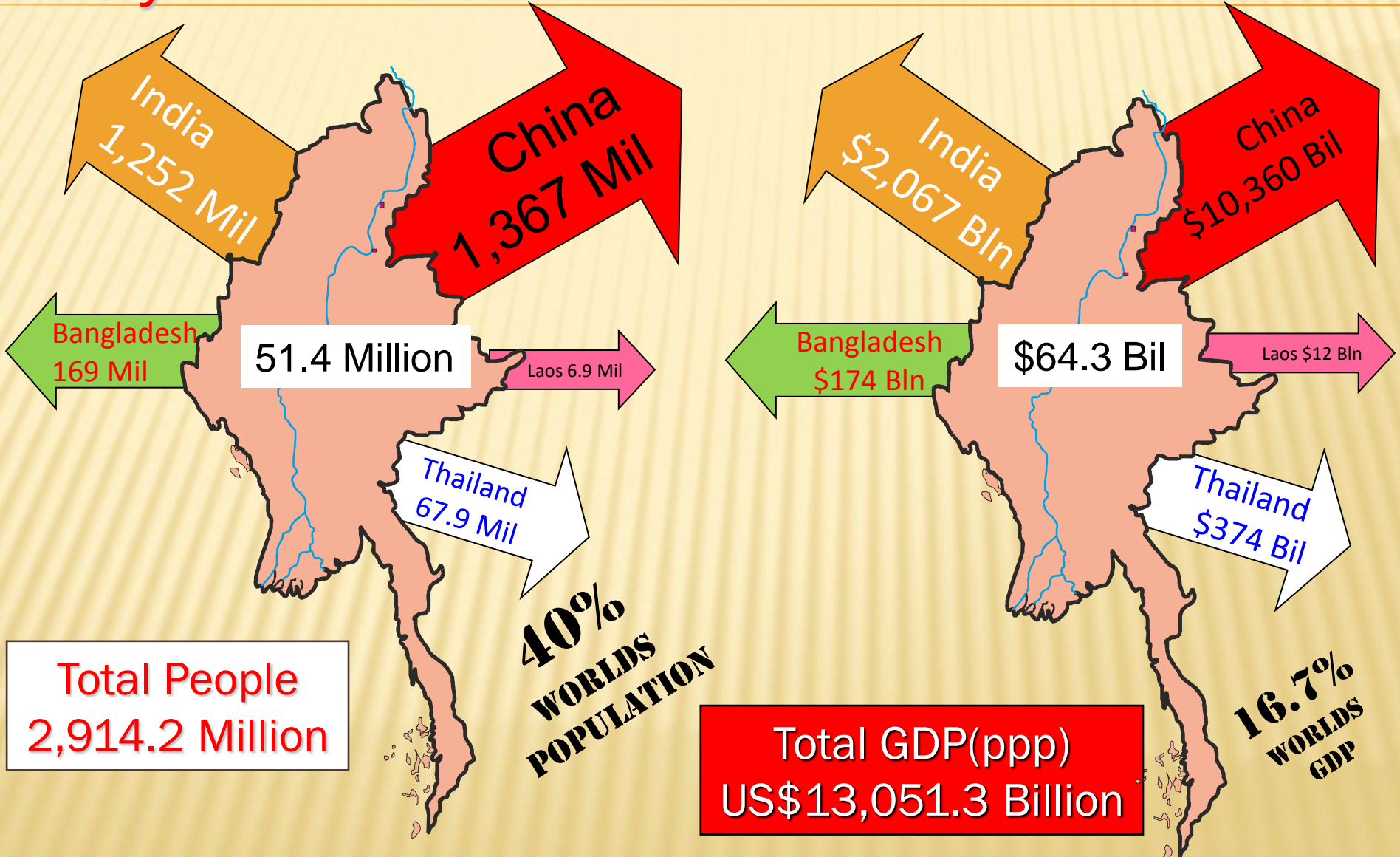
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# MYANMAR- AN INTRODUCTION TO THE GOLDEN LAND



Population (2014)	51.4 Million
GDP	\$56.8 Billion
GDP Growth Rate	8.7% (2014)
Balance of Payment (2013-2014)	
Exports (US\$, fob)	\$12.2 Billion
Imports (US\$, cif)	\$14.8 Billion
Trade Balance (US\$, 2014)	(\$ 2.6 Billion) Deficit

# Myanmar is one of the Junction Hubs



## FOREIGN TRADE-TOTAL & NORMAL VS BORDER TRADE

US\$ Million

Financial Year	Total Trade	Exports	Imports
2013-2014	24,963.5	11,204.0	13,759.5
2014-2015	29156.9	12523.7	16633.1
2015-2016	27714.8	11136.9	16577.9

Financial Year	Total Trade	Exports			Imports		
		Total	Normal	Border	Total	Normal	Border
2013-2014	24,963.5	11,204.0	8442.8	2761.2	13,759.5	11,932.6	1,826.9
2014-2015	29156.8	12523.7	8230.7	4293.0	16633.1	14139.0	2494.1
2015-2016	27714.8	11136.9	6587.9	4548.9	16577.9	13973.0	2605.0

Source: Customs Department

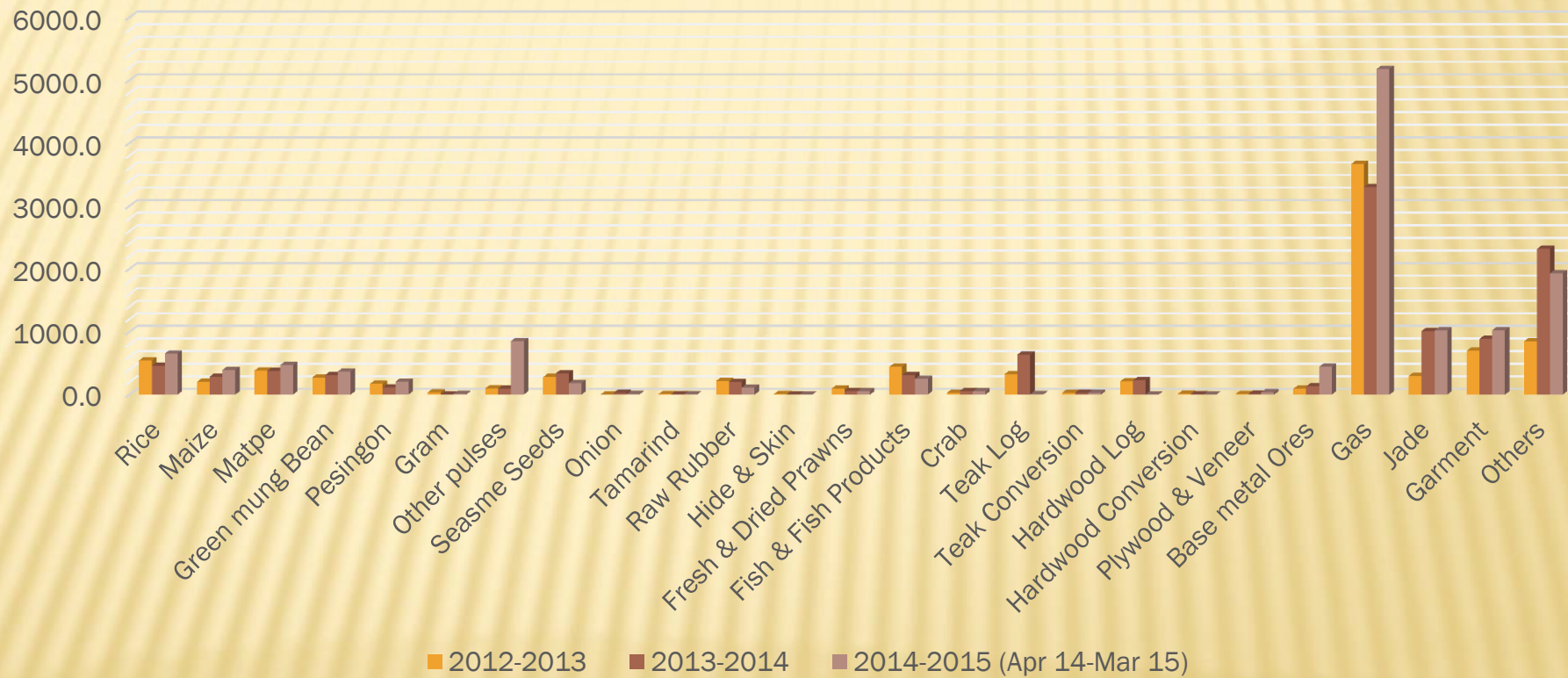
# FOREIGN TRADE-MAJOR TRADING PARTNERS

US\$ Million

FY	Thailand		China		Japan		India	
	Export	Import	Export	Import	Export	Import	Export	Import
2013-2014	4306.28	1376.99	2910.75	4105.49	513.25	1296.2	1143.59	493.51
2014-2015	4032.0	1362.5	4692.4	5019.6	5910.5	7352.1	745.8	594.7
2015-2016	2893.1	1972.9	4597.1	6395.4	5538.8	8308.4	904.2	807.4

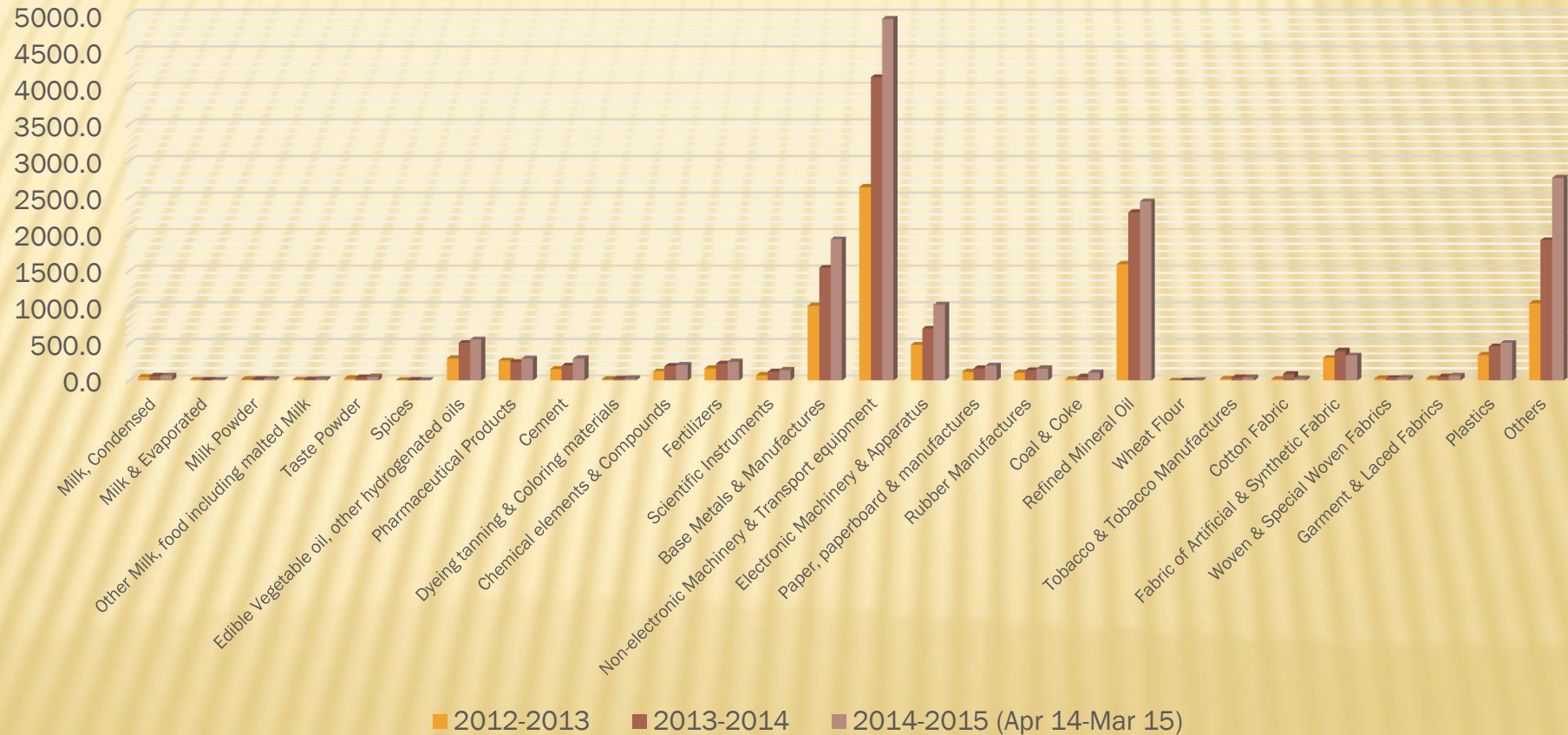
# Export by Commodity Type

## Export by Commodity Type (US\$ Million)



# IMPORT BY COMMODITY TYPE

## Import by Commodity Type (US\$ Million)



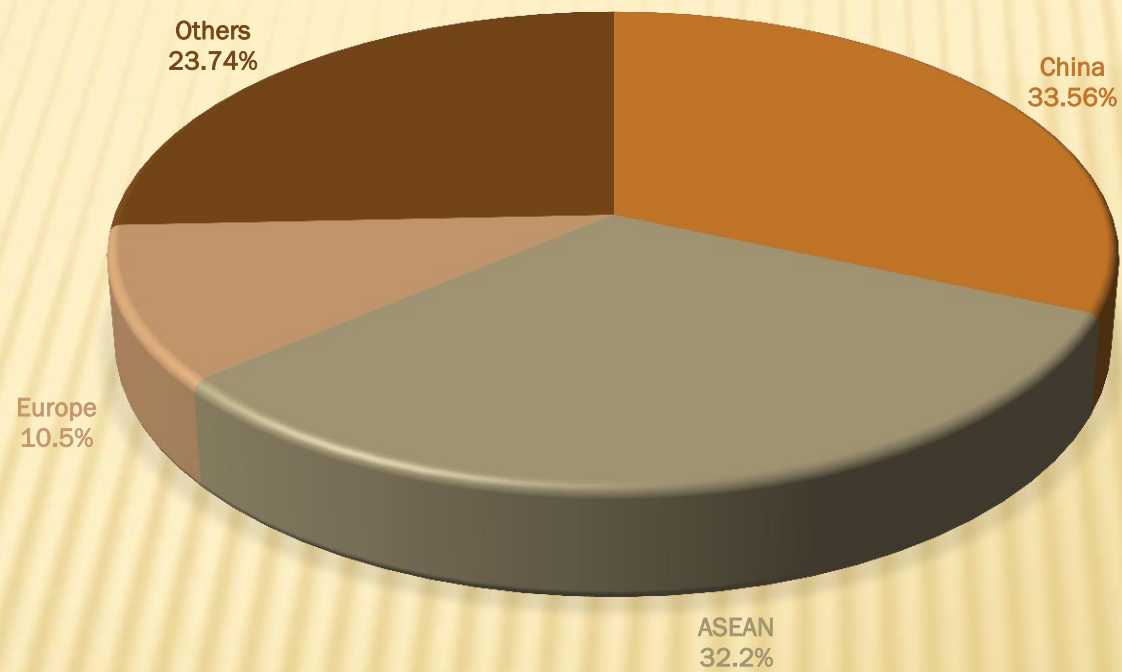
# EXISTING FOREIGN INVESTMENTS (AS OF MAY 2016)

Sr. No.	Particulars	Existing Enterprises		
		No.	Approved Amount	%
1	China	107	17927.927	33.56
2	Singapore	173	12729.231	23.82
3	Hong Kong	107	7254.902	13.58
4	U.K *	49	3423.483	6.41
5	Republic of Korea	113	3417.019	6.40
6	Thailand	57	3364.558	6.30
7	Malaysia	28	1313.669	2.46
8	The Netherlands	11	755.066	1.41
9	India	22	728.149	1.36
10	Vietnam	11	693.262	1.30
11	France	3	537.610	1.01
12	Japan	75	528.832	0.99
13	Canada	5	157.603	0.29
14	Russia Federation	2	94.000	0.18
15	Republic of Liberia**	4	79.201	0.15
16	Brunei Darussalam	17	73.627	0.14
17	Australia	4	53.248	0.10
18	Luxembourg	3	45.750	0.09
19	Mauritius	3	39.584	0.07
20	Indonesia	4	35.390	0.07
21	Samoa	3	30.664	0.06
22	Switzerland	3	28.695	0.05
23	Panama	1	26.000	0.05
24	Taiwan	8	14.542	0.03
25	Sweden	1	14.300	0.03
26	Norway	1	11.800	0.02
27	Philippines	2	7.173	0.01
28	New Zealand	1	6.950	0.01
29	United Arab Emirates	2	6.192	0.01
30	Germany	2	6.100	0.01

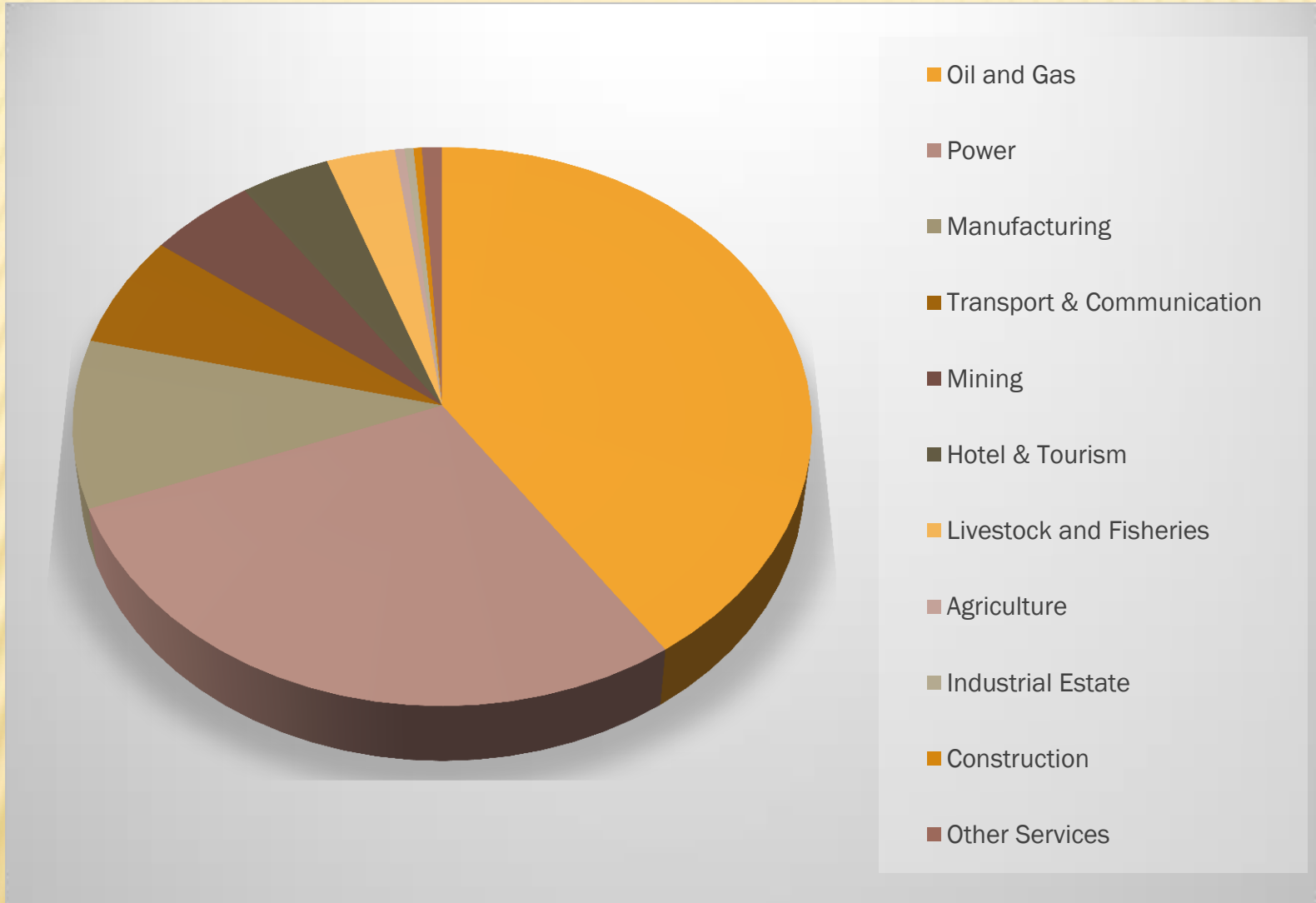
Sr. No.	Particulars	Existing Enterprises		
		No.	Approved Amount	%
31	U.S.A	2	4.651	0.01
32	Qatar	1	4.500	0.01
33	Republic of the Marshall Island	1	4.499	0.01
34	Bangladesh	1	2.320	0.00
35	Seychelles	1	1.320	0.00
36	South Africa	1	1.309	0.00
37	Sri Lanka	1	1.250	0.00
38	Cook Islands	1	1.150	0.00
39	Austria	1	1.000	0.00
40	Laos	1	0.883	0.00
41	Afghanistan	1	0.653	0.00
<b>Total</b>		<b>834</b>	<b>53428.099</b>	<b>100.00</b>



# SHARE OF INVESTMENTS IN MYANMAR



# FDI IN MYANMAR - SECTORS



# MYANMAR'S DRIVE TOWARDS INDUSTRIAL DEVELOPMENT: ECONOMIC POLICIES

## Myanmar's Economic Policies

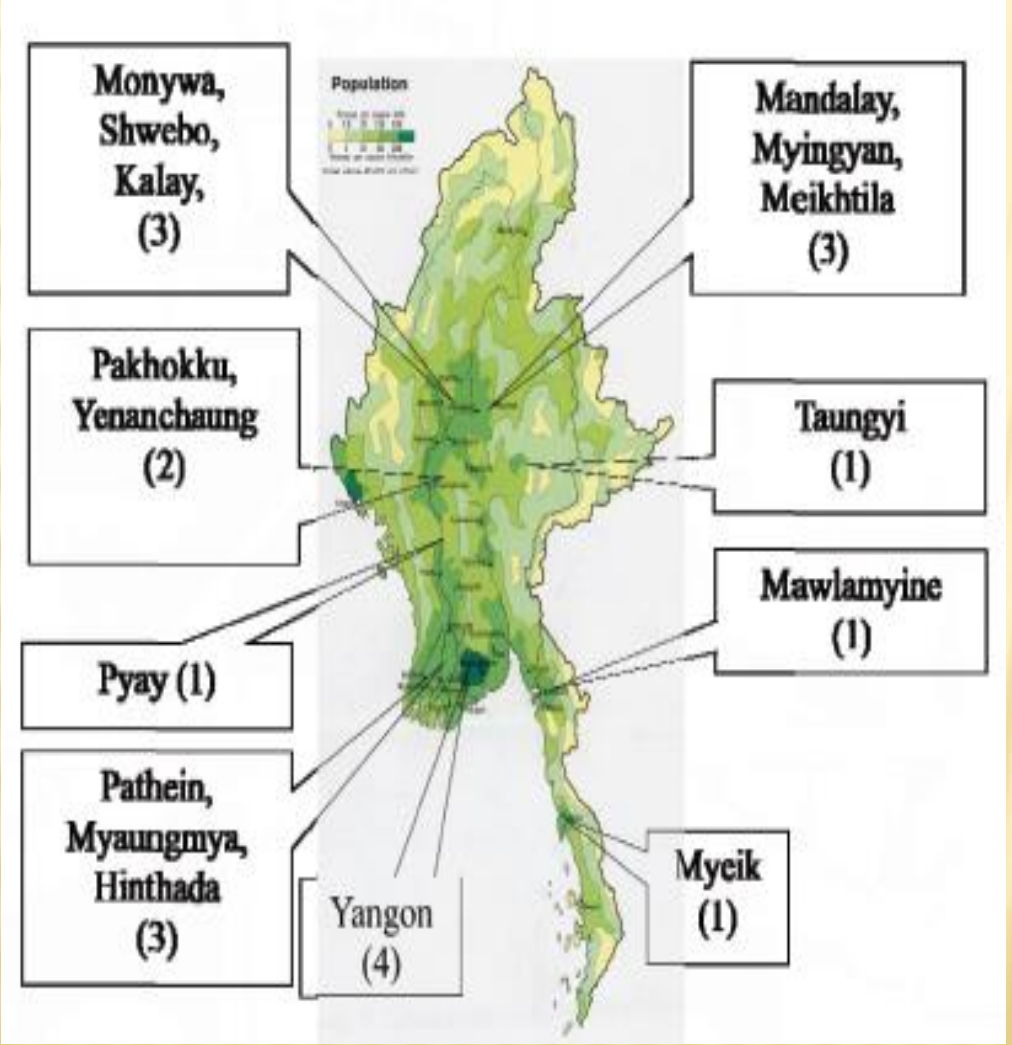
Sustaining  
Agriculture  
towards  
Industrialization  
and All round  
Development

Proportionate  
development  
among States and  
Regions

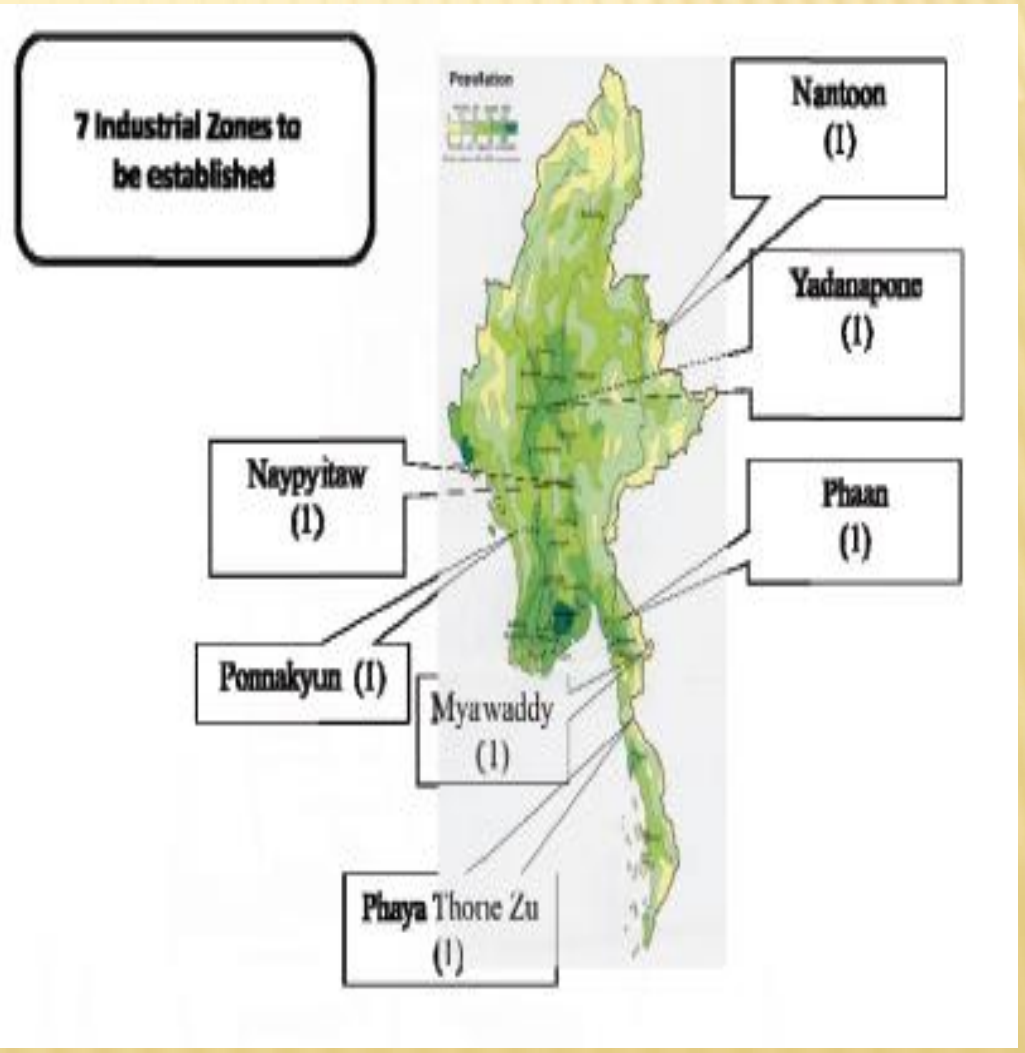
Inclusive growth  
for entire  
population

correctness of  
statistics and  
statistical systems

# Existing Industrial Zones in Myanmar



# New Industrial Zones to be Established



# INDUSTRIAL PARKS-ACHIEVING FULL POTENTIAL

- ✘ Only Mingalardon Industrial Zone is developed with intention of attracting FDI, with infrastructure meeting international standards.
- ✘ Infrastructural needs; road, electricity, utilities, telecommunication & waste management facilities are major necessities for development of Industrial Zones.
  - + Effective Public-Private Partnerships to develop Infrastructure needs is necessary.
  - + Encourage international partners' collaboration through ODA and BOT schemes in infrastructural development.
- ✘ Strategically locating and clustering industrial sectors for greater synergy and development.

# MYANMAR: POTENTIAL FUTURE LOGISTICS HUB OF SOUTH-EAST ASIA (ROLE OF SPECIAL ECONOMIC ZONES)

## Supporting Regulations for Special Economic Zones

27-1-2011:  
Special  
Economic  
Zone Law

27-1-2011:  
Dawei Special  
Economic  
Zone Law

23-1-2014:  
Special  
Economic  
Zone Law

### Dawei SEZ

- Dawei District, Tanintharyi Region

### Thilawa SEZ

- Thanlyin-kyauktan Township, Yangon Region

### Kyauk Phyu SEZ

- Kyaukphyu Township, Rakhine State



# Forms of Investment



## 100 % Foreign owned

It is contributed 100% owned by the foreigner expect for the business prescribed with the notification issued by the MIC



## A Citizen, a Citizen company or Concerned Government Organization

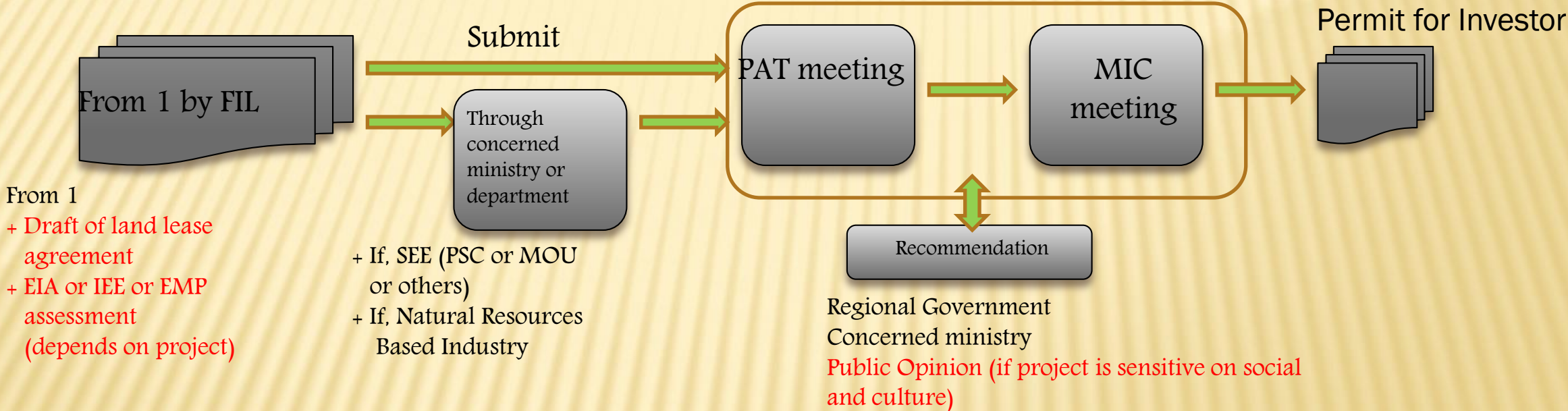
Joint Venture system with the local partner by the agreement between the two parties



## Any System Included in the Mutually Agreed Contract

It will be cooperation system between government and private including BOT system, BTO system

# Process to issue MIC Permit



Within **15 Days** PAT will reply to investor whether project is acceptable or not.

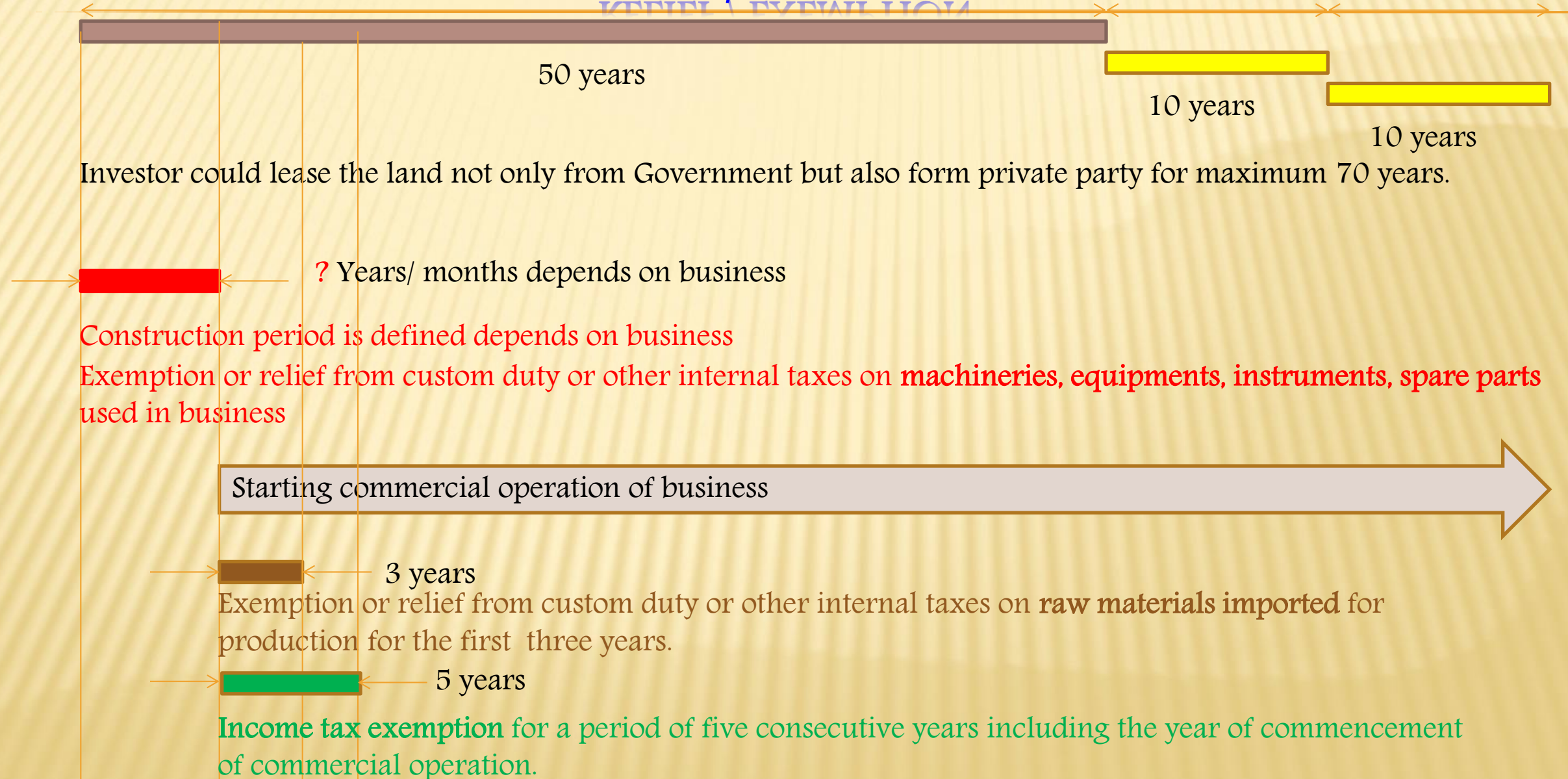


Within **90 Days** MIC will grant permit to investor.





# LAND LEASE PERIOD UNDER MIC AND ENJOYMENT OF DUTY & TAXES RELIEF / EXEMPTION



# INCENTIVES FOR SEZ

Particulars	Free Zone( 75 % must be exported)	Promotion Zone(Tax rebates on export)
Income Tax Relief	1 <sup>st</sup> seven years	1 <sup>st</sup> five years
	2 <sup>nd</sup> five years- 50 %	2 <sup>nd</sup> five years-50%
Income Tax Relief if profits reinvestment	3 <sup>rd</sup> five years-50 %	3 <sup>rd</sup> five years-50%
Exemption from custom duties and other tax	Raw materials, Equipment (Full)	Equipment 1 <sup>st</sup> five years and 2 <sup>nd</sup> five years -50%
One Stop Service Centre	Serves for company incorporation, immigration, import/import license, taxes and duty exemption/relief, labour certificate, environmental conservation and prevention plan, building permit, factory operation certificate and others ...	

## Obligations relating to employment

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- Appoint Citizens employees, technicians and service personnel for skilled businesses as follows :

First 2 years            25%

Second 2 years        50%

Third 2 years          75%

- Unskilled labor must be Myanmar Citizen only
- Minimum Wage 3600Kyats(about 3 USD)/Day (8hours working time)

# Protection for Foreign Investment

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- ▶ **Dispute settlement mechanism**

- ▶ **State guarantee**

  - No nationalization

  - No termination during the permitted period

- ▶ **Right to transfer & repatriation**

# OPPORTUNITIES FOR INVESTMENT COOPERATION

- ✘ Investments in infrastructural development are welcome
  - + Investments in power generation and transport infrastructure development are encouraged.
  - + Participation in ODA schemes, BOT and PPP programs are encouraged.
- ✘ Cooperation opportunities allowing Myanmar's businesses, especially SMEs, to participate in regional & international supply chains through International partnership.
- ✘ Investment in SEZ are encouraged.



# CONCLUSION

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- ✘ Taipei Economic and Culture Office in Myanmar had opened in Yangon (March 28<sup>th</sup> , 2016)
- ✘ Myanmar Trade Office (Taipei) had open in Taipei (June 22<sup>nd</sup> , 2015)
- ✘ Two Commerce Ministries agreed to held Myanmar-Taiwan DG Level Dialogue for Trade & Investment promotion annually at Sep 2015 in Nay Pyi Taw
- ✘ Staff from MOEA will go to Yangon to serve as a commercial secretary of TECO in this month
- ✘ Brand bank of E Commercial bank will open in Yangon soon
- ✘ Ten Taiwan banks open representative offices in Yangon

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Myanmar Trade Office

**THANK YOU**