

Investment Policy Reform in Myanmar

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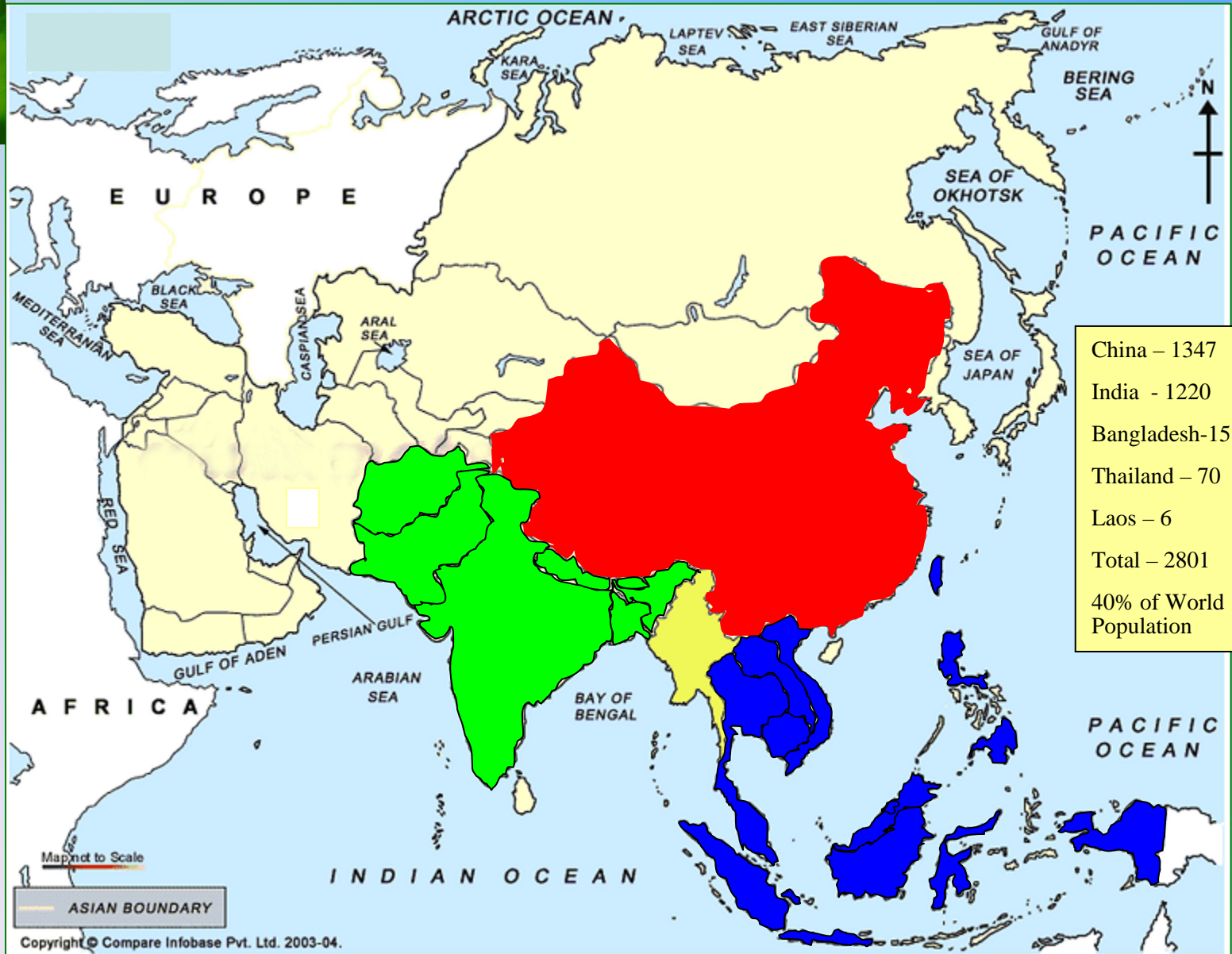
Outline



- ☐ Myanmar in brief
- ☐ Investment in Myanmar
- ☐ Change in progress
- ☐ Reforms
- ☐ Challenges
- ☐ Conclusion

Highlight of Myanmar

Strategic Geographic Location



Highlight of Myanmar

Rich in Natural Resources



10th largest resources of natural gas in the world,
over 90 trillion cubic feet



Expansive forest which covers half of total area of the country,
exports 80% of world teak supply

Fertile land for agriculture which amounts 19.3 million hectares
arable land and out of these, over 6 million hectares
have not yet been exploited



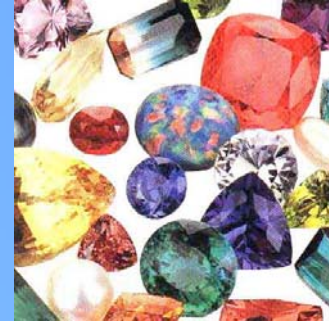
Fishery resources currently being used is less than 60% of
sustainable yield, potential of 1.05 million MT of
fish and fishery product

Highlight of Myanmar

Rich in Natural Resources



Abundance of precious gem stone such as ruby, sapphire, jade and diamond. Ruby accounts for 90% of world supply and the largest jade resource country in the world.



Has gold deposit across the country



Copper is the largest export of mining product



Others mining product such as silver, lead, tin, tungsten and antimony deposit are widespread in the country



Highlight of Myanmar

Modest Human Resource



- Over 60 million population with working age of 37.35 million, 62.25% of total population
- Over 91% of population is literate which is highest in the region
- Much of Myanmar's intellectual speaks English
- Relatively low wage



Highlight of Myanmar

Picturesque Landscape as Potential for Tourism



- ❏ The only country which has snow-caped mountains in South East Asia



- ❏ Rich in cultural and religious heritage



- ❏ A unique country of diversity



- ❏ Pristine beaches along its 3000 km costal line



Investment in Myanmar



- ▶ **The Union of Myanmar Foreign Investment Law (FIL)** was enacted on 30 November 1988 and the parliament has approved a new foreign investment law on 2nd November 2012.
- ▶ **The Special Economic Zone Law** was also enacted in January 2011 and is now proceeding for amendment.
- ▶ **The Dawei Special Economic Zone Law** was also enacted in January 2011.



Investments in Myanmar



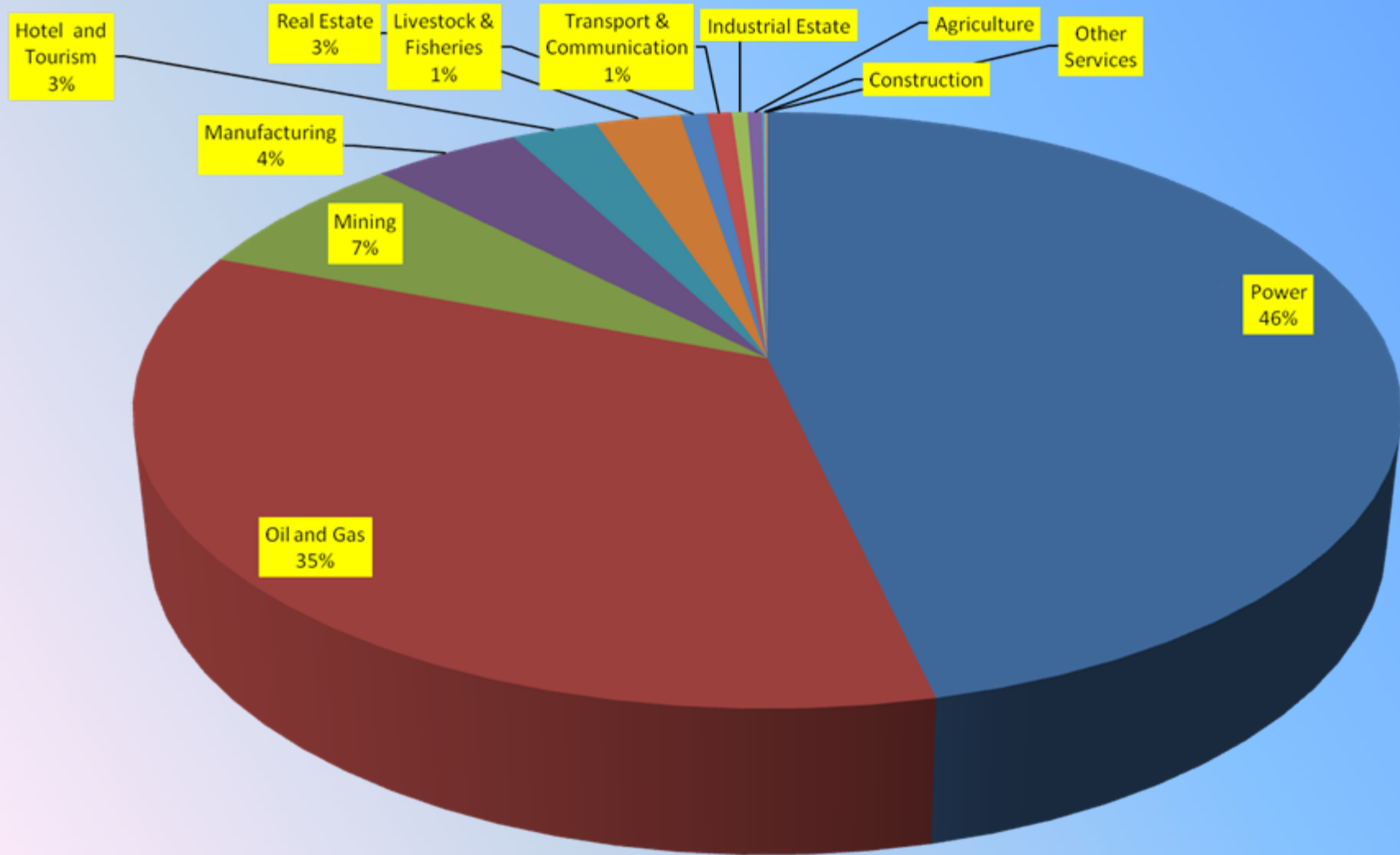
Foreign Investment of Permitted Enterprises as of (31/10/2012) (By Sector)

(US\$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	Power	5	19067.498	46.40
2	Oil and Gas	113	14181.972	34.51
3	Mining	66	2814.360	6.85
4	Manufacturing	179	1830.131	4.45
5	Hotel and Tourism	45	1064.811	2.59
6	Real Estate	19	1056.453	2.57
7	Livestock & Fisheries	25	324.358	0.79
8	Transport & Communication	16	313.906	0.76
9	Industrial Estate	3	193.113	0.47
10	Agriculture	9	182.751	0.44
11	Construction	2	37.767	0.09
12	Other Services	6	23.686	0.06
	Total	488	41090.806	100.00



Investments in Myanmar





Investments in Myanmar



Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	China	34	14142.674	34.42
2	Thailand	61	9568.093	23.29
3	Hong Kong	40	6371.495	15.51
4	Republic of Korea	55	2963.104	7.21
5	U.K *	54	2799.185	6.81
6	Singapore	76	1852.224	4.51
7	Malaysia	43	1031.285	2.51
8	France	2	469.000	1.14
9	U.S.A	15	243.565	0.59
10	Indonesia	12	241.497	0.59
11	The Netherlands	5	238.835	0.58
12	Japan	25	216.940	0.53
13	India	8	273.500	0.67
14	Philippine	2	146.667	0.36
15	Russia Federation	2	94.000	0.23
16	Australia	14	82.080	0.20
17	Austria	2	72.500	0.18
18	Panama	2	55.101	0.13
19	Viet Nam	4	49.796	0.12
20	United Arab Emirates	1	41.000	0.10
21	Canada	15	40.791	0.10
22	Mauritius	2	30.575	0.07
23	Germany	2	17.500	0.04
24	Republic of Liberia**	2	14.600	0.04
25	Denmark	1	13.370	0.03
26	Cyprus	1	5.250	0.01
27	Macau	2	4.400	0.01
28	Switzerland	1	3.382	0.01
29	Bangladesh	2	2.957	0.01
30	Israel	1	2.400	0.01
31	Brunei Darussalam	1	2.040	0.00
32	Sri Lanka	1	1.000	0.00
	Total	488	41090.806	100.00

Reforms



First Phase

- ➡ *Focused on politic*
 - National Reconsolidation
 - Peace and Stability
 - Freedom of Media

Second Phase

- ➡ *Focusing on Economic Development*
 - Invite more FDI
 - Change of Trade Policy
 - Monetary & Finance Policy
 - Conduct National Workshops in various economic sectors

Vision

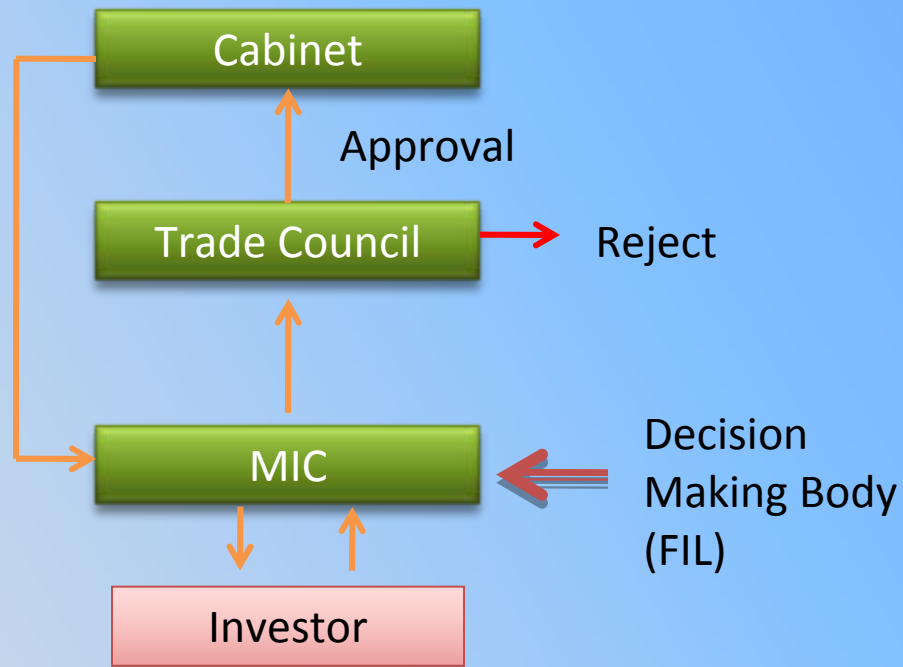
- ➡ *To be a modernized, developed industrialize nation*
- ➡ *More reforms*



What we did wrong!

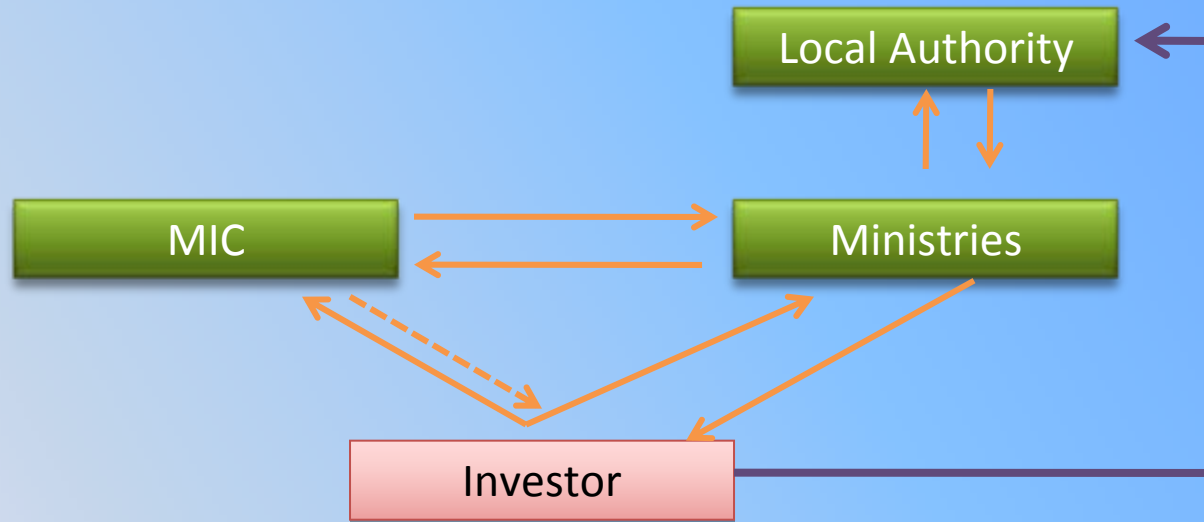


Duplication of Control Measure



What we did wrong!

Complex Procedures and Frequent Policy Changes





What we did wrong!



Unprotected Investment Guarantee

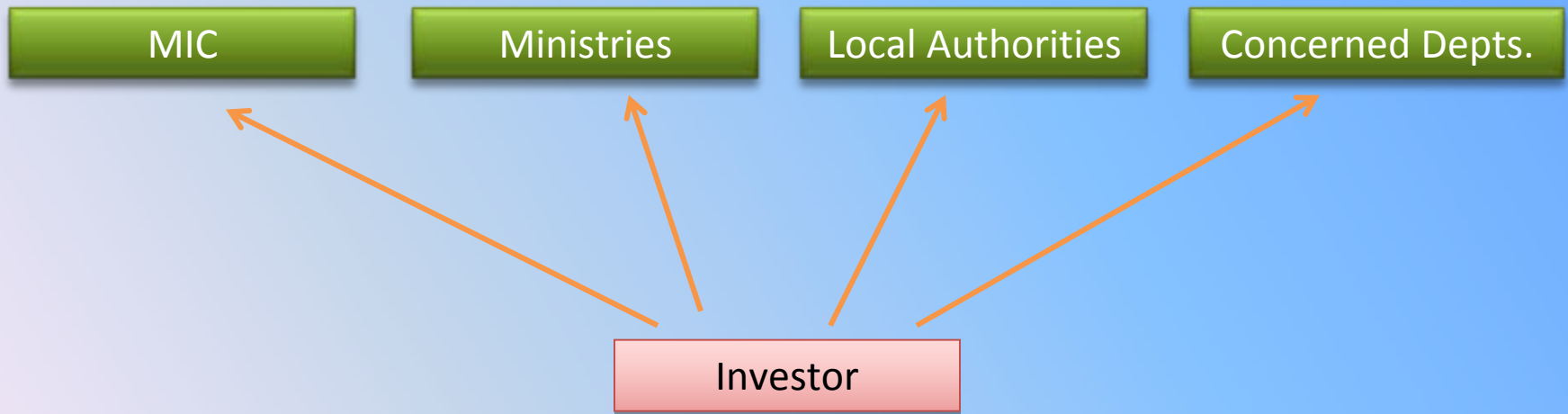
- ❑ Some investment permits were terminated
 - at the time of commercial operation
 - after the completion of construction
 - without any justification



What we did wrong!



Multiple Windows





What we did wrong!



Weaknesses of FIL

- ☐ Calculation of Capital Brought in by official exchange rate
- ☐ Export oriented
- ☐ Lack of Dispute Settlement Mechanism
- ☐ No description on land use policy
- ☐ Less protection



What we have done!



- ☐ Reorganization of MIC
- ☐ Release of Notifications
- ☐ Simplification of procedures
- ☐ Formation of Coordination Team
- ☐ Streamlining of process
- ☐ Promulgation of New Foreign Investment Law
- ☐ Amendment of SEZ Laws



Challenges



Requirement of Technical Assistance in

- ☐ policy making
- ☐ investment climate assessment
- ☐ IT
- ☐ capacity building

