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1. Weekly Key Financial & Business News
Weekly Key Financial & Business News

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- Myanmar to try growing, exporting more coffee as alternative to opium
- Education, banking and energy pitched to investors in London
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Weekly Key Financial & Business News

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Advancing in ease of doing business index involves effective communication, says official

25 March 2019

Myanmar is trying hard to elevate its rank on the World Bank’s ease of doing business index, aiming to significantly improve its current rank of 171 out of 190 countries, by 2020.

But challenges abound, government officials told the business community at a meeting at the Union of Myanmar Chamber of Commerce and Industry earlier this month. Among them is the need to effectively communicate actual progress made to the public. Myanmar was first included on the World Bank’s index in 2014 and since then, the ease of doing index has been an important benchmark for existing businesses looking to expand as well as potential foreign investors nulling entry into Myanmar. In the course of improving things, the Private Sector Development Committee led by Vice President U Myint Swe has been providing necessary guidance and coordination while various reforms are under way in many relevant government departments. Each department was given instructions to improve three things based on the ten criteria for advancing in the index. So far, up to 28 reforms have been carried out or prepared, said U Aung Soe, secretary of the Committee for Ease of Doing Business Ranking Improvement.

These include reducing red tape on official matters and simplifying procedures at government offices such as in starting a business, applying for construction permits, getting electricity and paying taxes. Among the most significant reforms is the enforcement of the Myanmar Companies Law, which brought about the launch of an online company registration facility – MyCo. “The process of registering a new business is now much more convenient on the digital platform,” one businessman said. Meanwhile, an Insolvency Act and Transaction Security Law is being discussed in Parliament and new document registration rules are being written and procedures more from manual to computerised systems, director at the Department of Agricultural Land Management and Statistics.

Source: Myanmar Times

Myanmar to try growing, exporting more coffee as alternative to opium
25 March 2019

Myanmar will develop and harvest coffee as an alternative crop to substitute opium poppy cultivation.

Last week, the United Nations Office on Drugs and Crime (UNODC) and French coffee company Malongo together launched a high-quality coffee, Shan Mountain Coffee from Myanmar, in France. On March 22, Shan Mountain Coffee was introduced in the French Parliament and launched in Malongo stores in Paris and Nice. Produced in Shan State, Shan Mountain Coffee is being cultivated as a substitute to opium under the UNODC’s Alternative Development Programme. Shan Mountain Coffee is grown by a UNODC supported Green Gold Cooperative formed by almost 1,000 farmers in Shan State who used to cultivate opium poppy. The partnership between Malongo, the Green Gold Cooperative and UNODC aims also to bring peace, prosperity and environmental sustainability to Shan State, which produces 90 percent of all the opium cultivated in Myanmar. Myanmar is the second largest opium exporter after Afghanistan, according to the UNODC. Under its programme, the UNODC is carrying out a five year pilot project for Shan Mountain Coffee producers. It will provide all input including technical assistance. Importantly, the project will help farmers to independently cultivate, refine and commercialise high quality coffee that can be exported internationally.

“Shan Mountain Coffee is now set to retail in France and encourage others in Myanmar to switch from opium to growing alternatives crops.” said Troels Vester, UNODC Country Manager in Myanmar. Under the five-year partnership agreement between Green Gold and Malongo in 2017, Malongo will buy up to 600 tonnes of coffee per year from more than 1000 beneficiary farmers at US$ 8 per kilogram of green coffee beans. That’s double the market average in Myanmar, according to UNODC.

Source: Myanmar Times
Education, banking and energy pitched to investors in London
25 March 2019

Myanmar delegates discussed education, banking, and energy with the British Government and British businesses at the Myanmar Trade and Investment Conference 2019 held in London on March 18, according to the Ministry of Foreign Affairs (MOFA).
The delegates also touched on the opportunities for growth and partnership in sectors such as construction, telecommunications, tourism, manufacturing and natural resources, according to MOFA. The conference, organised by the Department for International Trade, British Chamber of Commerce and UK-ASEAN Business Council, was attended by U Thaung Tun, who is Minister of Investment and Foreign Economic Relations and chair of Myanmar Investment Commission. U Set Aung, Deputy Minister of Planning and U Bo Bo Nge, deputy governor of the Central Bank of Myanmar, were also present. Led by U Thaung Tun, the Myanmar delegates highlighted the reforms being carried out in politics and the economy, particularly in the education sector, in efforts to pique the interest of potential UK investors. During the conference, the Linguaphone Group, the parent company of Direct English, announced GUSTO College Myanmar as their new Direct English Master Licensee partner for Myanmar. This exclusive partnership will see GUSTO College open its first Direct English training school in Yangon, before developing a nationwide education franchise presence across the country. Linguaphone Group already has a strong presence worldwide with their education programs, including within the ASEAN markets of Cambodia, Thailand, Indonesia, Vietnam and Malaysia. They also already have a presence in Myanmar with their pre-school English language training and kindergarten brand, Pingu's English. Now, adult students across Myanmar will be able to enrol in the popular nine-level Direct English language training system.

Source: Myanmar Times
A Conversation With US Ambassador Scot Marciel

On March 8, The Irrawaddy’s editorial team invited US Ambassador Scot Marciel to our office in Yangon to participate in a conversation on a range of issues, particularly the many challenges Myanmar is facing. The ambassador offered his frank views in response to questions from senior editors. Here are excerpts from the interview:

The Irrawaddy: Welcome to The Irrawaddy office Mr. Ambassador. We appreciate your accepting our invitation to discuss issues relating to Myanmar and the region. We thought we’d ask you if you’d like to kick start the session?

US Ambassador Scott Marciel: I was at Dagon University this morning to give a speech to the students on US policy toward Myanmar. I emphasized two points: One is [that] US policy toward Myanmar is in the context of US policy in the broader Indo-Pacific region. This is a policy of engagement and support for ASEAN and democracy, peace and prosperity. We have been very consistent, going as far back as the 1988 uprising, to support people’s efforts to build democracy, as well as peace and prosperity. Two is that – and I think it will be surprising to some people— much of these discussions in Washington over the years have been as much from the heart as from the head. What I mean by that is that we recognize Myanmar is strategically important, but for the most part over the years, the tremendous interest and support for democracy in Myanmar has been out of our admiration and respect for the incredible sacrifices that so many people here have made in the struggle to bring about human rights and democracy and rule of law. That has been a really important factor, and remains a very important factor in our policy. Those are two of the points I made this morning, and I stressed that despite some challenges and disagreements, particularly over the last 18 months, the goal of our policy is still consistent: to support efforts to build democracy and peace, democratic federalism, and prosperity, as well as friendship between our two countries.

Source: The Irrawaddy
The Department of Civil Aviation (DCA) will conduct a field study on the construction of Hantharwady International Airport in Bago, according to deputy director U Zaw Min on March 21, during a meeting on crop compensation for farmers living within the vicinity of the project site. The US$1.5 billion project will be fully funded by Japan, which is now making its fifth attempt to revive the project, U Zaw Min said. The two governments are scheduled to meet next month with regards to kick starting the project. “After the meeting, we expect to start conducting preliminary ground studies at the site of the airport,” he said.

As such, in addition to compensating farmers, appeals to remove squatters living in the area have been sent to the regional government. The government said it had already compensated residents living in the area twice in the past, in 1994 and 2012. Since then, some farmers have returned to live in the area and are in fact trespassing on the site. “Despite this, we will still compensate these farmers for the loss of their crops,” said U Win Thein, chief minister of Bago Region.

On March 21, U Thant Sin Maung, Minister of Transport and Communications, also met Mr. Hiroto Izumi, Special Advisor to the Japanese Prime Minister, to discuss Myanmar – Japan Cooperation Projects Affairs, under which the construction of Hantharwady Airport is among the projects. Last year, Myanmar and Japan resuscitated discussions on the failed Hantharwaddy International Airport Project. Both Nay Pyi Taw and Tokyo want the project to go ahead “as soon as possible”, Ichiro Maruyama, Japan’s ambassador to Myanmar, said at the time.

While Hantharwady has been listed as is a national prioritised project to develop the aviation sector, efforts to get construction off the ground have hit repeated roadblocks.

Source: Myanmar Times
Local investment reaches to over Ks4 B in real estate sector
26 March 2019

Local investors put over Ks4 billion in real estate sector and it is over 24 per cent of total investment in Myanmar by local investors, according to Directorate of Investment and Companies Administration (DICA). Local investors put their investments mainly in real estate, production, transportation and communications, hotel and tourism, industry, construction, energy, livestock and fishery, mining, agriculture and other sectors. A total of 1,225 investments entered in 11 sectors till the end of February and total investment is over Ks18.5 trillion. The investment proportions in each sector are as per following: 24.15 per cent in real estate sector, 16.32 per cent in production sector, 14.56 per cent in transportation and communications sector, 10.24 per cent in hotel and tourism sector, 5.1 per cent in industry sector, 5.08 per cent in construction sector, over three per cent in energy sector, over two per cent in livestock and fishery sector, over one per cent in mining sector, under one per cent in agriculture sector and 18 per cent in other sector respectively.

Real estate market declined after 2014 and at the present, only land plots and apartments worth under Ks100 million are sold in the market. In real estate sector, rental, selling and buying rates are declined about 40 per cent, according to the seventh plenary session of Myanmar Real Estate Services Association (MRESA) held at UMFCCI on March 23.

Source: Eleven Myanmar

Newspapers
Eleven Myanmar
Growth, living standards to rise as Mandalay aims to be second growth engine
27 March 2019

Living standards in Mandalay Region are expected to rise this year with per capita GDP rising to K1.7 million compared to K1.5 million in the past, said regional chief minister U Zaw Myint Maung at the Mandalay International Trade Fair and Business Forum held on March 23. This will come on the back of rising growth in Mandalay to be an estimated 8.1 percent this year compared to 7.2pc last year. “With 8095 registered private firms and 4827 small and medium enterprise members, we are aiming to develop Mandalay to becoming the second largest economic engine of Myanmar after Yangon,” he said.

He added that for Mandalay to be Myanmar’s second growth engine, “we need to work on developing the population. Right now, we have around six million people and depending on infrastructure, business development and skilled labor, the region can attain that goal. Our literacy rate is over 94pc, so Mandalay has the potential for development.”

So far, projects worth a total of K7.9 trillion have been earmarked in Mandalay this fiscal year. These include the Myotha industrial project, Yay Ta Gon Taung golf course, Mandalay New Resort in Pyin Oo Lwin and the Amarapura Urban Development Project.

A quarter of these have already been completed, which has contributed to the economic growth and activity in the region, U Zaw Myint Maung said. The city depends on not only its strategic location but also the investment environment for growth. There are many trade routes passing through the region. The Yangon-Mandalay railway upgrade project started in 2007 will be finished in 2023 and will reduce the travel time from 16 hours to 8 hours. Feasibility studies for Mandalay-Lashio-Muse railway project are also being carried out.

There are six trade routes passing Mandalay Region to India, China and Thailand. A 6 billion yen modern port is currently being built with support from Japan and will be complete in 2021.

Source: Myanmar Times
Unlocking investment from the private sector is necessary for Myanmar to fund its building of transport infrastructure, speakers at a construction sector forum said. Bankability and risk-sharing would be the two key criteria to incentivise businesses to take part.

Recently, the European Chamber of Commerce Myanmar (EuroCham) held the first construction forum in Yangon. The event provided an update on progress and trends in the construction industry, and came after London-based consulting firm Fitch Solutions Macro Research downgraded its growth forecast for Myanmar’s construction industry, saying economic reforms which would boost infrastructure development had been knocked off course due to the Rakhine crisis.

However, many in the industry remain positive, especially with the release of the Myanmar Sustainable Development Plan 2018-30 and launch of the “project bank” which lists the infrastructure projects prioritised by the government.

Johannes Golüke, senior consultant from Roland Berger, highlighted the current imbalance in the sources of foreign direct investments (FDI). He noted a shift of Myanmar’s approved FDI from European countries towards China in recent years. In 2014-5, FDI from the UK amounted to $800 million and $510 million from China. Last year saw China pouring in $1.5 billion compared to $210 million from Britain.

While noting that European businesses should continue to focus on quality and sustainability of infrastructure projects, he added that “investments need to be incentivised.”

According to the business survey conducted by Roland Berger, the majority of companies indicated that transport infrastructure, stable electricity and transparency in policy-making are crucial for economic growth.

Source: Myanmar Times
New prospects in Myanmar’s oil and gas blocks

28 March 2019

Next month, 15 offshore blocks and 18 onshore blocks will be put up for tender. It is Myanmar’s second international bidding and local and foreign oil firms are interested in participating. But how much oil and gas is present? Are more discoveries possible? Which blocks have potential? Industry watchers may wish to know.

Among the 14 onshore basins of Myanmar, the main oil production areas are Chindwin basin, Central Myanmar basin, Pyay basin and Delta basin.

While it is known that the Rakhine coast is resource-rich, and that more attempts will also be made to produce oil from the sedimentary basins, exploration activities cannot be carried out due to difficulties such as transport.

As such, oil companies that are financially and technically strong must be allowed to invest and explore in these areas to encourage discoveries of new oil fields.

In 1990-91, foreign firms conducted surveys and 2D seismic work at the onshore blocks and drilled some exploratory wells. They are: (Amoco)PSC-B, (Yukaung)PSC-C, (Idemitsu)PSC-D, (Petro Canada)PSC-E, (Unocal)PSC-F, (Shell)PSC-G, (BHP) PSC-H, (Croft) PSC-I, (Southern Pacific) PSC-J, and (OPIC) PSC-L.

After 2013, areas where exploration work was conducted include PTTEP (PSC-G, EP-2, MOGE-3), Petronas (RSF-2,3, IOR-5,7), Eni(PSC-K, RSF-5), Asia Orient (PSC-E), Parami (PSC-I), NPCC (PSC-F), Geopetrol (RSF-9),SNOG(PSC-R), istech (EP-5), ONGC (PSC-B2, EP-3), Pacific Hunt(PSC-C1, PSC-L), Petro-Bru nei (EP-1), Bashneft (EP-4), Nobel Oil( PSC-A,B1), and CAOG (MOGE-5) and some are still ongoing.

As exploration techniques have improved since then, it is expected that more onshore oil and gas fields will to be uncovered using 3D seismic information.

Studies need to be conducted on the sedimentation system, the possible situation of oil formation and whether there are hidden deposits which are needed to form an oil and gas deposit.

Source: Myanmar Times

How banking will affect foreign equity in Myanmar

29 March 2019

As part of ongoing efforts to liberalise the financial services industry and increase credit to the private sector, the Central Bank of Myanmar (CBM) has introduced regulations to facilitate foreign investment in domestic lenders. On January 29 the CBM issued Regulation No 1/2019, allowing foreign banks and financial institutions to hold equity of up to 35pc in local banks.

To obtain approval from the CBM, a domestic lender will have to provide a copy of the agreement with the overseas institution along with the proposed equity ratio. It is hoped the change will enhance competition in the market, bring gains in lending and improve service quality.

Prior to the reform, the Myanmar Companies Law, which came into force on August 1, 2018, made it possible for foreign investors to hold a minority stake of up to 35pc in domestic firms, although this had not yet been applied in practice in the banking sector as the CBM had maintained strict supervision.

The move follows another significant step forward in the liberalisation of the financial services sector, with the Ministry of Planning and Finance (MoPF) announcing on January 2 that foreign companies could offer life and non-life insurance lines in Myanmar.

Retail services in 2020

In the same vein, the retail banking segment is set to open its doors to foreign participation next year, with U Soe Win, minister of the MoPF, stating in mid-January that the government will allow overseas firms to launch retail banking services in 2020.

Since 2013 the central bank has approved licences for foreign banks to establish representative offices and carry out limited business activities, and in November last year the business activities were broadened to include wholesale banking services. Wholesale banking entails providing services between merchant banks and other financial institutions.

Source: Myanmar Times
2. Weekly Key Policy News
**Weekly Key Policy News**

**Headlines**

- New labour law paves way for worker safety standards
- Addressing Key Public Concerns on New Yangon City
- New export strategy launched, but barriers remain
- Myanmar real estate service law to be enacted within three months
- CBM again issues detailed rules to banks
New labour law paves way for worker safety standards
25 March 2019

Myanmar’s parliament has enacted the Occupational Safety and Health (OSH) Law to promote safe and secure working environments for labourers and workers. The new law, signed by President U Win Myint on March 15, is expected to pave the way for the first legally-established health and safety standards in the country. It stipulated that OSH standards will be designed “in accordance with international and regional standards and compatible to the nation’s situation”.

The regulations will apply to both domestic and foreign companies, joint ventures, government departments and organisations This includes the hospitality, extractive, transport, construction, retail, services and manufacturing industries.

Myanmar has a poor record of keeping health, safety and environment data and workplace accidents. For example, few mines have an incident registry, making it impossible to assess the accident rate. But incidents of construction or mining workers being seriously injured or killed are common and widely reported.

Last July a landslide in northern Kachin State killed at least 15 people and injured more than 40, after a similar collapse in the same area killed at least 14 jade miners two months earlier. Nine workers were injured last September when a two-storey building under construction collapsed in Mandalay’s Pyigyitagun township.

The new law provides for the establishment of a new tripartite National OSH Council - which will involve workers, employers and government - and will require employers to set up OSH committees at workplace level to help prevent accidents.

For the International Labour Organization (ILO), the legislation represents a major step towards preventing occupational injuries, diseases and deaths.

Rory Mungoven, ILO’s liaison officer in Myanmar, said: “OSH compliance not only protects workers, but increases economic efficiency and productivity as a whole. It is also important for attracting investment and integrating into global supply chains.”

Source: Myanmar Times
Addressing Key Public Concerns on New Yangon City

26 March 2019

We had the second Townhall Meeting on 6 March 2019. It was a robust discussion and I am glad it was because it allowed us to hear some of the fervent arguments against the project. The discussion even helped those in favor of the project to better understand the issues and concerns of those who may not be supportive of the project.

Many of the concerns raised were issues that the Yangon Regional Government and NYDC had deliberated on since the inception of this project. For example, formulating an equitable plan for the appropriation of farm land and the resettlement of the indigenous farmers, protecting the interests of the State, avoiding any scenarios of falling into a ‘debt trap’ to foreign groups, ensuring that Myanmar’s business interests and workers benefit to the maximum extent, and of course the need for transparency and fairness in awarding contracts; especially the need to prevent corruption and self-serving interests to dictate the implementation of the project. These and many other issues were never ignored. In fact, they continue to be at the fore of our considerations in every step that we take to move this project forward.

The present divide in opinion perhaps stems from a different stance that critics of the project have taken. My observation of the main positions they have taken are:

1. They oppose the development of a new city as they feel that resources should be invested into upgrading the present Yangon City.
2. They feel that reaching to “outside help,” in particular foreign investment, would result in giving away too much benefit to others.
3. They feel that even if we are able to negotiate terms that are devoid of debt and secure favorable terms and conditions to our benefit, it is “too good to be true” and hence are not credible.
4. They feel that China is not a reliable partner in developing our country and that any involvement from China will be a detriment to our interests.

Source: Myanmar Business Today
https://www.mmbiztoday.com/articles/addressing-key-public-concerns-new-yangon-city
New export strategy launched, but barriers remain

27 March 2019

With export revenues having only increased by around US$2 billion over the past five years, Myanmar is aiming to boost its exports in the next five years by adding new sectors to its National Export Strategy (NES).

Gems and jewellery, the digital economy, fruits and vegetables, agricultural product-based food products and industrial art products have been added to the NES 2020-2025, which replaces the first NES 2014-2019, said U Aung Soe, director general at the Trade Promotion Department.

Notably, the new sectors appear to involve higher value-add and selected across a wider spectrum of industries compared to the current NES, which prioritises raw commodities including rice, pulses, oilseed crops, marine products, textile and garments and wood and wood products.

Last year, exports hit US$ 14.8 billion. For the ten months to January in the current fiscal year, exports totaled US$ 14.1 billion.

However, there are still weaknesses in quality and mass production cannot be carried out just yet. The most important thing for export promotion is to increase production. During the last five years for example, farmers were not able to achieve economies of scale for crops like rice or coffee due to the lack of technology and were unable to take advantage of export opportunities, U Aung Soe said.

“There are also a lot of issues we still face, such as the lack of infrastructure, a good economic environment, production processes and technology along the supply chain. For example, there is a need to expand the livestock breeding industry. However, breeders face technical challenges and lack of knowledge compared to neighbouring countries,” he said.

It’s a similar story in other industries. In fisheries, for example, wild supplies have lessened, so fishermen have turned to fish farming and aquaculture. Yet, they lack the knowledge to scale and expand. In Myanmar, the volume of fish produced in fish farms is three times less than that of Vietnam.

Source: Myanmar Times

Myanmar real estate service law to be enacted within three months  
27 March 2019

The Pyidaungsu Hluttaw will approve a real estate service law within three months, said U Tin Maung Win, chair of Transport, Communication and Construction Committee at Myanmar Real Estate Services Association annual meeting on March 23.

“Although some have said that it is too early, the law will be enacted within three months if it is carried out now. Such a law is needed here as it is already in place in other countries,” he said.

The Myanmar Real Estate Services Association has signed an agreement linking its economy with other ASEAN countries. As foreigners are also involved in the local real estate market, an exact law is needed to regulate real estate services in Myanmar, said U Tin Maung Win.

If a Myanmar real estate service law is in place, it can provide stability to land prices and protect buyers and agents. It can reduce wrong decisions in the sale of properties and foreign investors can enter the real estate market, said experts.

“As the law also covers real estate agents, real estate transactions will be legalised and conducted systematically and the country will receive tax revenue and price fluctuations could be controlled,” said U Khin Maung Than, chair of the Myanmar Real Estate Agency Association.

The bill has statements aiming to create discipline in real estate brokering, stable development of the real estate market and for the agents to get official benefits for offering services. The agents will have to register for the necessary license and follow the rules and regulations.

“According to recent legislation, foreigners will be allowed to enter the Myanmar real estate market and so local agents need to ensure quality and service,” said the agent U Aung Ko Ko Oo.

According to local market, Myanmar real estate price rating has many opportunities and as the foreigners can now enter the local market, local agencies will have to interact with foreign companies and so, the country will benefit from a real estate services law, said agency owner U Kyaw Tin.

Source: Myanmar Times  
The Central Bank of Myanmar has reiterated its commitments to ensuring stronger enforcement of banking rules and regulations in the country. On March 25, the CBM again issued instructions covering five directives on banking governance and statistics.

To strengthen the country’s financial sector, Financial Institutions Law was introduced January 2016. CBM has now five detailed directives to banks covering related-party transactions, regulations that bank director shall follow, appropriate standards for bank directors and senior officials, having internationally recognised external auditor, and acquisitions of substantial interests.

“The regulations are included in the Financial Institutions Law, but the law doesn’t stipulate specifically how the regulations are to be followed. That is why we have issued instructions for banks to follow in detail. The purpose is to strengthen banks’ corporate governance,” said Central Bank of Myanmar Deputy Governor 1 U Soe Thein.

As local institutions haven’t had strict guidance before, the country’s banking system has been left behind compared with neighbouring countries and action will be taken to ensure better compliance with regulations, CBM officials said in January. “If the requirements for directors, having external auditors, and compiling compulsory data are followed, banks will only become stronger,” U Soe Thein said. The CBM has had reissue the directives as some local banks are still not strictly following the rules in the Financial Institutions Law, said banking expert U Than Lwin.

“For the banks to get stronger, these rules must be followed. In the case of external auditors, some banks have already instituted this, but some smaller banks haven’t yet. The cost is very high to hire external auditor so some banks may have been reluctant to do so. The CBM directive serves as a reminder for the laggards to act,” U Than Lwin said.

Source: Myanmar Times
3. *Weekly Investment News*
Weekly Key Investment News
Headlines

YSX-listed FMI sells aviation unit stake to SPA for $5.2m in intra-group deal

YMD Invites EOIs from Local and Foreign Investors for Housing Project

Norway Power Company to Invest $50 Million in Chin State

Myanmar Digest: MCB in pacts for money transfer service; Sea Lion’s $10m facility

Singapore tops list of foreign direct investors
YSX-listed First Myanmar Investment Public Co Ltd has sold its 10 per cent equity in FMI Air Limited to SPA Aviation Holdings Limited for K7.9 billion ($5.19 million), according to its filing on March 22. Serge Pun, chairman of Serge Pun & Associates (Myanmar) Limited (SPA), whose investment holding companies include First Myanmar Investment Public Co Ltd, established FMI Air Limited in 2012. The stake sale is essentially a shift of shareholding within the SPA group and comes about 10 months after the airline stopped its aviation services as a domestic carrier. According to the YSX-announcement, First Myanmar Investment Public Co Ltd will use the proceeds to reinvest in the group’s core business sectors. “In view of the challenging economic environment in the Myanmar aviation industry, it is the best interest of the company to move away from the aviation business and reinvest the funds in the Group’s core business sectors,” it said in its filing. First Myanmar Investment currently operates across four business lines, healthcare, tourism, real estate and financial service. FMI’s sister company, SGX-listed Yoma Strategic Holdings, has in recent years expanded its coverage in financial services by acquiring the 34 per cent stake of Wave Money from FMI. According to the website, FMI Air has two CRJ-200 aircraft and two ATR72-600 aircraft. The airline started with flights between Yangon and Nay Pyi Taw and later expanded to other tourist destinations like Myeik, Kawthaung, Ngapali and Dawei. The airline was also previously known to have been in talks with AirAsia Group to set up a new low-cost airline in Myanmar. The aviation industry in Myanmar is seen as a challenge for domestic carriers with Air Bagan and Apex Airlines also having suspended their services in the past years.

Source: Deal Street Asia
Yangon Metropolitan Development Public Co., Ltd has invited a submission to Express of Interests from both local and foreign investors who might be interested in investing in the second phase of Pyidawthit Housing project in Pazundaung Township in Yangon.

The second phase of the project will include a shopping mall, condominium and office tower interested investors must submit the EOI's by April 2.

The project is being implemented by Yangon Metropolitan Development Public Company Limited-YMD founded by Yangon Regional Government and Myanmar Developer Association.

At the first phase of the project on over 4 acres of land, a 12-story residential building will be built in two years, once finished the shopping mall, office tower and parking lots will be built.

The developer of the project has provided funds to the families living in the old housing on the project area, they have provided funds so the families can move to other places while the new building is being constructed. The current building was built and leased by the government around 60 years ago.

The Yangon Regional Government is implementing the project by replacing the old buildings with new ones, they include Pyidawthit Housing, lamadaw Housing, Gyogone Housing and Yankin Housing.

Norway Power Company Limited signed an MoU with the Chin State government to make a $50 million of investment for a new hydroelectric power plant. Chin State’s infrastructure can’t provide enough electricity for the present demand. The state also happens to be one of the least developed states in Myanmar. Therefore the government is trying to work with the private sector to provide enough electricity.

“What Chin State needs most is better transportation and electricity. We need to produce electricity through potential hydropower resources, and upgrade existing infrastructure in our power grid so that we can provide enough electricity to local people. Only after these sectors improve will other sectors in Chin State improve,” said U Salai Lian Lwe, Chief Minister of Chin State.

Only five townships out of nine townships in Chin State are electrified. The five townships are: Kanpetlet, Hakha, Felam, Thantlang, and Mindat. The remaining four townships, Tedim, Tonzang, Matupi, and Palatwa, have yet to be connected to the grid. The government is planning to provide electricity to those four townships by FY 2020 with the assistance from the Japan International Cooperation Agency (JICA).

“There are a lot of water resources that can produce electricity. Even the Manipur River can produce megawatts worth of electricity. Therefore, we are inviting investors to come see for themselves,” U Salai Lian Lwe added.

There are 25 potential places for both large and small scale hydropower plants, and state government is building eight small scale hydropower plants in collaboration with private partners.

Myanmar is consuming approximately 2,952 megawatts total as a nation, however, Yangon is inhaling 1,105 megawatts itself. Mandalay demands 472 megawatts, Naypyidaw is using 120 megawatts, and 1,254 megawatts are being used by the remaining cities, regions, and states.

Source: Myanmar Business Today
https://www.mmbiztoday.com/articles/norway-power-company-invest-50-million-chin-state
Myanmar Digest: MCB in pacts for money transfer service; Sea Lion’s $10m facility
27 March 2019

Myanmar Citizens Bank is planning to expand its money transfer service internationally by partnering with US-based MoneyGram and London’s TransferTo. On the healthcare side, Myanmar’s Sea Lion has launched a $10-million distribution centre in South Dagon township. MCB in pacts with MoneyGram, TransferTo YSX-listed Myanmar Citizens Bank (MCB) has entered into an agreement with US-based payment service company MoneyGram and London-based TransferTo Mobile Financial Services Ltd to expand its worldwide remittance service. MCB is planning to start offering outbound remittance services, leveraging on MoneyGram’s network across over 200 countries. The two first signed to execute inbound remittance service in May 2013. Meanwhile, MCB also announced that it has signed with TransferTo Mobile Financial Services Ltd to conduct transaction operations, connecting 150 countries around the world. Currently, TransferTo is making a high number of transactions to MCB from Korea. Sea Lion launches $10m distribution centre Sea Lion, a provider of healthcare related products and services, has launched a $10-million distribution solutions centre in Kyan Sitt Thar Industrial Zone in South Dagon township, the Myanmar Times reported. The facility will provide storage and logistics solutions for a range of products such as medical equipment and implantable devices, medical consumables, and pharmaceutical products, according to Win Zaw Aung, managing director of Sea Lion. Sea Lion is also GE Healthcare’s channel partner in Myanmar. Looking forward, the company is planning to build a manufacturing facility for healthcare products.

Source: Deal Street Asia
Singapore tops list of foreign direct investors

28 March 2019

The flow of foreign direct investment (FDI) into Myanmar has increased for the first time after a decline for the last two years, according to Myanmar Investment Commission (MIC).

This is the first increase in FDI since Daw Aung San Suu Kyi came to power in 2016.

From October 1, 2018 to March 15, 2019, Myanmar received US$1.9 billion in approved FDI. During October 2017 to mid-March 2018, the country received $1.3 billion for over 80 projects.

For this fiscal year, the country is receiving more FDIs, both capital and project, than the same period of the previous year, Approved FDI in fiscal year 2014-15 amounted to $8 billion and $9.5 billion in 2015-16, before the decline set in. 2016-17 secured $6.6 billion followed by $5.7 billion in 2017-18.

The six-month interim budget period in 2018 attracted $1.7 billion.

“In regard to FDI, we hope that ASEAN nations, Japan, China, Republic of Korea, Hong Kong, Taiwan, and also India will put out more investment into our country. We are seeing that manufacturing sectors is continually increasing to invest in Myanmar, as well as garment, electric assembly, and food processing,” said U Aung Naing Oo, the secretary of MIC and director general of the Directorate of Investment and Company Administration (DICA).

Moreover, Singapore has overtaken China as the country with the most approved FDI poured into Myanmar. China has topped the list of foreign investors for a long time. In February last year, Singapore invested $20.88 billion for 302 projects and China invested $20.41 billion for 314 projects, according to DICA figures.

Singapore-based Sembcorp Industries earlier this month officially opened a $310 million power plant in Myingyan.

Source: Myanmar Times

3. Weekly New Tenders
No applicable Tenders announced for the week ending 29 March 2019.

**Tenders (Multilateral organizations)**

List

ADB: LOAN 47152-002 MYA: Irrigated Agriculture Inclusive Development Project, Closing Date: 31 Mar 2019 (Individual)

ADB: TA-8788 MYA: Transport Sector Reform and Modernization - International Social Development / Safeguards Specialist (47087-001), Closing Date: 3 Apr 2019 (Individual)

ADB: TA-8788 MYA: Transport Sector Reform and Modernization - National Road Safety Facilitator (47087-001) Closing Date: 3 Apr 2019 (Individual)

*Note: tenders information are collected from [https://wbgeconsult2.worldbank.org](https://wbgeconsult2.worldbank.org), [www.devex.com](http://www.devex.com), [www.adb.org](http://www.adb.org), [https://www.ungm.org](https://www.ungm.org)*
4. MIC Permitted Projects
## MIC Permitted Projects (Meeting 4, 2019)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Company</th>
<th>Type of Investment</th>
<th>Form of Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mutsumi &amp; Mingalar Co., Ltd</td>
<td>Manufacturing and marketing of plastic mould and plastic accessories (spare parts)</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>2</td>
<td>Lim Brother Co., Ltd</td>
<td>Production and marketing of plastic product (plastic mat, plastic nets, plastic film, woven ready made sheet etc.)</td>
<td>Wholly Myanmar Owned</td>
</tr>
<tr>
<td>3</td>
<td>Myanmar Commercial Development Co., Ltd</td>
<td>Hotel services</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>4</td>
<td>ACK and CO Services Co., Ltd</td>
<td>Education services</td>
<td>Wholly Myanmar Owned</td>
</tr>
<tr>
<td>5</td>
<td>Star Resources Co., Ltd</td>
<td>Education services for hospitality and business management</td>
<td>Wholly Myanmar Owned</td>
</tr>
<tr>
<td>6</td>
<td>Southern Myanmar Development Co., Ltd</td>
<td>Floating storage unit for storage of LPG as transit point</td>
<td>Joint Venture</td>
</tr>
</tbody>
</table>

Source: DICA
5. Upcoming Events
# Upcoming Events (April 2019)

**List**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Name of Event</th>
<th>Sector</th>
<th>Price</th>
<th>Focus Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-04 April 2019</td>
<td>Yangon</td>
<td>LPG Myanmar Summit</td>
<td>Power &amp; Energy</td>
<td>USD 300</td>
<td>“LPG Myanmar Summit will advocate the appointment of sole women as LPG distributors to act as a catalyst in helping exceed the Governments’ objectives with respect to energy, health, and the environment. Ultimately the empowerment of women in Myanmar will be a critical success factor”</td>
</tr>
</tbody>
</table>

*Note: Events information are collected from [https://www.go-myanmar.com/events-and-conferences](https://www.go-myanmar.com/events-and-conferences) and [https://1otimes.com/Myanmar](https://1otimes.com/Myanmar).*