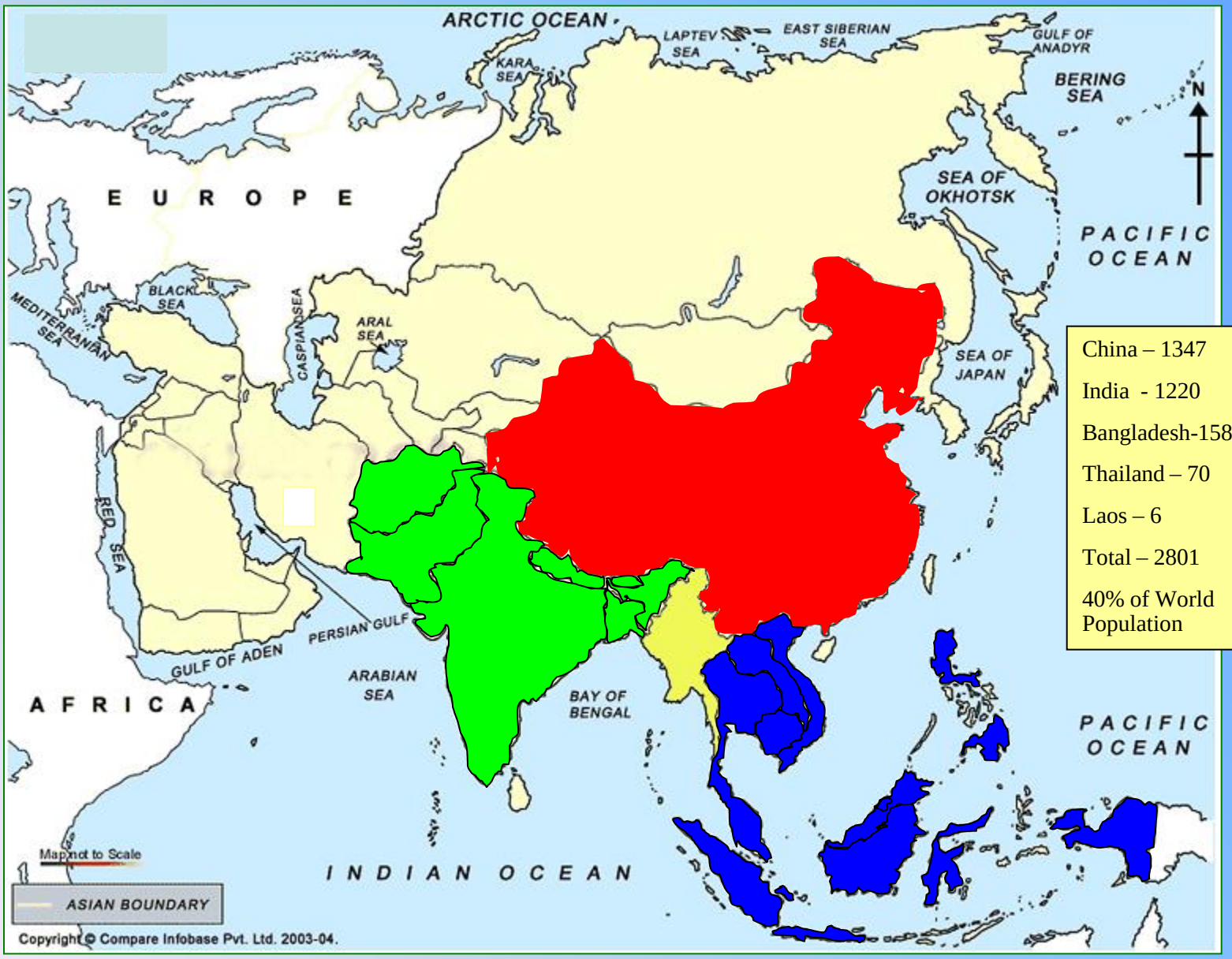
Investment Policy Reform in Myanmar

Aung Naing Oo
Deputy Director General
Directorate of Investment and Company Registration

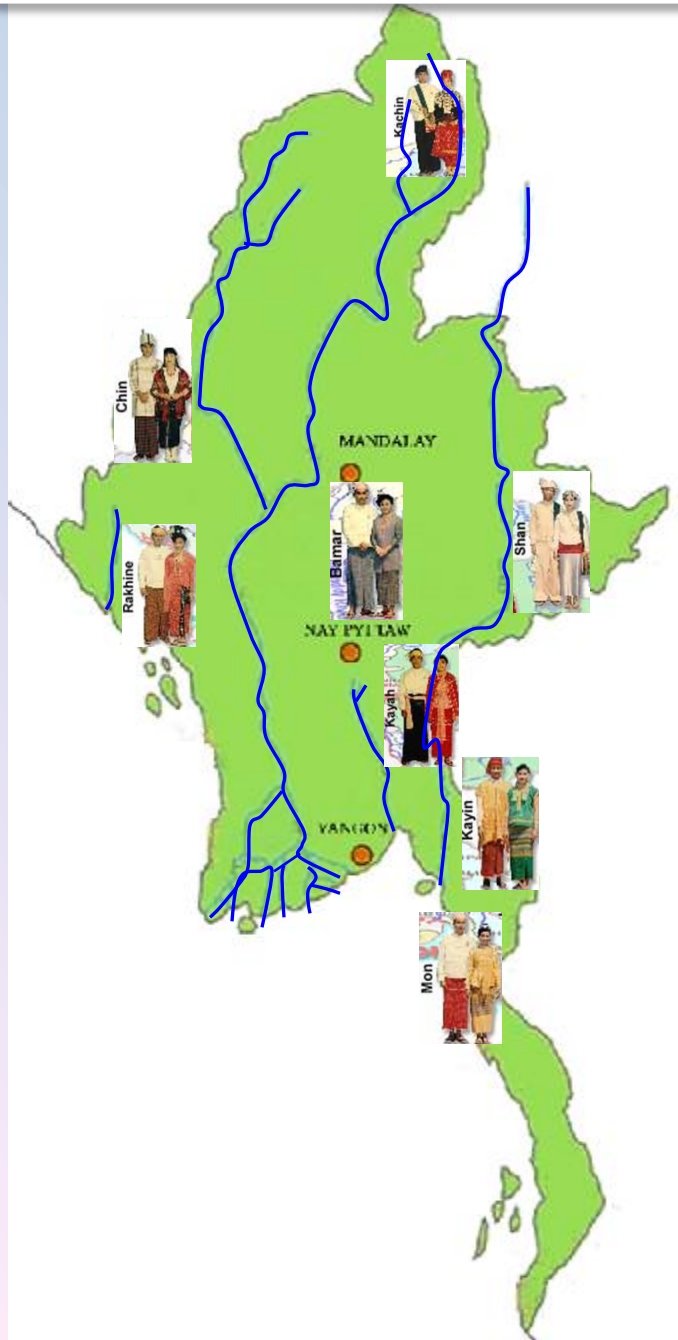
Outline

- Myanmar in brief
- Investment in Myanmar
- Mistakes
- Impediments
- Corrections
- Challenges
- Outlook
- Conclusion

Where Myanmar is!



What Myanmar is!



Population - 60 million

Working Age - 37.35 million (62.25%)















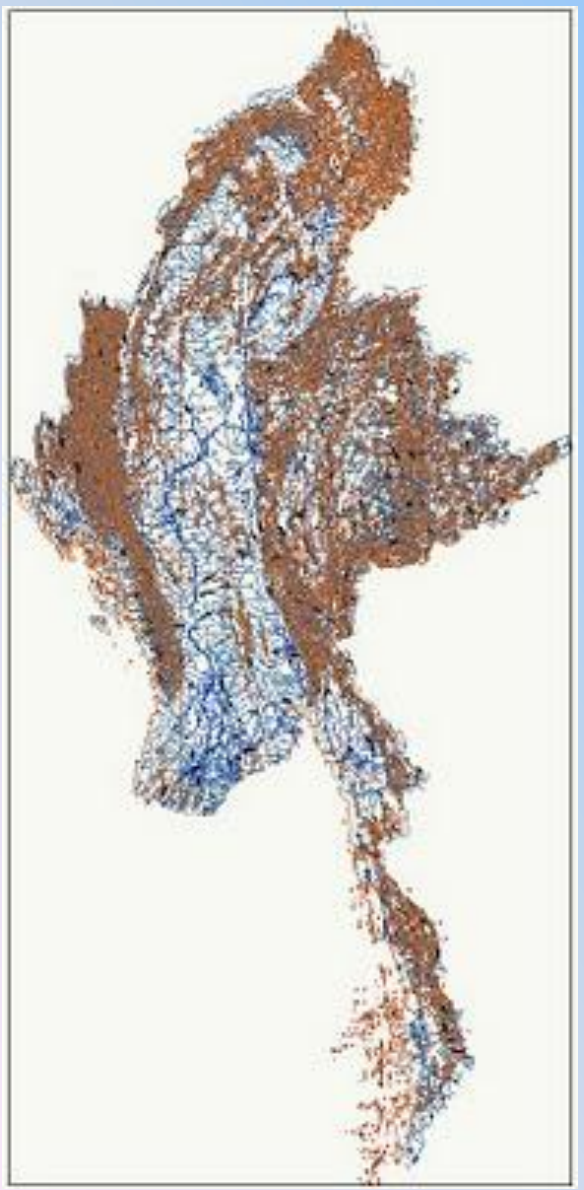








Myanmar in Brief



Topography can roughly be divided into 3 parts: the Western Hills Region, the Central Valley Region and the Eastern Hills Region







Foreign Direct Investment in Myanmar

Myanmar has opened its doors for FDI in 1988 subsequently the enactment of Foreign Investment Law on 30 November, 1988



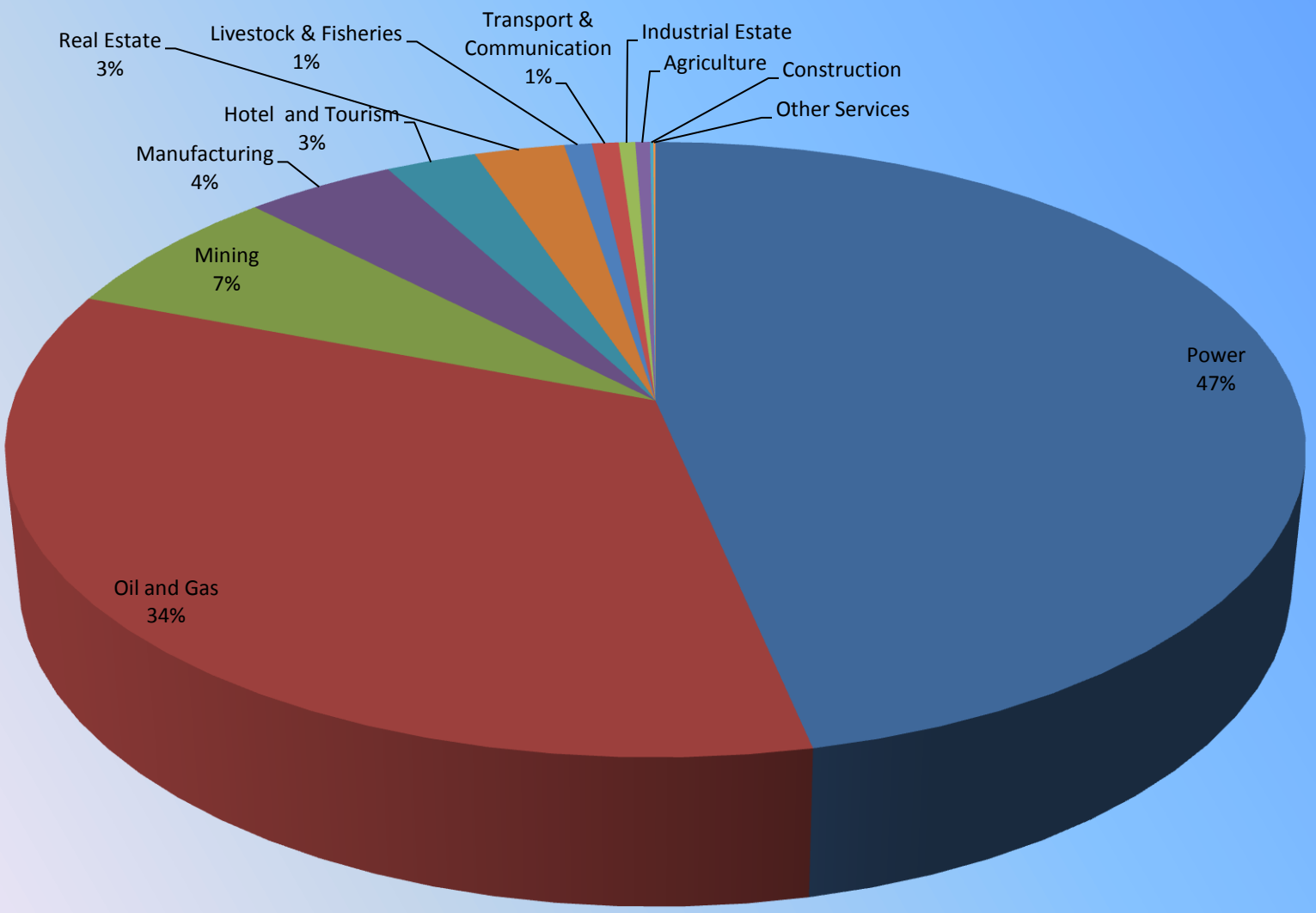
Investments in Myanmar

Foreign Investment of Permitted Enterprises as of (29/2/2012)
(By Sector)

(US$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	Power	5	18873.720	46.68
2	Oil and Gas	104	13815.375	34.17
3	Mining	64	2794.463	6.91
4	Manufacturing	164	1760.701	4.35
5	Hotel and Tourism	45	1064.811	2.63
6	Real Estate	19	1056.453	2.61
7	Livestock & Fisheries	25	324.358	0.80
8	Transport & Communication	16	313.906	0.78
9	Industrial Estate	3	193.113	0.48
10	Agriculture	7	173.101	0.43
11	Construction	2	37.767	0.09
12	Other Services	6	23.686	0.06
	Total	**460**	**40431.454**	**100.00**

Investments in Myanmar



Investments in Myanmar (Cont.)

Foreign Investment of Permitted Enterprises as of (29/2/2012)

(By Country)

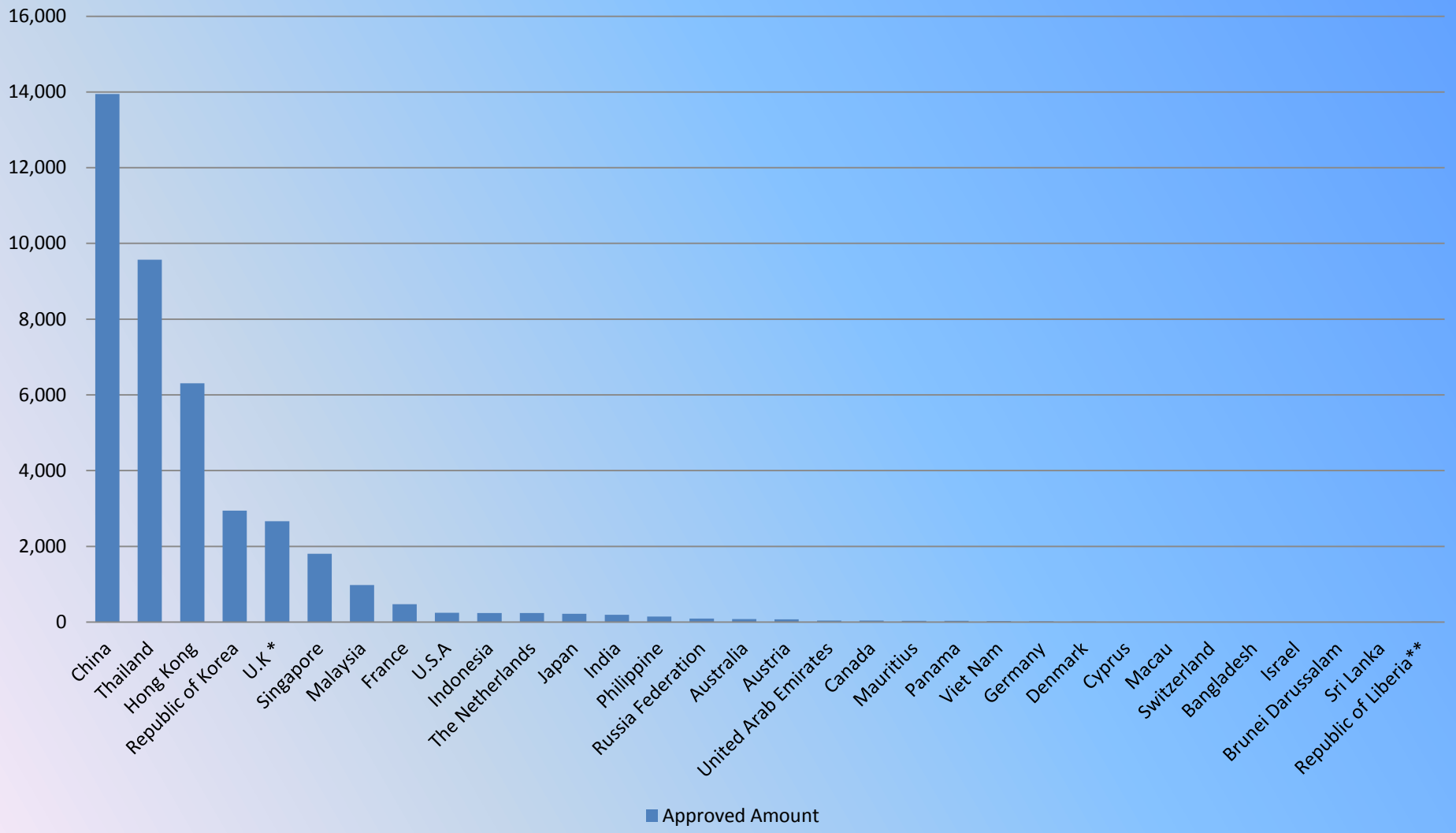
(US$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	China	33	13947.146	34.50
2	Thailand	61	9568.093	23.66
3	Hong Kong	38	6308.495	15.60
4	Republic of Korea	49	2941.289	7.27
5	U.K *	51	2660.588	6.58
6	Singapore	72	1804.013	4.46
7	Malaysia	39	977.461	2.42
8	France	2	469.000	1.16
9	U.S.A	15	243.565	0.60
10	Indonesia	12	241.497	0.60
11	The Netherlands	5	238.835	0.59
12	Japan	24	216.220	0.53
13	India	5	189.000	0.47
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	United Arab Emirates	1	41.000	0.10
19	Canada	14	39.781	0.10
20	Mauritius	2	30.575	0.08
21	Panama	1	29.101	0.07
22	Viet Nam	2	23.649	0.06
23	Germany	2	17.500	0.04
24	Denmark	1	13.370	0.03
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
32	Republic of Liberia**	2	14.600	0.04
	Total	**460**	**40431.454**	**100.00**

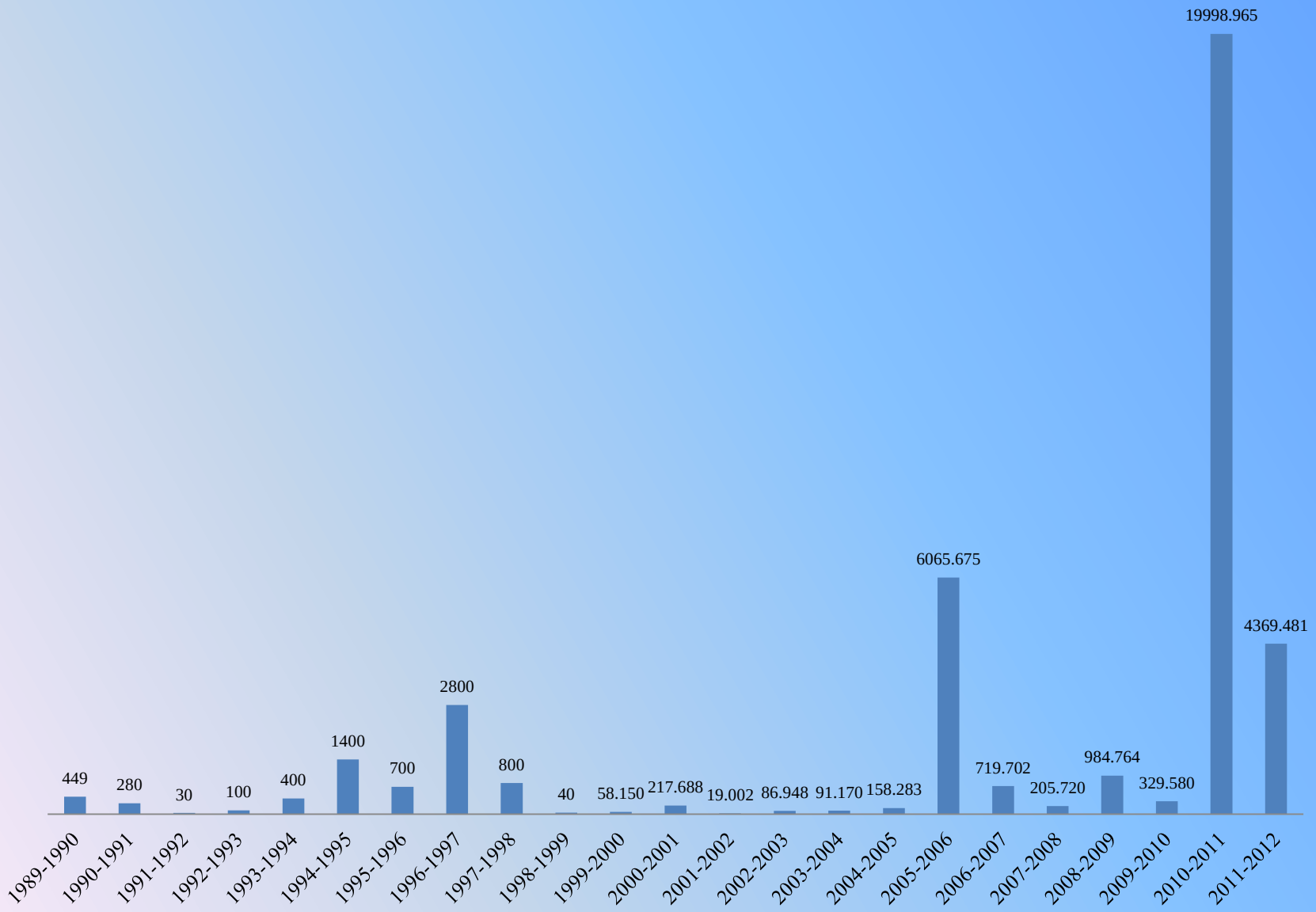
* Inclusive of enterprises incorporated in British Virgin Islands, Bermuda Islands and Cayman Islands.

**The name and promoter and principal organization be changed from Singapore to Republic of Liberia.

Investments in Myanmar (Cont.)

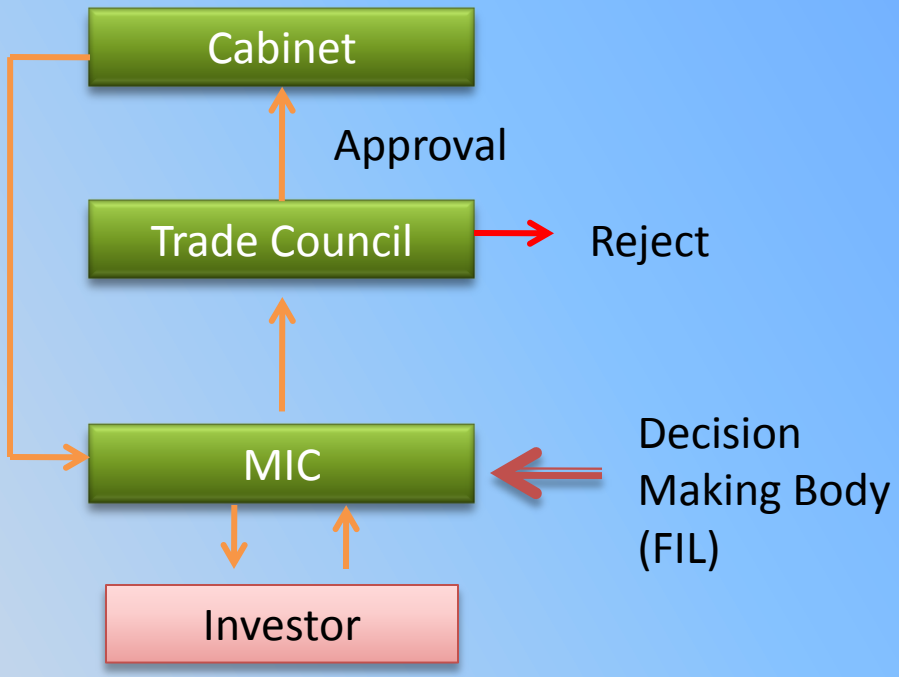


Yearly Approved Amount of Foreign Investment



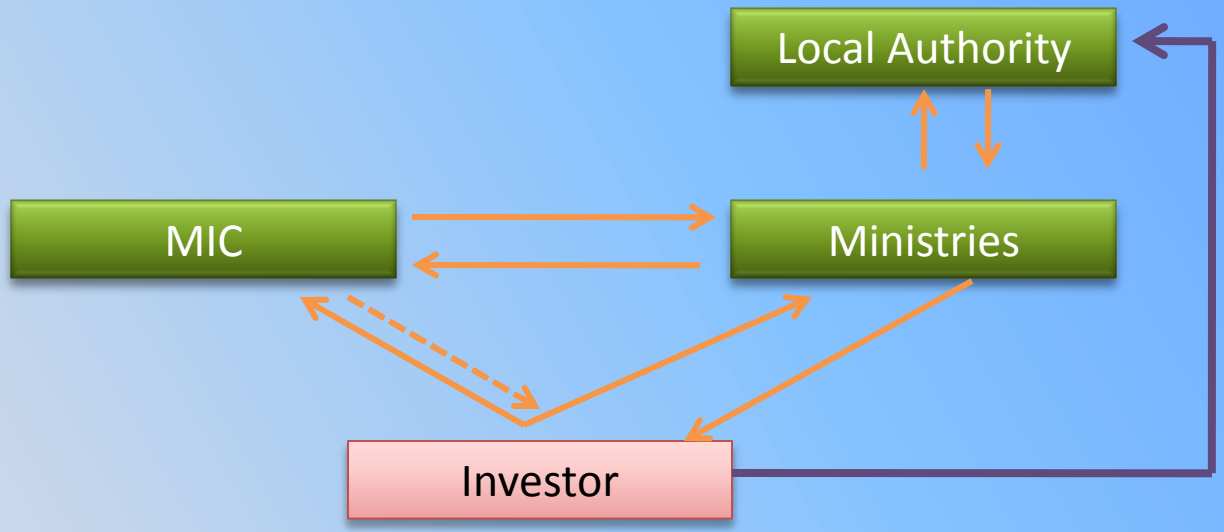
What we did wrong!

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

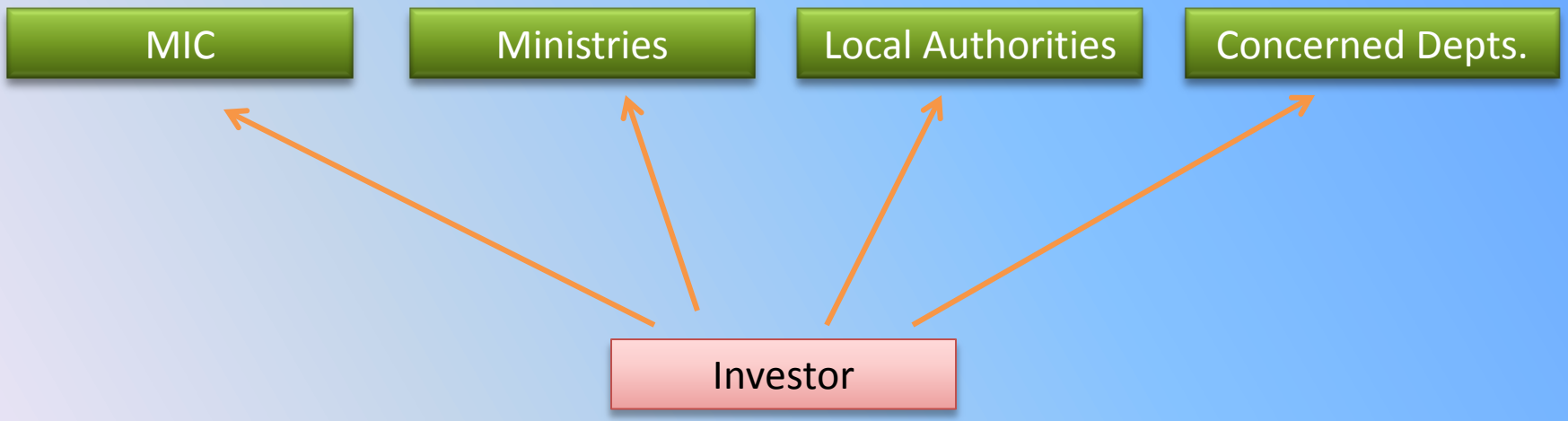
  - at the time of commercial operation

  - 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

Impediments

Sanctions

- No new investment from US and EU and some Asian Countries
- No new investment with high-tech
- Difficulties in Bank Transaction

Impediments

Financial Policy

- Obsolete Banking System
- Multiple Exchange Rates
- Lack of financial entity to support investment

Impediments

Infrastructure

- Weakness of road access across the country
- Limited rail transportation
- Insufficient telecom service
- Limited port facility
- High cost of transaction

What we have done!

- Reorganization of MIC
- Release of Notifications
- Simplification of procedures
- Formation of Coordination Team
- Streamlining of process
- Promulgation of SEZ Laws
- Amendment of FIL

Challenges

Requirement of Technical Assistance in

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

Challenges

Limitation for Investment Promotion in

- Using of printed and electronic media for widespread advertisement
- Funding for investment promotion activities
- Networking and familiarization with prominent Investment Promotion Agencies
- Others

Outlook

Desire of the Government

We will open doors, make reforms and invite investments as necessary for development of the nation and the people.

President U Thein Sein



Outlook

Myanmar on a new path

- has become democratic nation
- no longer a pariah
- active integration into international and regional community
- striving to meet MDG



Outlook

Myanmar on a right track

- Overwhelmed by the political and economic reforms
- National reconciliation paves the way to development



- Myanmar is now on the runway to take off


THANK YOU