Charltons - Myanmar Highlights Newsletter - 20 November 2013

[online version](http://www.charltonslaw.com/myanmar-reports-half-year-trade-deficit-of-us-443-million/)

# Myanmar Highlights Issue 15

## Myanmar Reports Trade Deficit in First Half of Current Fiscal Year

Myanmar reported a trade deficit of US$443 million in the first half (April-September) of the current fiscal year. However official data provided by the Central Statistical Organisation (**CSO**) shows an overall increase in the balance of trade of 6.2% for the same period. According to the CSO Myanmar's foreign trade totaled $10.65 billion, of which exports amounted to $5.1 billion, while imports stood at $5.55 billion. Border trade accounted for US$1.42 billion of total exports and US$851 million of total imports. Myanmar's major exports include natural gas, jade, beans and pulses, rice, fish, rubber and teak. Imports include oil and gas, auto-spare parts, iron and steel, palm oil, pharmaceutical products, plastics, fertilizer, cement and electronic. (From *Myanmar Business Today*, 7 November,2013)

## MPT Invites Tenders to Provide Broadband Wireless Services in Myanmar

Myanmar Post and Telecommunications (**MPT**) have issued a tender notice inviting local and overseas companies to implement broadband wireless services in Myanmar. Bidding companies must submit proposals detailing their technical and commercial capabilities to the chief engineer of MPT's Information and Technology Department in Nay Pyi Taw by 4:00pm on 30 November. Bidders are also required to submit relevant company registration and corporate details. Communications and other related licences will be issued by the government after the telecommunications by-laws, implementing the Telecommunications Law come into effect. (From *Myanmar Business Today*, 7 November 2013)

## Yangon City Electricity Supply Board Increases Prices

The Yangon City Electricity Supply Board has increased electricity prices for the first time in almost two years. Industry experts have noted that the increase of more than 40% is necessary to offset the cost huge electricity subsidies which can amount to almost 1% of Myanmar`s GDP and to encourage potential foreign investors in the power sector. (From *Myanmar Business Today* 7 November 2013)

## World Bank: Myanmar Achieves GDP of 6.5% in 2012-2013

According to the World Bank Myanmar's GDP was 6.5% in 2012 – 2013. Growth was as a result of increased gas production, foreign direct investment, commodity exports and strongly performing services and construction sectors. The updated figures are contained in the World Bank's Myanmar Economic Monitor (**MEM**) a World Bank publication which examines recent macroeconomic developments, together with policy reforms. The MEM includes a summary of findings from the Public Expenditure and Financial Accountability assessment of Myanmar completed earlier this year. The MEM also notes that various reforms introduced by the Government such as the removal of import and export licensing requirements on some 600 products, the approval of new regulations on foreign investment to provide greater clarity to some aspects of the 2012 Foreign Investment Law, the granting of licenses to private insurance companies for the first time in 50 years, and the enactment of the anti-corruption law, have improved the business environment in Myanmar. (From *Myanmar Freedom*, 7 November 2013)

## 11th INDONESIAN ZEI-2013 Trade Fair Held in Kamayut

The 11th edition of the “INDONESIAN ZEI-2013” trade fair is being held at Junction Square Shopping Center in Kamayut Township. The trade fair promotes Myanmar to Indonesian SME's and entrepreneurs, and encourages friendship and intercultural awareness between the two nations. (From *The New Light of Myanmar*, 10 November, 2013)

## Truck Assembly Plant Under Construction on Magway-Taungdwingyi Road

A truck assembly plant is under construction on the Magway - Taungdwingyi road. The plant is being built on 35.5 acres of land in an industrial park of 1300 acres. The assembly line will utilize a Programming Logic Control System and a modern Electrolytic Deposition Process for spraying. The project has been implemented with the technical assistance of TATA Motors Co., Ltd of India at a cost of US$ 20 million (Kyats15.048 million). The plant will have the capacity to produce approximately 1,000 cargo trucks, water bowsers, oil tankers and fire fighting vehicles, together with 500 gear boxes annually. The plant will also utilize German and Chinese pinion production machines. (From *The New Light of Myanmar*, 11 November, 2013 )

## Andreas List to Become New E.U. Ambassador to Myanmar

The E.U has announced that Mr. Roland Kobia will replace Mr. Andreas List as E.U. Ambassador to Myanmar. Mr. Kobia previously spent four years as E.U. Ambassador to Azerbaijan. In a meeting at the E.U.'s headquarters in Yangon, Mr. Kobia said that the E.U. aims to help Myanmar in its continued transition towards genuine democracy. (From *Myanmar Business Today*, 7 November, 2013)

## Chasson, Zaya and Hyundai Rotem Awarded Waste to Energy Contracts

South Korean-based Chasson International Group and the South Korea-Myanmar joint venture, Zaya & Associated Co Ltd and Hyundai Rotem Company, have been awarded contracts for waste to energy projects in Yangon. According to Than Lwin Oo, head of the Rangoon municipal's Pollution Control and Cleansing Department the projects have an estimated investment value of between US$180 million and $230 million. He said the electricity generated from the projects will be the Yangon municipality at 150 kyat per unit and then distributed to industrial zones around the city. (From www.dvb.no 1 November 2013)

## Masahiro Ushiyama: Banks Need Code of Conduct Before YSE Launches

Mr. Masahiro Ushiyama, senior managing director of the Daiwa Institute of Research Ltd (**Daiwa**) has said that Myanmar's banking sector needs to adopt a code of conduct prior to the planned launch of the Yangon stock exchange (**YSE**) in 2015. Daiwa are assisting between 10 to 12 public companies including banks, establish the necessary systems to enable them to transition from “over the counter” to centralised public trading. Daiwa plans to provide computer terminals, kiosks, biometric authentication and digital reports for investors. Mr. Masahiro recommended that banks establish subsidiary securities companies as he expects “maybe two or three times” the current number of public companies to list on the YSE within a year of its opening. He also stressed the importance of establishing settlement and clearing systems between listed companies and buyers. Myanmar's commercial banks provide inter-bank settlement services but as yet do not provide similar services to public companies. (From *Myanmar Times*, 11 November 2013)

**This newsletter is for information purposes only.**

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases.

Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser.

Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at unsubscribe@charltonslaw.com

**Charltons - Myanmar Highlights Newsletter - Issue 15 - 20 November 2013**