Charltons - Myanmar Highlights Newsletter - 07 January 2014

[online version](http://www.charltonslaw.com/us-state-department-issues-statement-marking-myanmars-65th-independence-day/)

# Myanmar Highlights Issue 20

## Use of "Myanmar" instead of "Burma" a "Diplomatic Courtesy"

On 4 January 2014 the U. S. State Department's Secretary of State John Kerry issued an official statement to mark Myanmar's 65th Independence Day. Mr. Kerry, addressing the people of Myanmar, stated that America was committed to supporting Myanmar as it continued “down the path towards becoming the democratic, peaceful, economically-vibrant nation so many of you have sacrificed so much to achieve.” Notably the statement referred to “Myanmar” by its official name. The U.S. government still officially refers to the country as Burma. However on Monday 6 January 2013 State Department spokeswoman Marie Harf said that the use of the name Myanmar was a “diplomatic courtesy” and did not signify a policy change. (From *ABC News*, 6 January 2014)

## Accor Builds Two Hotels in Yangon, Third Hotel Planned

The French International hotel chain the Accor Group (**Accor**) has commenced the construction of two new hotels in Yangon. Accor also intend to develop a third hotel at Inlay Lake. The 300 room Myat Min Hotel is located mid-way between Yangon city center and the Yangon International airport. The 100 room Sebel Yangon Myat Min Hotel – also situated between the city and the airport – is being developed as a premium serviced apartment hotel for long-stay guests. The 121 room Novotel Inlay Lake Myat Min Hotel is scheduled to open in early 2014. (From *The Irrawaddy Magazine*, January 2014)

## Youth Force Group Announces Plan to Build Cement Production Facility

The Myanmar owned Youth Force Group (**Youth Force**), has announced it will build a facility to produce cement used in low-cost housing projects. The facility will be developed in cooperation with Hong Kong's Yau Lee Holdings Ltd. (**Yau Lee**). Although Youth Force and Yau Lee have entered into a formal agreement a suitable development site has yet to be identified. Youth Force provides technical assistance to affordable housing projects developed by the Myanmar Ministry of Construction. Hong Kong is the third largest source of foreign direct investment (**FDI**) in Myanmar. According to the Directorate of Investment and Companies Administration Hong Kong accounted for more than US$ 6.46 million (Ks 6.38 billion) of FDI in Myanmar in 2013. (From [*ElevenMyanmar.com*](http://elevenmyanmar.com), 30 December 2013)

## Myanmar Ministry of Rail Transportation to Redevelop Yangon Station

As part of its ongoing rail development programme, the Myanmar Ministry of Rail Transportation is expected to invite tenders to redevelop Yangon Railway Station. The Government has already approved the tender invitation and the Japanese government has pledged assistance for the station upgrade. Details of the tender will be finalised in January 2014. The upgrade is expected to involve the redevelopment of housing, public spaces and other facilities in the station yard. (From [*MyanmarUpdate.com*](http://myanmarupdate.com), 2 January 2014 )

## Myanmar Government to Build Two New Waste-Fired Power Plants

The Myanmar government is planning to develop two new waste-fired power plants in a bid to meet domestic electricity demand. The plants will cost US$16 million to develop. According to a parliamentary briefing, project funding will be met through a US$8 million loan from Japan with the remainder to be arranged by the Yangon City Development Committee. The electricity generated from the plants is expected to be sold to industrial zones. The development of both projects is expected to commence in early 2014. (From *Myanmar Business Today*, 2 January 2014)

## IFC to Help Myanmar Government to Amend Foreign Investment Law

The International Finance Corporation (**IFC**) has announced it will work with the Myanmar government on amendments to the 2012 Foreign Investment Law and its accompanying implementing rules in order to improve protection for both foreign and domestic investors. On 20 December 2013 the IFC and the Ministry of National Planning and Economic Development (**MNPED**) signed a Memorandum of Understanding pursuant to which the IFC agreed to provide support to MNPED in its efforts to improve Myanmar's investment policy and regulatory framework. MNPED hope to make it easier to do business in Myanmar while stimulating domestic private sector growth, and attracting sustainable foreign investment. (From *Myanmar Business Today*, 2 January 2014)

## Tokyo News Agency Proposes Plan to Modernise Myanmar Postal System

The Tokyo based Kyodo News Agency has published a plan detailing how Japan might help Myanmar modernise its outdated postal system through the introduction of a fast, efficient and precise mail service modeled on the Japanese postal system. Masatoshi Kawano of Japan's Ministry of Internal Affairs and Communications noted mail delivery times of up to one week in southern Myanmar whereas in Japan, 98% of all postal items are delivered within two days. (From *The Irrawaddy Magazine*, January 2014)

## Myanmar and European Union to Sign Investment Protection Agreement

The Myanmar Investment Commission (**MIC**) has announced that Myanmar will enter into an investment protection agreement (**IPA**) with the E.U. The IPA, which has been agreed in principle, is intended to promote and protect investment by E.U states in Myanmar. U. Aung Naing Oo, the Director General of the MIC said that the Governments of France, Luxembourg and Switzerland had invested in Myanmar in 2013. He noted that past investments by the Government of Japan were only approved following eighteen months of negotiations. He noted that these negotiations, which took a number of constitutional matters into account, helped Myanmar to develop its current investment policies. (From *Eleven Myanmar*, 31 December 2013)

## Myanmar Inviting Proposals for Electricity Production Projects

The Ministry of Electric Power has invited local and international firms to submit proposals in relation to electricity production projects throughout Myanmar. This is the third time that the Government has issued a general call for private sector participation in the electricity production sector. Although Myanmar currently produces a total 3,300 megawatts of electricity annually it struggles to meet domestic power demand and experiences a shortfall during the dry season when hydropower production decreases dramatically. Myanmar's energy mix includes hydropower gas, coal, and bio-fuels. Myanmar also has the potential to develop geothermal power. Companies from Indonesia Japan and South Korea have already expressed an interest in developing coal-fired and gas-fired power plants in Myanmar. ( From *Myanmar Business Today*, 1 January 2014)

## JFE and Ministry of Construction Begin to Build Steel Plant in Yangon

Japanese steel giant JFE Engineering Corp (**JFE**) has entered into a joint venture (**JV**) with the Myanmar Ministry of Construction and has commenced the construction of a new 16- acre steel fabrication plant in Yangon. It is estimated that the plant, which will have an annual capacity of approximately 10,000 tonnes, will be completed by the end of April 2014. The plant will produce fabricated steel to be used in the construction of bridges and other steel-supported structures. The Yangon plant will also serve as a production hub for JFE's projects in Southeast Asia, the Middle East and Africa. JFE provides engineering expertise to infrastructure, natural resources, and transportation and logistics companies. (From *Myanmar Business Today*, 1 January 2014)

## Myanmar to be a Member of Multilateral Investment Guarantee Agency (MIGA)

The Multilateral Investment Guarantee Agency (**MIGA**), the political risk insurance and credit enhancement arm of the World Bank Group, has announced that Myanmar has fulfilled all of its membership criteria. Myanmar is now expected to become the MIGA's 180th member. The MIGA provides investors who invest in MIGA member states with certain investment guarantees. Myanmar investors investing in other MIGA member states can similarly protect their investments. (From *Myanmar Business Today*, 1 January 2014)

## APB Alliance Brewery Company Acquries Permit to Operate in Myanmar

A joint venture company established by Asia Pacific Breweries Ltd (**APB**) and its local partner Alliance Brewery Co Ltd has been granted a permit by the Myanmar Investment Commission. The joint venture company, the APB Alliance Brewery Company Limited (**APB Alliance**), will produce Heineken on behalf of the Dutch multi-national brewing company. APB holds a 57% stake in the APB Alliance which will spend approximately US$60 million on developing a new production facility in Yangon. The new facility is expected to be operational by the end of 2014. (From *Eleven Weekly Media*, 1 January 2014)

## Myanmar Granted 118 Permits for Foreign Investment in 2013

The Myanmar Investment Commission (**MIC**) granted 118 permits (**MIC Permits**) to foreign companies and foreign invested projects in 2013. The aggregate value of new foreign investment had exceeded US$44 billion by the end of November 2013. Among the recipients of MIC Permits were British American Tobacco, Carlsberg, the APB Alliance Brewery Company (licenced to produce Heineken) and Chang Beer International Limited among others. China, Thailand and Hong Kong remain Myanmar's largest source of foreign direct investment. (From *Eleven Weekly Media*, 1 January 2014)

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