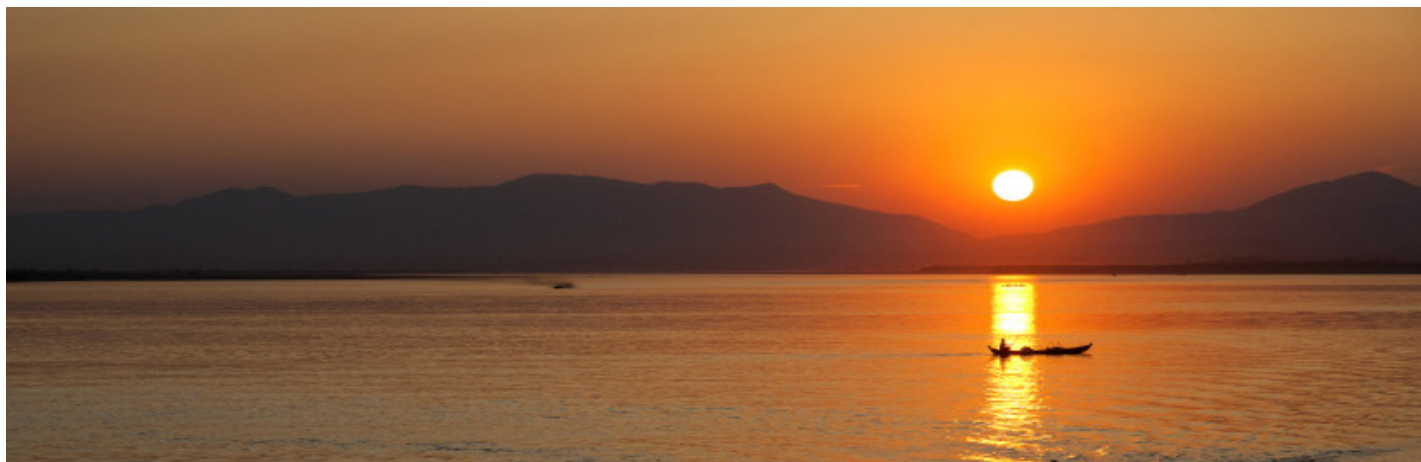


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Myanmar Highlights

19 February 2014

Surge in FDI in Myanmar's Tourism Sector

FDI in Myanmar's hotel and tourism sector was approximately US\$1.92 billion in the twelve months ending 31 March 2013. Singapore accounted for approximately US\$880 million of total FDI; Thailand for approximately US\$235 million, Japan for approximately US\$183 million, and China for approximately US\$150 million. According to the Directorate of Hotels and Tourism, there are currently 923 hotels motels, and guest houses in Myanmar with a combined total of 34,834 rooms. Some 5,000 additional hotel rooms are currently under construction and due to be completed within the next 18 months. (Source *Myanmar Business Today*, 6 February 2014)

U.S. Giant to Partner with SMART Technical Services

General Electric Oil and Gas (**GE**) have announced details of a new partnership with SMART Technical Services Co. Ltd, a service provider to the oil and gas Industry in Myanmar. GE offshore drilling services include shallow, low-pressure wells and critical-service wells drilled to depths of more than 20,000 feet requiring casing strings, large rigs and reliable high-pressure and temperature solutions. GE also provides different types of fixed and floating platforms such as jack-up drilling rigs, floating drilling rigs and floating production, storage and offloading units. (Source: *Myanmar Business Today*, 6 February 2014)

MIC Grant Permit to Adventure Myanmar Tours

The Myanmar Investment Commission (**MIC**) has granted a permit to the Adventure Myanmar Tours and Incentives Company (Adventure Myanmar) in relation to its proposal to invest Kyats 46 billion (approximately US\$46 million) to develop

7.42 acres of land on the site of the former National Defence College in Yangon. The MIC approved Adventure Myanmar's project proposal on 30 January 2014. Adventure Myanmar has leased the site on a Build, Operate and Transfer basis. The development will include a five-star hotel, a shopping complex, a business centre and serviced apartments. Shwe Taung Development Co. Ltd.'s has previously received permission to invest Kyats100 billion (approximately US\$101 million) in a separate hotel project on the site. (Source: *elevenmyanmar.com*, 9 February 2014)

Myanmar's Cross-Border Trade Increasing

Myanmar's cross-border trade reached US\$4.01 billion in the 10 months ending the 31 January 2014. There are now fourteen trading zones on Myanmar's borders with China, Thailand, Bangladesh and India. Myanmar largest border at Muse in Kachin State accounted for approximately US\$3.12 billion of total cross border trade. Myanmar's foreign trade for the same period totalled approximately US\$15.27 billion. Total exports were approximately US\$7.43 billion while the total imports were approximately US\$7.84 billion. (Source: *myanmar-business.org*, 10 February 2014)

United Diamond Motor Company to Partner with Malaysia's Tan Chong Group

Myanmar's United Diamond Motor Company (**UDMC**) has entered into a partnership with Malaysia's Tan Chong Group (**Tan Chong**). Tan Chong operates throughout South East Asia providing sales, customer support and assembly services in cooperation with the Nissan Motors Group (**Nissan**). Nissan will invest more than Kyats 197.4 billion (approximately US\$200 million) to construct an assembly plant on a 100 acres site in the Bago Region. The Ministry of Industry has approved a

30-year land lease for the project. Construction is expected to be completed in 2015. (Source: *myanmar-business.org*, 10 February 2014)

Ministry of Energy to Announce Offshore Winners by the end of February 2014

The Ministry of Energy has announced it will name the successful bidders in its inaugural offshore licensing bidding round by the end of February 2014. Bids were received from 30 companies including the Petroleum Authority of Thailand, PETRONAS, Japan's Mitsui Oil Exploration Co., Ltd and the Royal Dutch Shell Plc. PSC contract negotiations will commence once the names of the successful bidders have been announced. Most of the oil produced at Myanmar's three offshore fields at Yadana, Yetagun and Shwe is exported to either Thailand or China. (Source: *myanmar-business.org*, 10 February 2014)



Persero Tin Indonesia to Commence Exploration in Tanitharyi

Persero Tin Indonesia Bangka Karimun Timah (**Timah**) is set to commence exploration in the Tanitharyi region of Myanmar by the end of June 2014. The mine area is estimated to have tin reserves of approximately 10,000 tonnes. Production is scheduled to commence in early 2015. Timah hopes to obtain additional permits in relation to other mining areas by the end of

2014. Timah will additionally invest US\$12.25 million of its own funds to construct a tin smelting plant. (Source: *mmbiztoday.com*, 10 February 2014)

Myanmar to Adopt International Gold Measurement and Purity Standards

Myanmar is to adopt international measurement standards in relation to the production and purity of gold bars. Myanmar will start selling gold with 99.99% purity in the international unit of grams. Up until now Myanmar has used its own extraction and purifying standards as well as local measurement units. The exportation of gold from Myanmar is still heavily restricted however further liberalising measures are expected to be implemented prior to the launch of the ASEAN Free Trade Zone. (Source: *China Daily*, 19 February 2014)

New Directive to Caps Microfinance Loans at US\$500

The Government will introduce a new directive to cap microfinance (**MFI**) loans at US\$500. The MFI sector has experienced considerable growth in Myanmar over the last two years. There are approximately 150 agencies currently providing MFI loans in Myanmar. The directive was announced by the Microfinance Supervisory Committee and is intended to ensure enforce responsible lending. Pursuant to the directive MFI agencies are restricted from offering loans with monthly interests exceeding 2.5% or annual interest rates exceeding 30%. MFI loans totalling US\$283 million were provided to 2.8 million people in Myanmar in 2013. (Source: *International Business Times*, 18 February 2014)

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