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Myanmar Highlights

July 2014

Central Bank says between five and ten overseas banks will be issued with licences

The Myanmar Central Bank has announced that between five to ten overseas banks will be issued with licences to operate in Myanmar. The licences are to be issued by the end of September 2014. The banks, which have not yet been selected, will be permitted to operate locally after either establishing a local bank branch, forming a new Myanmar company in the overseas bank's name, or by entering into a joint-venture with a local partner. A committee, composed of representatives from the Ministry of Finance, the Central Bank of Myanmar, the Attorney-General's Office, a German advisory team, the International Monetary Fund and experts from the World Bank, will select the banks to be licenced. (Source: *elevenmyanmar.com*, 30 June 2014)

Myanmar to join Extractive Industries Transparency Initiative

The International Secretariat of the Extractive Industries Transparency Initiative (EITI) has announced that Myanmar is being considered for membership. EITI members are required to commit to implement EITI standards by 2 January 2017. Comprised of government and industry participants, the primary goal of the EITI is to ensure that natural resources are developed and managed in a transparent and sustainable manner. The Government submitted its membership application on 7 May 2014 and has agreed to the creation of a multi-stakeholders group, and to the formulation of a work-plan to implement EITI standards. (Source: *The New Light of Myanmar*, 5 July 2014)

CPG Corporation to develop a master-plan for Kyaukpyu SEZ

A Singapore based consortium led by the CPG Corporation Pte Ltd (**CPG Corp**) has been chosen to develop a master plan for one of three Special Economic Zones (**SEZs**) to be developed in Myanmar. CPG Corp entered into an agreement with the committee responsible for choosing and inviting international developers to participate in the development of the Kyaukpyu SEZ. The project will include a deep-sea port, an industrial park, residential accommodation and educational, recreational, and health care facilities. The Government and the consortium will select construction partners in December 2014 through an international bidding process. (Source: *The New Light of Myanmar*, 8 July 2014)

Myanmar Airways to be renamed Myanmar National Airways

National carrier Myanmar Airways will be renamed Myanmar National Airways following the enactment of the Myanmar Aviation Bill. The draft law has been submitted to Parliament for review. In February 2014, Myanmar Airways announced plans to expand its international fleet and signed a contract to lease ten new Boeing aircrafts from US-based GE Capital Aviation Services. (Source: *Myanmar Business Today*, 10 July 2014)

Foreign investment to be permitted in private health care

The Ministry of Health (**Ministry**) has announced that foreign investors will be permitted to invest in local private hospitals, clinics and laboratories in co-operation with local partners. The Ministry will support applications from prospective foreign

investors once they have obtained licenses from the Myanmar Investment Commission (**MIC**). Partners of foreign investors can apply to the Ministry for permission through their local township health office. However, the Directorate of Investment and Company Administration (**DICA**), the Secretariat of the MIC, has announced that no licenses will be issued to foreign firms until a Government review of the 2013 investment rules (**FIL rules**) implementing the 2012 Foreign Investment Law is completed. The Government is expected to introduce amendments to the FIL Rules before the end of July 2014. (Source: *Myanmar Times*, 7 July 2014.)

Government pledges support for second phase of Thilawa SEZ

The Government has pledged its support for the second phase of the Thilawa SEZ currently being developed by a consortium of Myanmar, Japanese and other foreign investors. Environmental and social impact assessments, due as part of the project's second phase, will be produced by Japan's Environmental Resources Management Ltd. (**ERM**) and Myanmar's E-Guard Environmental Services Co. (**E-Guard**). ERM and E-Guard will submit the assessments to the Ministry of Industry and will publish the final reports in full. The reports will assess the proposed project's impact on land use, water quality, air pollution and wildlife among other social and environmental impact indicators. (Source: *Myanmar Times*, 7 July 2014).



Taiwan Cooperative Bank to establish Yangon representative office

The Taiwan Cooperative Bank (**TCB**) has approved a resolution to establish a representative office in Yangon. The TCB has estimated that banks currently operating in Myanmar can only meet 10% of the demand for finance. (Source: *Myanmar Business Today*, 16 July, 2014)

Myanmar Petrochemical Enterprise announces details of Thanlyin Refinery tender process

The Myanmar Petrochemical Enterprise (**MPE**) has announced an Invitation to Tender to local and foreign investors in relation to a joint venture to be established at the Thanlyin Refinery (**TRJV**). The TRJV will import, distribute and provide storage for a wide range of petroleum based products. Tender information can be purchased by interested parties from 14 July 2014 upon payment of a non-refundable fee of Kyats 3,000,000 to the MPE. From 14 July 2014 until 12 September 2014 applicants will have the opportunity to perform due diligence and seek written clarifications from the MPE in relation to the TRJV. (Source: *Ministry of Energy*, 14 July 2014)

British Chamber of Commerce to establish in Myanmar

The British Chamber of Commerce (**BCC**) has announced it will establish a Myanmar branch. The BCC, partnering with Britain's Overseas Business Network Initiative (**OBNI**), serves as a point of contact for British businesses operating overseas. The OBNI currently has 86 regular members. A number of companies with Myanmar operations including Agrekko Plc, British American Tobacco Plc, and Royal Dutch Shell Plc have endorsed the establishment of a BCC in Myanmar. (Source: *www.networkmyanmar.org*, *British Chambers of Commerce*, 16 July 2014.)

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