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Myanmar Highlights

August 2014

Intel to provide computers to Myanmar Government

Intel Corp has announced its plan to collaborate with both the Government and the Myanmar private sector on a variety of new initiatives aimed at developing Myanmar's IT sector. The new partnership will include the provision of computers to Government departments such as the Ministry of Communication, Ministry of Information and Technology and Ministry of Energy. (Source: *Myanmar Times*, 18 August 2014)

New Myanmar-Thailand barge service established

A new barge service has commenced operations between Thailand and Yangon. The service is operated by Freight Company Ltd Myanmar, a subsidiary of the Thai-based Freight Company Ltd. The barge service will primarily be used by participants in the oil, gas, power, steel, mining and construction industries. It will also provide services to coastal areas and offshore platforms and will also operate upriver. (Source: *Myanmar Business Today*, 21 August 2014)

Yangon imposes water supply restrictions on new high rise developments

Yangon City Development Committee (**YCDC**) has announced it will not supply water to construction projects of 12 or more storeys. Contractors proposing to build in excess of 12 stories need to consider alternative supplies while at the same time ensuring the non-disruption of water supplies to residents in vicinity of the site. New buildings of less than 12 stories will not be affected by the new rule. (Source: *Myanmar Business Today*, 21 August 2014)

Review of Myanmar's waterways to be undertaken with Dutch assistance

A review of Myanmar's extensive waterways will be undertaken by the Integrated Water Resources Management (**IWRM**) research team in November 2014 with the help of the Dutch Government. The IWRM team together with up to 50 specialists from the Netherlands and Myanmar will examine the country's ageing waterway infrastructure and train its civil engineers on modern waterway management techniques. According to the IWRM the main purpose of the study is to assist the Government by providing data which can be used to shape sustainable policies for water resource projects in Myanmar. (Source: *Myanmar Times*, 18 August 2014)

ONGC negotiates production agreements for Myanmar onshore blocks

On 8 August 2014, India's Oil and Natural Gas Corporation Limited Videsh (**ONGC**) entered into production sharing contracts in relation to onshore exploration blocks B-2 and EP-3. The two blocks, offered as part of Myanmar's 2013 onshore bidding round, were preliminarily awarded to ONGC on 10 October 2013. ONGC has also invested in offshore blocks A-1 and A-3 and in the Shwe Gas pipeline project. (Source: www.ongcindia.com, 11 August 2014)

Bashneft International and Sun Apex Holdings Ltd enter into agreement to develop onshore block EP-4

The Ministry of Energy (**MOE**) has announced that Russia's Bashneft International B.V (**Bashneft**) and Myanmar's Sun Apex Holdings Ltd (**Sun Apex**) have entered into a production sharing contract (**PSC**) in relation to the development of onshore block EP-4. The signature bonus will be approximately US\$4

million. Under the PSC approximately US\$38.3 million will be invested in exploration activities. Bashneft and Sun Apex will establish a new joint venture company with Bashneft taking a majority 90% stake and Sun Apex holding the remaining 10%. Block EP-4 has an area of 325 sq. miles and is located in Myanmar's Central Burma Basin. Two-dimensional seismic surveys totalling 132km in length have been conducted. Three oil-surveying wells have also been drilled within the exploration area. (Source: *myanmarbusiness.org*, 11 August 2014)

Hana Financial Group Inc. establishes micro-finance bank in Myanmar

South Korea-based Hana Financial Group Inc. has established a microfinance company in Myanmar (**Hana Myanmar**). Hana Myanmar plans to extend small loans of up to approximately US\$485 to residents of 23 townships across Myanmar. (Source: *Myanmar Business Today*, 14 August 2014)

Ayala Land Incorporation to commence work on residential development in 2015

Philippines-based Ayala Land Incorporation (**Ayala**) plans to invest approximately US\$30 million developing residential towers in Myanmar in 2015. Ayala will work in partnership with an as yet unnamed local partner. (Source: *Myanmar Business Today*, 14 August 2014)

Foreign telecom operators will be permitted to erect transmission towers on land leased from the Government

Foreign telecom operators will be permitted to erect transmission towers on land leased from the Government. The Government will work with the Yangon City Development Committee (**YCDC**) together with other city departments to facilitate the process. Rental fees will be negotiated with YCDC. (Source: *eleveyanmar.com*, 12 August 2014)

Ministry of Commerce proposes to lift restrictions on foreign trading companies

The Ministry of Commerce is planning to lift restriction preventing foreign investors from engaging in trading activities in Myanmar. The rule changes are being introduced with a view to increase Myanmar's exports, particularly agricultural exports. It is anticipated that increased foreign participation in trading activities will lead to investment and improve the production and export of value-added products. (Source: *mmbiztoday.com*, 12 August 2014)

Thailand's PTTP announces commencement of natural gas exports

On 5 August 2014 the state-owned Petroleum Authority of Thailand Exploration and Production Company (**PTTP**) announced that it had commenced the exportation of natural gas to Thailand from the Zawtika offshore block (Zawtika). PTTEP has an 80% share of the Block M9 at Zawtika with the Myanmar Oil and Gas Enterprise holding the remainder. Zawtika is the fourth commercial gas field in Myanmar with total reserves estimated to be 1.4 trillion cubic feet. (Source: *Myanmar Times*, 11 August 2014)

Myanmar Customs announces modernisation measures

Myanmar Customs has announced that a 'Single-Window' system will be put in place in 2015. This new system will allow importers and exporters to obtain all necessary approvals at a single office rather than from different government offices as is necessary under the current system. The initiative will help Myanmar meet its ASEAN commitments. Among other things, ASEAN aims to standardise practices among ASEAN members' customs departments. The Japan International Cooperation Agency will provide US\$38.98 million in funding to the programme. A new automated cargo clearance system will also be installed and will utilise Japanese technology. (Source: *Myanmar Times*, 11 August 2014)

U.S. Treasury Department grants special Myanmar timber licences to U.S. companies

The U.S. Treasury Department has started to grant special one year licences to U.S. companies trading with the Myanmar Timber Enterprise (**MTE**). The licences specifically permit members of the U.S.-based timber group, International Wood Products Association to import products from MTE. (Source: *Myanmar Times*, 11 August 2014)

Japan pledges additional funding for communications development

Japan has pledged to provide approximately US\$105 million in low interest loans to help the country improve the communication network linking Yangon, Mandalay and Nay Pyi Taw. Japan will also assist Myanmar in developing its postal service by providing technical support and conducting staff training in the three major cities. According to the Ministry of National Planning and Economic Development, Japanese assistance on this project will amount to approximately US\$199.04 million. (Source: *Myanmar Business Today*, 21 August 2014)

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