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Myanmar Highlights

September 2014

Myanmar to develop central minerals market

The Myanmar Federation of Mining Association (**MFMA**) has announced it intends to establish a central minerals market (**CMM**) in Myanmar. The CMM will help reduce the trade in illegally mined minerals by setting minimum prices and establishing quality standards among other measures. The market will also allow for the improved collection and analysis of mining and mineral product data. Additionally, the development of associated sale and supply chains will help Myanmar integrate with the ASEAN Economic Community (**AEC**) which comes into effect in 2015. (Source: *Myanmar Business Today*, 28 August 2014)

UPS to expand airfreight services in Myanmar

United Parcel Service Inc. (**UPS**) is to expand its airfreight services in Myanmar. UPS customers trading with Myanmar will now be able to avail of established UPS services such as 'UPS Air Freight Direct', 'UPS Air Freight Consolidated', 'Full Container Load' and 'Less-than-Container Load'. (Source: *Myanmar Business Today*, 28 August 2014)

Turkish Airlines and Myanmar Airways enter into cooperation agreement

Turkey and Myanmar have entered into a bilateral civil aviation agreement pursuant to which their respective national carriers will share codes and equipment. Turkish Airlines will commence scheduled flights to and from Yangon. (Source: *www.yenisafak.com*, 26 August 2014)

Korea's LS Industrial Systems and GE Myanmar execute supply agreement

South Korea's LS Industrial Systems (**LS**) has announced it has signed a deal with Asia General Electric Co. Ltd (**GE**), the largest electric equipment maker in Myanmar. Under the agreement LS will supply GE with 3,000 vacuum circuit breakers worth approximately US\$13 million over the next five years. (Source: *Myanmar Business Today*, 29 August 2014)

ACO Investment Group to develop solar power plants in Myanmar

The U.S.-headquartered ACO Investment Group (**ACO**) and the Ministry of Electric Power (**MEP**) have entered into an agreement in relation to the development of Myanmar's first solar power plants. According to a press release from the Office of the U.S. Trade Representative, the project, which will consist of two 150-megawatt solar facilities, is valued at US\$480 million. The plants are expected to account for 10% to 12% of Myanmar's power generation when completed in 2016. The project will be managed by ACO's subsidiary Convalt Energy Services LLC. (Source: *mizzima.com /Reuters.com*, 29 August 2014)

Myanmar Investment Commission expands list of businesses that can be 100% foreign-owned

On 14 August 2014, the Myanmar Investment Commission (**MIC**) announced that the list of business activities which foreign investors can carry out independently has been expanded. Most notably 100% foreign ownership is now permitted in beverage production and in the small- and medium-sized power generation. Full foreign ownership is now permitted in a wide range of sectors, including mining,

construction, construction material production, jewellery production, coal exports, hydropower and coal-fired power generating. Ownership restrictions continue in place in the oil and gas sector, where foreign companies are required to enter into joint venture arrangements with the Ministry of Energy. (Source: www.nationmultimedia.com, 26 August 2014)

Ministry of Electric Power to open up hydropower sector to western investment

The Ministry of Electric Power (**MOEP**) has announced that international companies with experience in developing hydropower plants to international standards and proven track record in compliance with environmental and socio-economic standards will be permitted to develop hydropower projects in Myanmar. Historically, the Government has restricted foreign participation in hydropower projects to Chinese, Thai and Indian companies. However the MOEP is now in negotiations with firms from the UK, the U.S, France, Norway and Austria in relation to different hydropower development projects. (Source: Myanmar Times, 1 September 2014)

ANZ seeking Myanmar banking licence

The Australia and New Zealand Banking Group Ltd (**ANZ**) is now the only non-Asian bank still seeking to obtain a licence to operate in Myanmar. British bank Standard Chartered PLC has recently announced that it was withdrawing from the licence application process. ANZ opened a representative office in Myanmar in June 2014. ANZ has established operations in several ASEAN nations as well as Japan, China and India. Pursuing a 'super-regional' Asian strategy, ANZ aims to generate 25-30% of its revenue outside Australia and New Zealand by 2017. According to the Nikkei Asian Review Japanese banks, the Mitsubishi UFJ Financial Group, Mizuho Bank Ltd and Sumitomo Mitsui Banking Corp, together with banks from Thailand's Bangkok Bank, Singapore's United Overseas Bank and Malaysia's CIMB Group Holdings are among twenty-five banks seeking a licence to operate in Myanmar. (Source: www.theaustralian.com.au, 31 August 2014)

Russia-Myanmar trade to reach US\$500 million a year

Russian Economic Development Minister Alexei Ulyukayev has proposed increasing trade with Myanmar to US\$500 million a year by 2017. Mr. Ulyukayev's comments came following the signing of an agreement establishing a new Russian-Myanmar trade commission. Russian-Myanmar

trade is currently worth approximately US\$114 million a year. The signed agreement also envisages improved scientific and technical cooperation between Russia and Myanmar. The first meeting of the newly formed bilateral trade commission was attended by representatives from over 60 Russian companies, including oil-producer the Bashneft Group, the state-owned United Aircraft Corp and its subsidiary, Sukhoi Civilian Aircraft Co. Ltd. (Source: Moscow Times, 29 August 2014)

The Canadian Government considering preferential tariff system for Myanmar

The Canadian Minister for International Trade Mr. Ed Fast has announced that discussions are underway in relation to the inclusion of Myanmar in Canada's generalised system of preferences (**GSP**) programme for least developed countries. The move would provide Myanmar exporters with greater access to the Canadian market. Mr. Fast also confirmed that the Canadian Government plans to encourage investment and trade with Myanmar under a new 'Global Market Plan'. (Source: www.elevenmyanmar.com, 30 August 2014)

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