

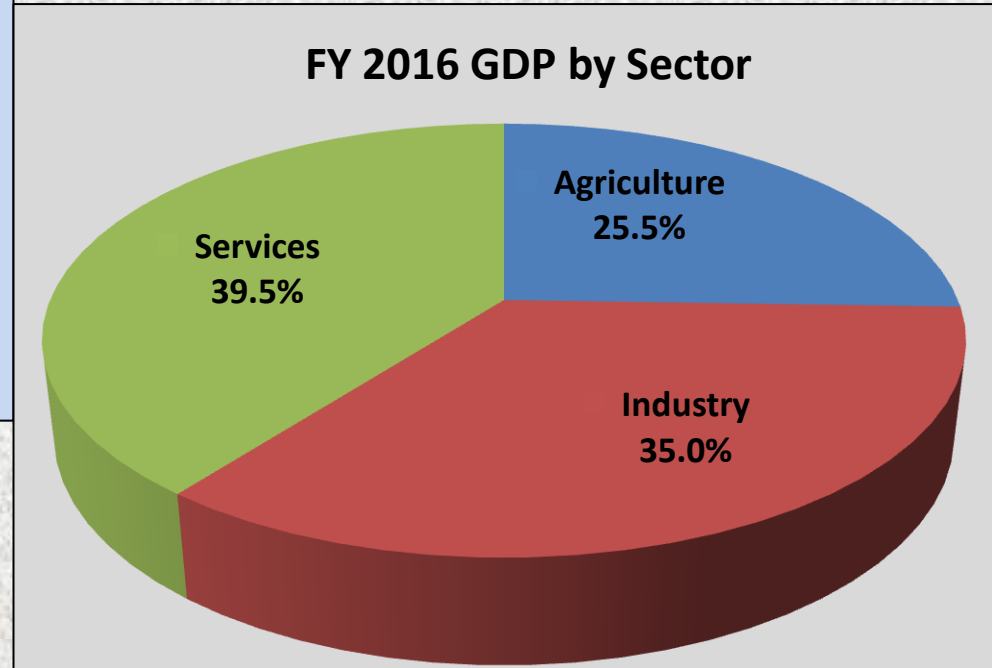
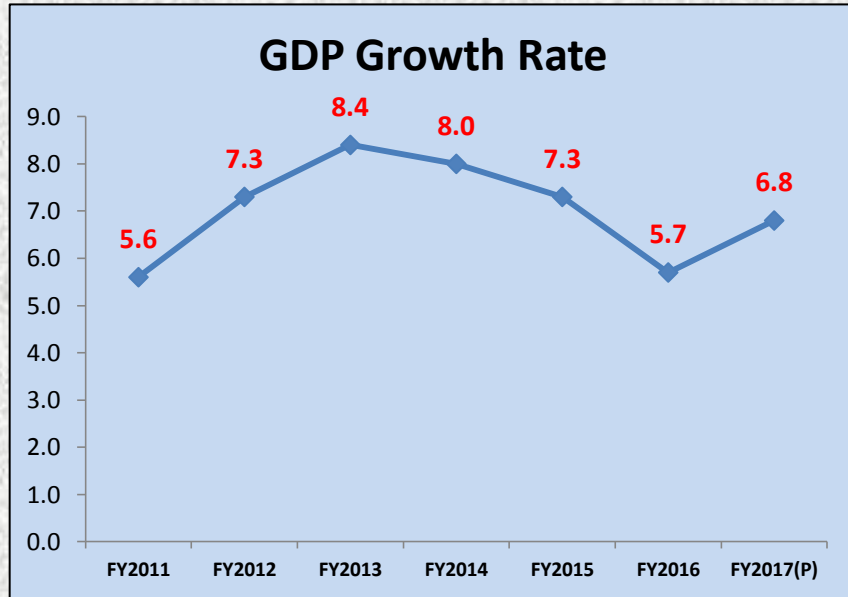
Latest Trend of Myanmar's Economy

Ms. Ei Ei Khine
Economic counsellor
Embassy of the Republic of the Union of Myanmar

Outline

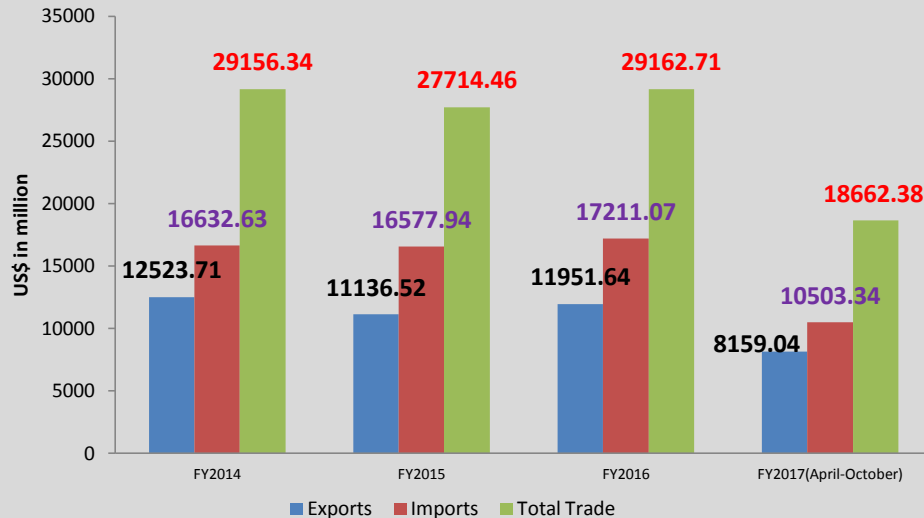
- ❖ Economic Indicator
- ❖ Trade & Investment Situation
- ❖ Legal Framework
- ❖ Potential Investment

Myanmar's Economic Indicators

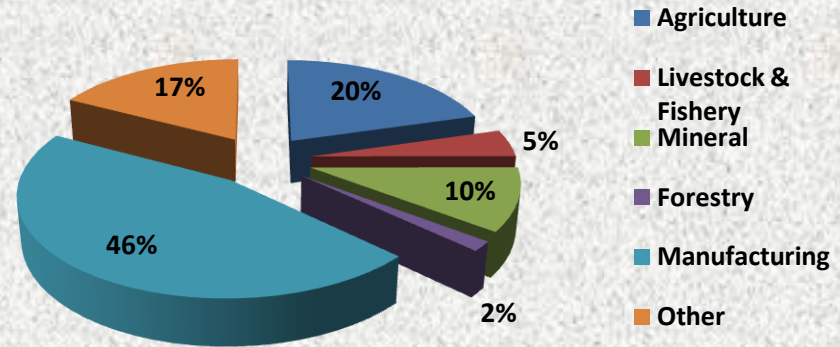


Trade Situation

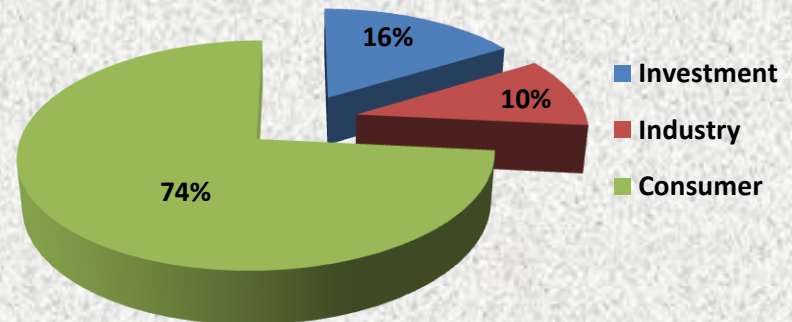
Total Trade



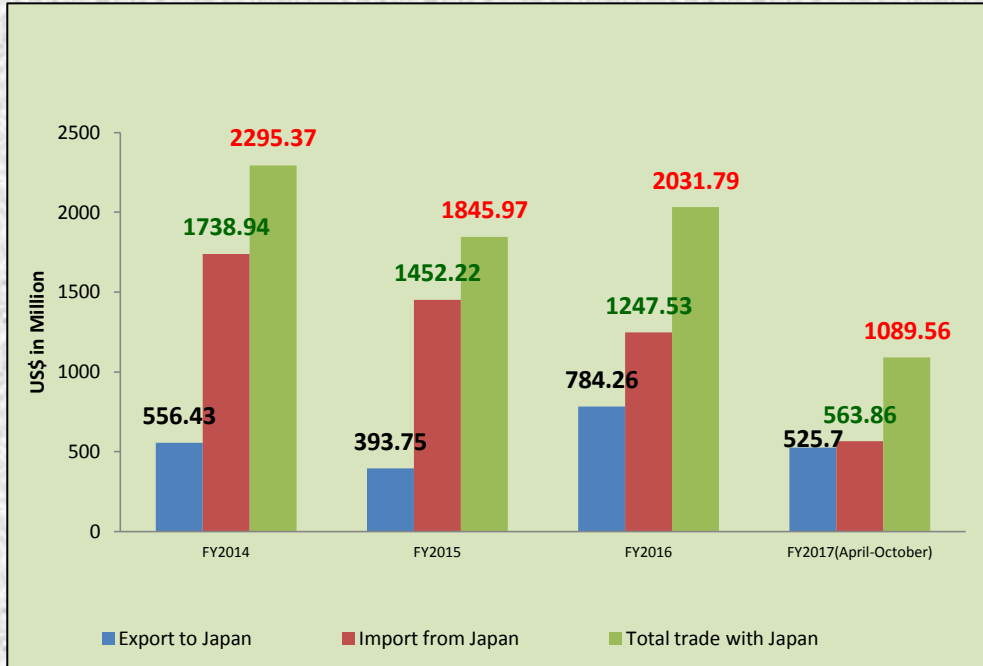
Export by commodity



Import by commodity



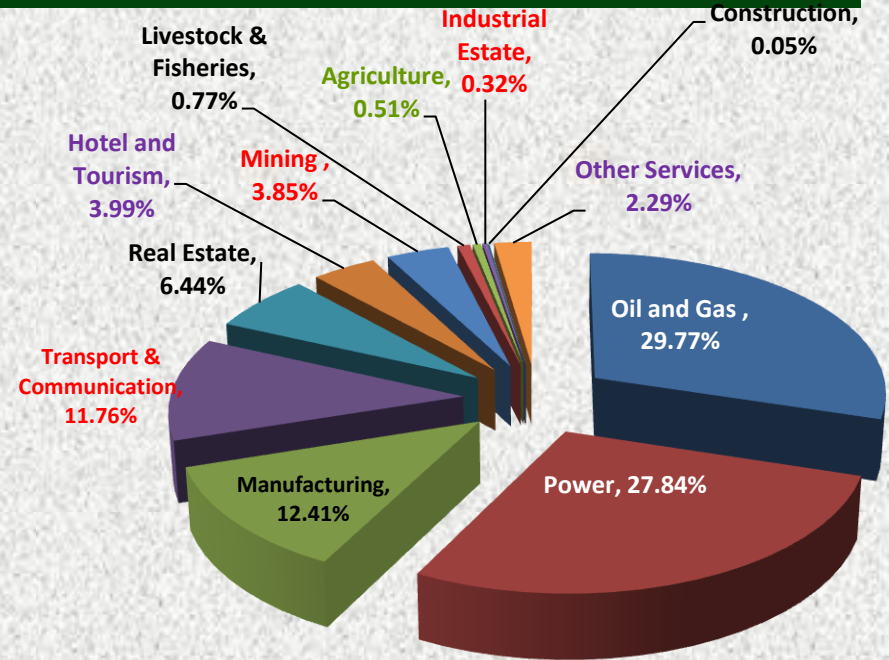
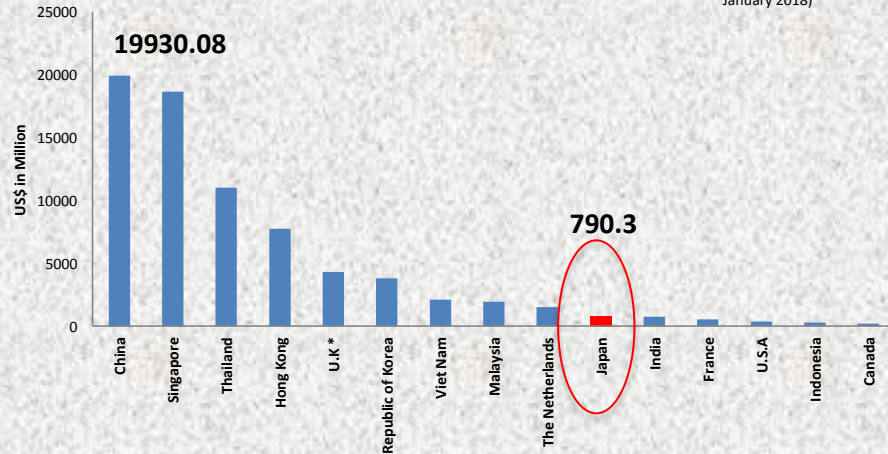
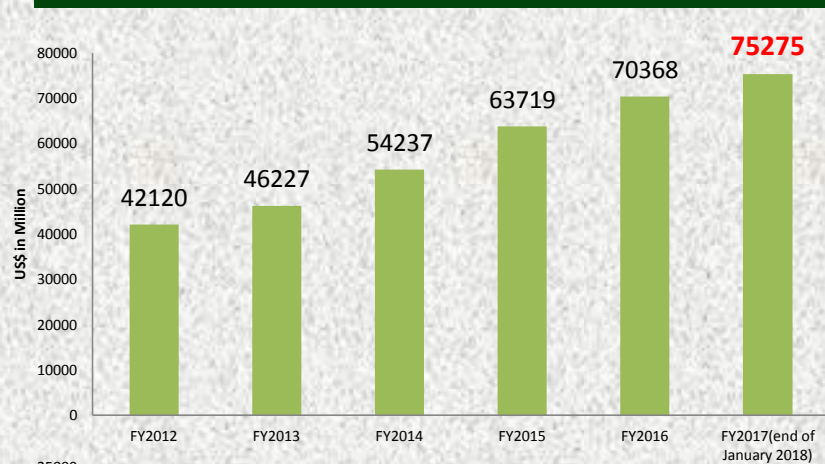
Trade with Japan



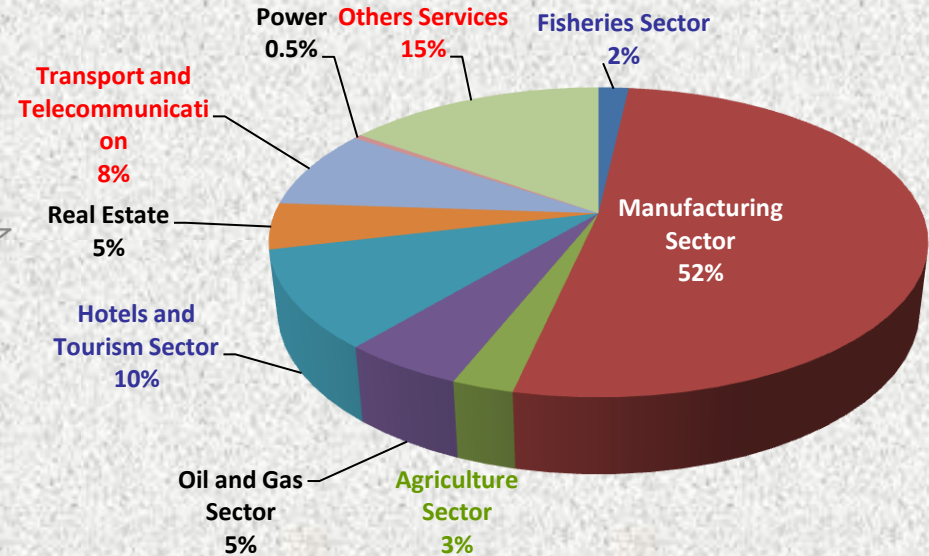
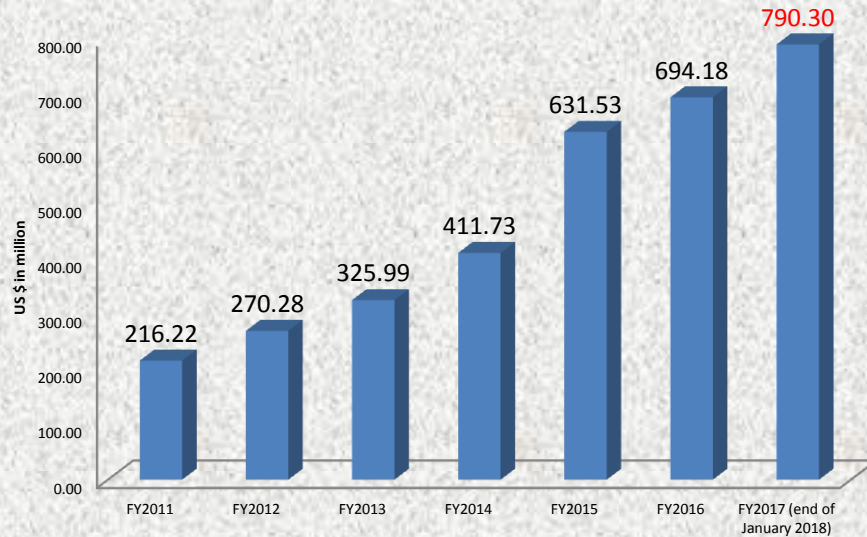
Source: Central Statistical Organization

Export to Japan	Import from Japan
Garment	Transport Equipment
Footwear	Machinery and Mechanical Appliance
Pulses	Base Metals and Manufactures
Prawn	Electrical Machinery and Apparatus
Sesame seeds	Fabrics of Artificial and Synthetic Fabrics

Foreign Direct Investment in Myanmar (As of 31-1-2018)



Japanese Investment in Myanmar (As of 31-1-2018)

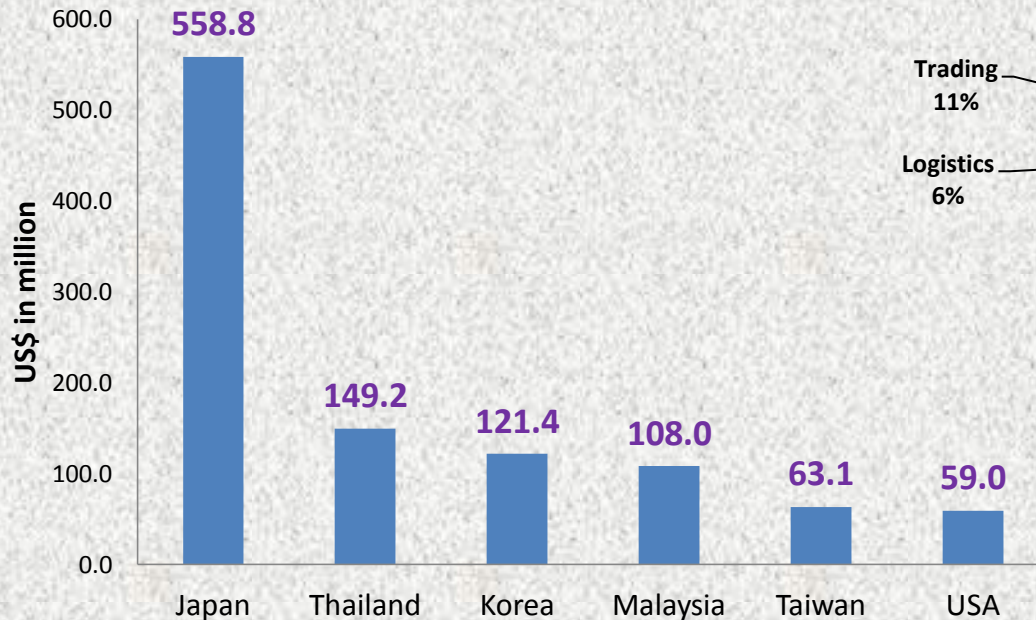


Investment in Thilawa SEZ

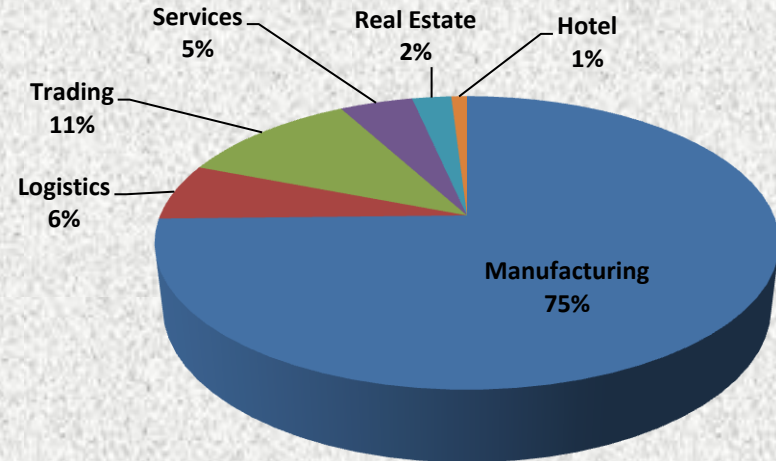
(As of 31-1-2018)

Total investment US\$ 1235.34 million

Investment by top 6 countries



Investment By Sector



Legal Framework

- **Special Economic Zone Law (2014)**
- **Myanmar Investment Law (2016)**
- **Myanmar Company Law (2017)**

Pioneer SEZs: Special Economic Zones in Myanmar

**3 Pioneer SEZs
namely;**

- Dawei SEZ
- Kyauk Phyu SEZ
- Thilawa SEZ



Special Economic Zone Law : Tax Benefit

Subject		Investment in SEZ	
		Free Zone	Promotion Zone
Corporate tax	Tax exemption	7 years	5 years
	50% tax relief	5 years	5 years
	50% tax relief for reinvestment	5 years	5 years
Import tax exemption	Import of construction materials, machinery, equipment	Exempted	5 years exempted + 5 years (50% relief)
	Import of raw material	Exempted	Export portion is refundable

Land Use in SEZ

Initial
+
Extension

Year 50

Year 25

Total

Year 75



ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်
THE REPUBLIC OF THE UNION OF MYANMAR

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုဥပဒေ

MYANMAR INVESTMENT LAW

Rights to use Land

Initial	Year	50
+		
Extension (10 Year 2 Times)	Year	20
Total	Year	70

Investors' Rights and Protections

**National
Treatment and
Most Favored
Nation
Treatment**

**Fair &
Equitable
Treatment**

**Right to
Employ
Expatriates**

**Investment
Guarantee**

**Transfer of
Funds**

Classification of Promoted Sectors



**Agriculture
and its related
services
(except
cultivation and
production of
tobacco and
Virginia)**



**Plantation and
conservation
of forest, and
other
businesses
with forest**



**Livestock
production,
breeding and
production of
fishery products,
and its
related services**



**Manufacturing
(Except
manufacturing
of cigarette,
liqueur, beer,
and other
harmful
products to
health)**



**Establishment
of Industrial
Zones**



Classification of Promoted Sectors



**Establishment
of New Urban
Areas**



**City
Development
Activities**



**Construction
of Road,
Bridge and
Railway Line**



**Construction
of Seaport,
River Port and
Dry Port**



**Management,
Operation and
Maintenance
of Airport**



Classification of Promoted Sectors



**Maintenance
of Aircrafts**



**Supply and
Transport
Services**



**Power
Generation,
Transmission
and
Distribution**



**Production of
Renewable
Energy**



**Telecommunica
tion
Businesses**



Classification of Promoted Sectors



**Education
Services**



**Health
Services**



**Information
Technology
Services**



**Hotel and
Tourism**



**Science
Research
Development
Business**



Designation of Development Zones

Zone 1: Less Developed Zone

Total: 166 Townships

in 13 States

and Regions

except Yangon and

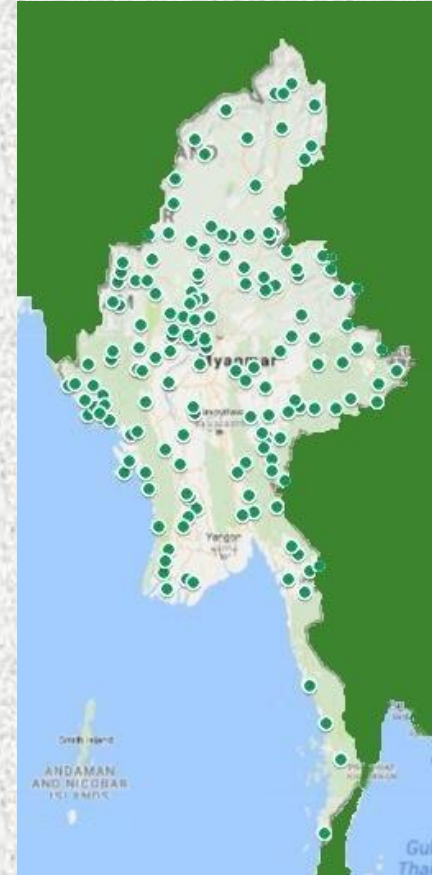
Nay Pyi Taw Union Territory

States (98 Townships)

Kachin (14), Kayah (7), Kayin (7), Chin (9),
Mon (2), Rakhine (17), Shan (42)

Regions (68 Townships)

Sagaing (34), Tanintharyi (4), Bago (5),
Magwe (13), Mandalay (2), Ayeyarwady (10)



Designation of Development Zones

Zone 2: Moderate Developed Zone

Total: 122 Townships
in 3 States, 7 Regions and
Nay Pyi Taw Union Territority

States (26 Townships)

Kachin (4), Mon (8) and Shan (14)

Regions (88 Townships)

Sagaing (3), Tanintharyi (7), Bago (23),

Magwe (12), Mandalay (13),

Yangon (13), Ayeyarwady (17)

Nay Pyi Taw Union Territority (8 Townships)



Designation of Development Zones

Zone 3: Developed Regions

**Total: 46
Townships
in 2 Regions**

**14 townships in Mandalay
Region**

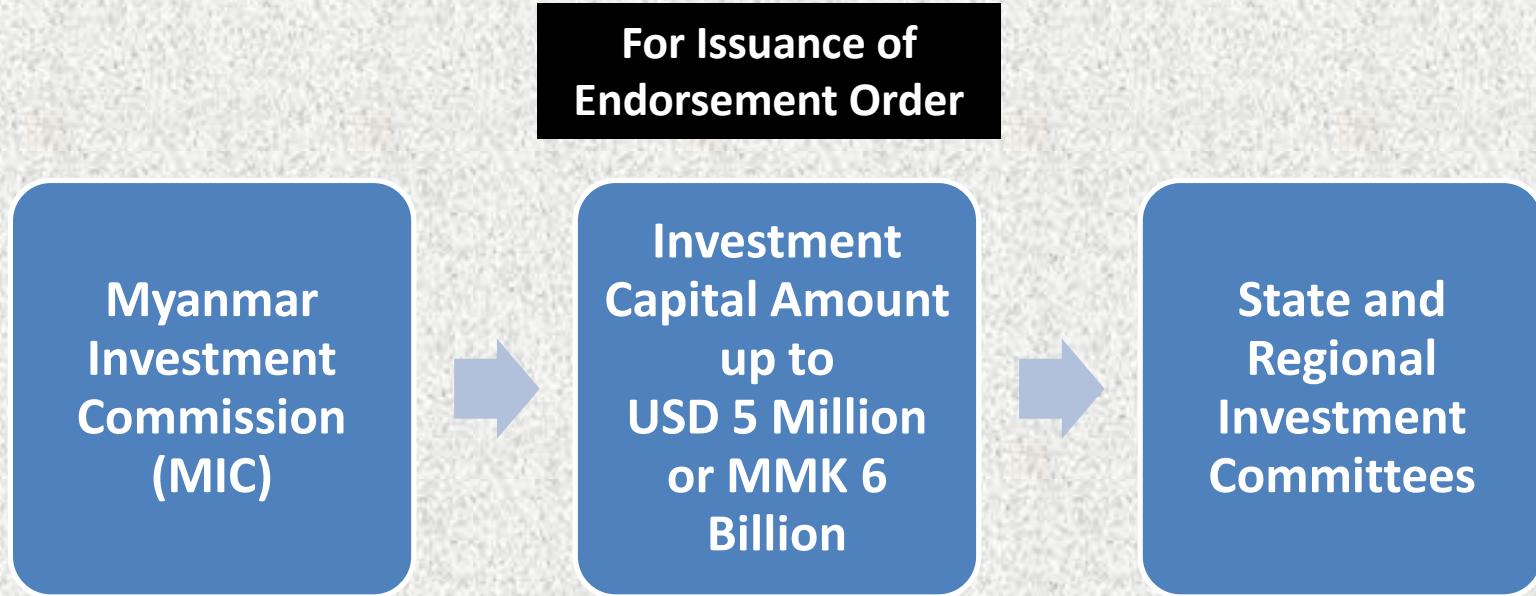
**32 townships in Yangon
Region**



Exemptions or Reliefs

Exemptions or reliefs	Subject
Customs Duty or other internal taxes or both	Import of construction materials, machineries, equipments, instruments , machinery components, spare parts, materials used for business
	Import of raw materials and partially manufactured goods for export oriented business
	Import of raw materials for export products
Income tax	Reinvestment
	Right to deduct the depreciation
	Right to deduct the expense for research and development
	Investors have Right to pay the income tax rate same as the citizens

Delegating Power to States and Regions



Myanmar Company Law (2017)

- Allowing foreign investors to hold up to 35 % of shares in local firms
- Allowing companies with a single shareholder and single director to be established
- Replacing MOA and AOA into a single document called a company constitution
- Providing tools to shareholders and stakeholders to create better corporate governance and greater transparency
- Using a new electronic registry system

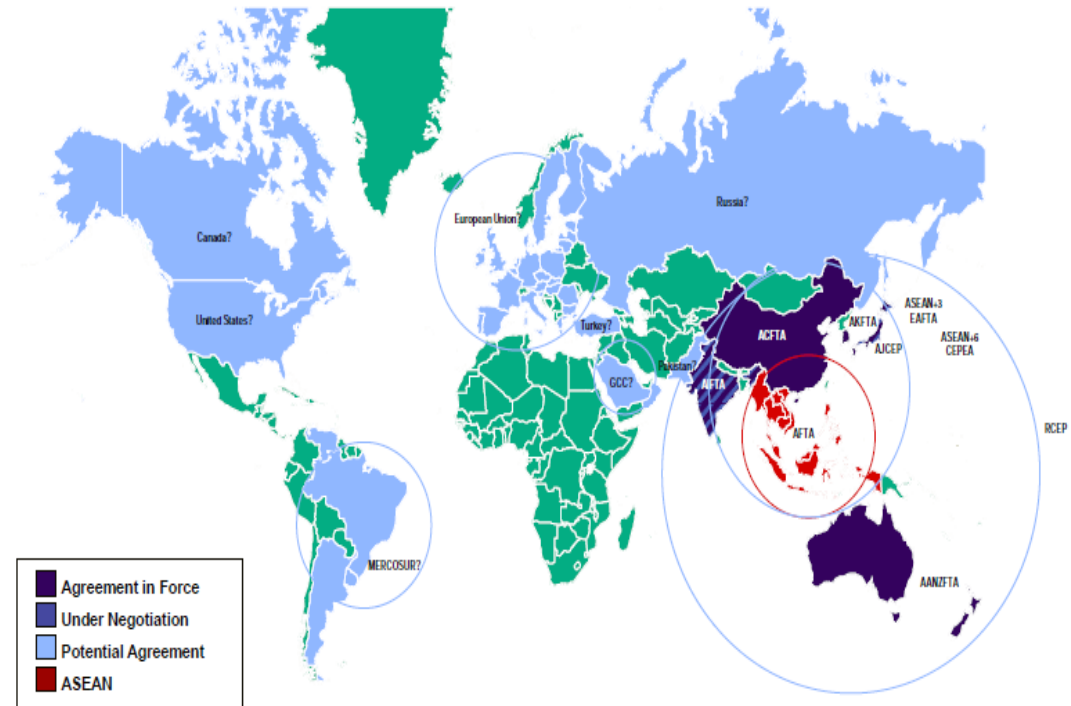
Potential Investment

- ❖ Market-seeking investment
- ❖ Resource-based investment
- ❖ Infrastructure investment

Market Seeking Investment: Strategic Location



FTA Network of ASEAN



Resource based Investment: Human Resource Endowment

Population :

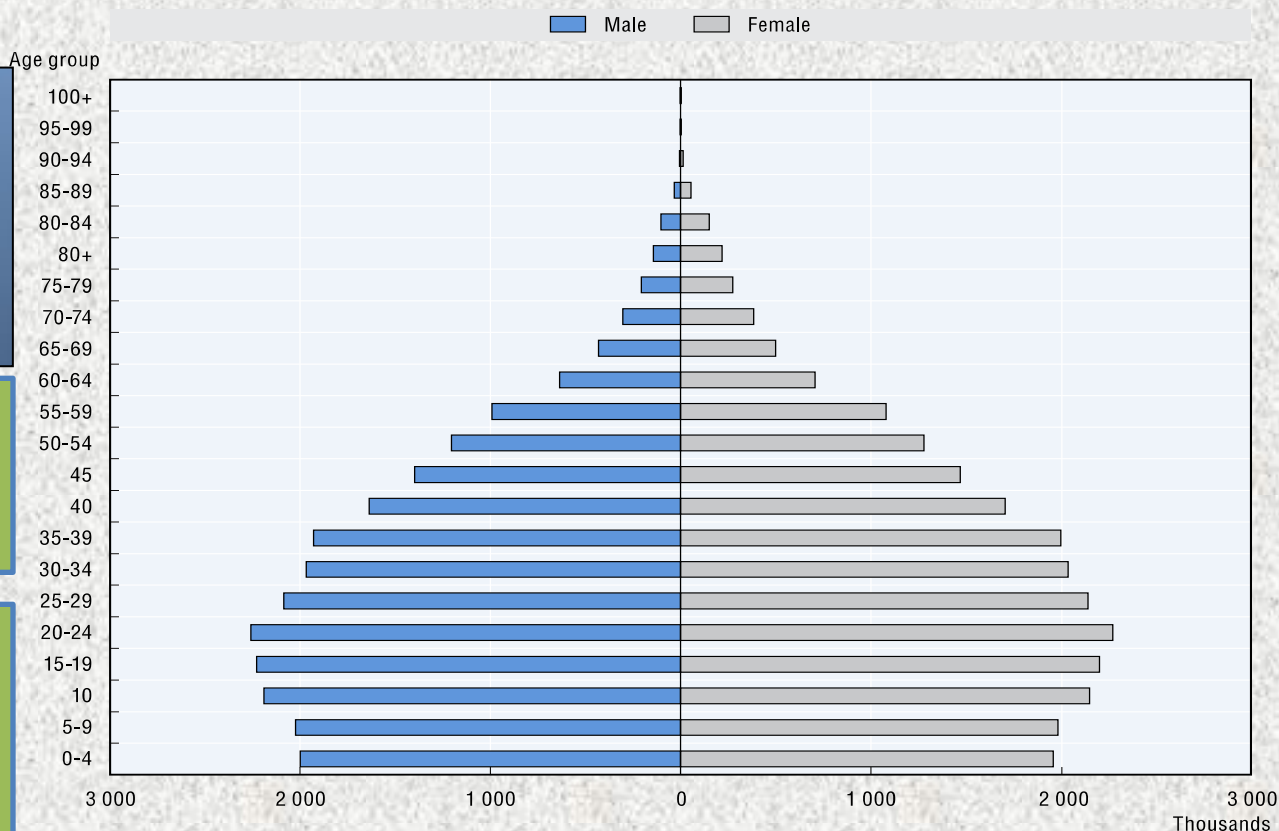
51.4 Million (2014)

Age between 15-65 year old :

65.6%

Adult Literacy rate: 89.6%

**Lowest Minimum Wages in
ASEAN**



Resource based investment: Rich Natural Resources



Land Resources



Forest



Copper



Precious Gem Stones



Other Mining Products



Gold Pearl



Gold



Natural Gas Resources



Jade

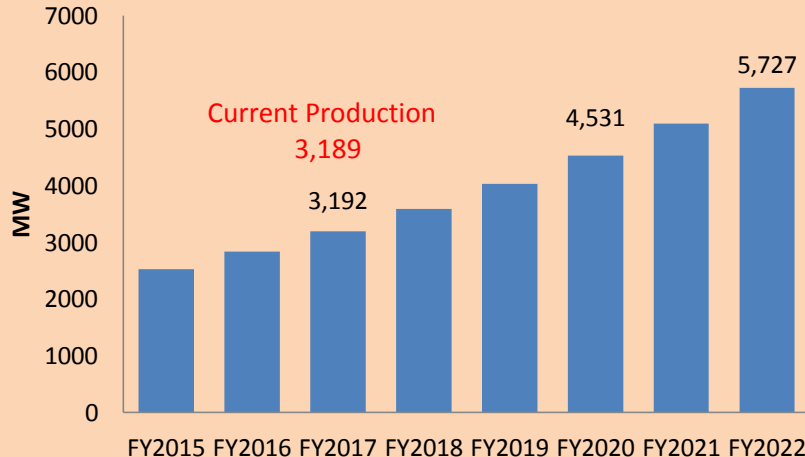


Fishery Resources

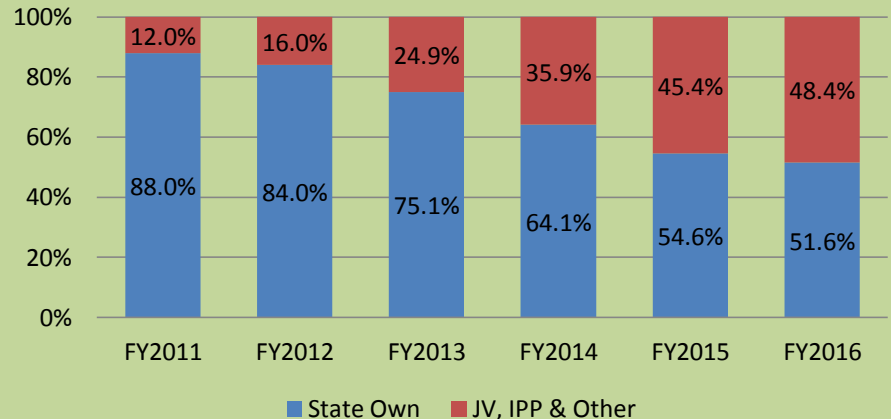
Infrastructure Investment

Target : 2020 Reliable Electricity
Investment Opportunities;
Power Generation, Transmission and
Distribution, Renewable Energy

Electricity Demand Forecast



Development of Private Sector in Power Generation



Infrastructure Investment (Cont;)



Establishment of Industrial Zone



Establishment of New Urban Areas



Construction of Road, Bridge and Railway Line



Construction of Seaport, River Port and Dry Port



Management, Operation and Maintenance of Airport



City Development Activities



Maintenance of Aircrafts



Telecommunication Businesses



Supply and Transport Services



**You have little space to
add materials**

**You have enough space to add
many materials**



**You Have Many
Opportunities
To Invest in Myanmar!**

<http://www.myanmar-embassy-tokyo.net/eco2017/>

Thank you very much.