Charltons - Myanmar Highlights Newsletter - 31 December 2013

[online version](http://www.charltonslaw.com/asian-green-development-bank-prepares-to-list-on-yangon-stock-exchange/)

# Myanmar Highlights Issue 19

## Asian Green Development Bank Prepares to List on Yangon Stock Exchange

Asian Green Development Bank Limited (**AGD**) has announced it is undertaking preliminary preparations to list on the Yangon Stock Exchange (**YSE**) which is scheduled to be operational in 2015. AGD has engaged Daiwa Security Group Inc. (**Daiwa**) of Japan to assist it with its proposed listing. AGD and Daiwa entered into a formal advisory agreement on 2 December 2013 pursuant to which Daiwa will provide AGD with legal, accounting and technical advice. According to a senior government minister only four Myanmar companies currently meet the criteria to list on the YSE. (From [*www.myanmarupdate.com*](http://www.myanmarupdate.com) 10 December 2013)

## Operators of Myanmar-China Pipelines to Release Impact Assessments

The Southeast Asian Gas Pipeline Company and the Southeast Asian Oil Pipeline Company, the respective operators of the Myanmar–China natural gas and oil pipelines have announced they will release the Environmental Impact Assessment and a Social Impact Assessment conducted on the project. The pipeline has been the focus of criticism by campaign groups who allege that human rights violations, such as the forced displacement of local people, occurred during construction. The project has also been criticised for a perceived lack of transparency and for causing environmental degradation. The Myanmar-China Pipeline Watch Committee (**MCPWC**) is continuing to press for compensation to be paid in relation to land acquired by the pipelines owners. U Tin Thit, an adviser to the MCPWC said “We are collecting data on land use and the impact of both the natural gas and crude oil pipeline projects. This process is expected to be completed by mid- December [2013]”. The overland gas pipeline runs from Kyaukpyu Township on the coast of Arakan through Magwe Division, Mandalay Division and Shan State, before reaching Kunming in China's Yunnan province. The oil pipeline running parallel is still under construction. Myanmar will receive 88.28 billion cubic feet (2.5 billion cubic meters) of natural gas a year from the pipeline. The natural gas is produced off-shore of Arakan state. (From *Myanmar Times*, 9 December 2013)

## Myanmar Plans to Establish Technology and Innovation Support Centers

Dr. Ba Shwe, Myanmar's Deputy Minister for Science and Technology has said that the Government plans to establish new Technology and Innovation Support Centers (**TISCs**) around the country. Dr. Ba Shwe said Myanmar needs to establish TISCs to help promote awareness of intellectual property rights (**IPR**). He added that the establishment and recognition of IPR play an important role in economic development by encouraging innovation and research. Industry experts and government officials together with representatives from TISC and other non-governmental organisations have held discussions on the potential for economic diversification in Myanmar. (From *The New Light of Myanmar* 16 December 2013)

## Highway Holdings Announces Start of Operations in Myanmar Facility

Hong Kong based Highway Holdings Limited (**Highway**) has announced it has commenced assembly of electric motors at its production facility in Myanmar. Highway said that production in Myanmar was approved by its European end customer following testing and a quality control evaluation. Finished products (synchronous motors) are now being shipped directly from Myanmar to the customer's factory in Germany. Highway's Chairman and CEO Roland Kohl said “The assembly of these motors in Myanmar complements our component manufacturing operations in China and enables us to realise meaningful cost-savings and a competitive advantage, while maintaining the highest quality standards”. Mr. Kohl also said he expects the customer's entire product range will be assembled in Myanmar by September 2014 at the latest. He added that, this is the second major customer to utilise Highway's capabilities in Myanmar. (From *Myanmar Business Today* 11 December 2013)

## Implementation of Myanmar Transport Master Plan Will Begin in 2014

The Myanmar Ministry of Transport will begin to implement its Transport Master Plan (**Master Plan**) in 2014. The Master Plan was drafted with the support of the Japanese International Cooperation Agency. Myanmar's Deputy Transport Minister Zin Yaw said “The drafting of the transport master plan will be completed by year's end [2013] and will be implemented from 2014” The Master Plan will act as a framework for port and airport development plans which are instrumental to Myanmar's national development. The Ministry of Transport will coordinate participation of central and local government agencies to finalise the plan. (From http://www.myanmarupdate.com 10 December 2013)

## Myanmar President Meets with Chair of EITI

On 10 December 2013, President U Thein Sein met with Ms. Clare Short Chair of the Extractive Industries Transparency Initiative (**EITI**). Established in 2003 the EITI is a global standard which aims to promote and support improved governance in resource rich countries through the full publication and verification of payments by companies and revenues to governments from the oil and gas, and mining sectors. The meeting was held to discuss Myanmar`s preparations to join the EITI, cooperation between Myanmar and the EITI, the drawing-up of appropriate work plans by companies operating in Myanmar's natural resources sector and the provision of EITI training courses in Myanmar. (From *The New Light of Myanmar* 11 December 2013)

## Myanmar Real Estate Experts Warn Against Zoning Regulations

Myanmar real estate experts have warned that a new plan to limit the number of high-rises in the capital could push up property prices. Daw Moh Moh Aung, secretary of the Myanmar Real Estate Service Association, said that the planned zoning regulations which propose to confine the construction of high-rise buildings in Yangon to a designated commercial zone will drive up prices “if the commercial zone is limited [in size]”. He added that “the big construction companies were waiting for the zoning decision because they didn't want to buy land in areas where they couldn't build high-rises”. (From *Myanmar Times* 18 December 2013)

## Myanmar and Japanese Leaders Mark Sixty Years of Diplomatic Relations

Myanmar's President Thein Sein and Japanese Prime Minister Shinzo Abe met in Tokyo in December to commemorate the 60th anniversary of the establishment of diplomatic relations between the two countries. The leaders discussed Japan's support for national reconciliation in Myanmar, Japanese investment in the Thilawa Special Economic Zone, Myanmar's laws on foreign investment, and potential cooperation in the health and medical sectors. According to Japanese news reports Prime Minister Abe is expected to announce details of additional Japanese loans to Myanmar of approximately US$585 million. The loans will be used on infrastructure projects. (From Eleven Myanmar.com 15 December 2013)

## Myanmar Expects USD25 Billion Trade Volume for Year Ended March 2014

The Ministry of Commerce has stated that it expects Myanmar's total trade for the nine months ending 31 December 2013 to be approximately US$16 billion. Total trade for the period 1 April 2013 - 6 December 2013 trade was approximately US$15.92billion, an increase of US$3.65 billion on the same period in 2012. The government has targeted a total trade volume US$25 billion for the year ending 31 March 2014, approximately 20% of which is expected to be derived from cross border trade and 80% from overseas trade. Myanmar key exports are rice, maize, beans, peas, sesame seeds, rubber, marine products, teak, hard woods, metals, natural gas, gems and garments In an attempt to boost trade Myanmar has signed border trade agreements with India, Thailand, China and Bangladesh. (From [*elevenmyanmar.com*](http://www.elevenmyanmar.com), 17 December 2013)

## Coca-Cola Announces Plans for New Production Facilities in Myanmar

The Coca-Cola Company (**Company**) has announced it plans to open additional production facilities in Myanmar. Operations Director Mr. Rehan Kam said the Company plans to extend its operations to Mandalay and upper Myanmar. The Company currently jointly operates two production facilities in Myanmar with local soft drinks company Pinya Manufacturing Co. Ltd. The Company has been distributing its two most popular brands Coca-Cola® and Sprite® in Myanmar since July 2013. (From [*elevenmyanmar.com*](http://www.elevenmyanmar.com) 14 December 2013)

**This newsletter is for information purposes only.**

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases.

Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser.

Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at unsubscribe@charltonslaw.com

**Charltons - Myanmar Highlights Newsletter - Issue 19 - 31 December 2013**