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Myanmar Highlights

19 September 2013

- New Light of Myanmar reported on VP U Nyan Tun's speech to the Ministry of National Planning and Economic Development, placing a high priority on research and data analysis in order to participate in global economic initiatives. He noted that the Ministry and government advisers are working on a 20-year Comprehensive Economic Development Plan and that "accurate and reliable research and accurate statistics will be the lifeblood of the plan" and accompanying reform strategies in finance, investment and infrastructure.
- Rotary International is reported in the process of re-establishing its Yangon Chapter, which closed in the mid-1980s. Sources indicate that initial projects will be conducted out of the Bangkok Chapter, but should be underway within months.
- The US Embassy noted that a division of Peace Corps volunteers may be scheduled for Myanmar in early 2014. Ambassador Mitchell stated in a Town Hall meeting that the US Embassy now includes approximately 400 staff in consular, political, public and economic affairs, as well as USAID and regional security personnel. He said that there are plans to establish an American Chamber of Commerce in the future.
- Latex rubber, once one of Myanmar's most important export commodities, will be back on EU import lists especially as product quality improves. As reported by Myanmar Business Today, the Myanmar Rubber Planters and Producers Association estimates exports of 150 tonnes in 2013 and revenues of approximately USD\$400 million, up from 90 tonnes in 2012. Crop values will increase as quality and production stability improve, say planters, who note that this is a "long-term crop with great potential for value-added industrial production and export." The Ministry of Industry has recently released 40,000 acres of existing plantations for entrepreneurial local and international joint-venture projects; 16,000 acres in Mon State, 8,000 acres in Bago and Tanyinthari regions, 4000 acres in Rakhine State, 3000 acres in Kayin State, and 450 acres in Ayerawaddy region. The Ministry noted the importance of economic development in these remote areas, which will be newly invigorated by transportation and border-crossing capabilities between Myanmar and Thailand.
- In another move towards localised economic development projects, nine tax-free markets will be established along the India/Myanmar border including Chin State and Rakhine State. Current border trade in about 40 commodities and products is estimated to increase to USD\$1 billion per annum. The recent opening of four border crossings on the eastern borders with Thailand is also expected to increase border trade from the present estimate of USD\$1 billion to more than USD\$2 billion.
- Myanmar Exhibition space is at a premium in Yangon and Naypyitaw, with the 2013 calendar fully booked by members of the billion-dollar international trade show industry, whose organizations anxious to exhibit their products and services. ITE Group of UK will be sponsoring the Myanmar Gas and Oil Week in Yangon from Feb. 25-26, 2014 with support from the Minister of Energy. Other featured exhibitors and industries are the recent Investment Forum in Naypyitaw, upcoming industrial manufacturing by UBM-Asia, and beauty products by Malaysia's ECMI-ITE Asia. Organisers see challenges in venues and infrastructure, but are "betting on another Exhibition Center to be built."
- To help meet power challenges, the Japanese government has announced an agreement to run a 500MW natural gas power plant to be situated in Hlaing Thayar township. Another

Japanese firm will run an additional power plant in Thilawa. Power shortages and brown-outs continue to be a major obstacle for foreign investors.

- To deal with Yangon's office expenses and traffic commutes, several entrepreneurs have adopted innovative solutions to the international and local business communities – office “hubs” are developing in several locations, among them Sakura-Myanmar Business Centre at Sakura Tower, Anthem Asia in the Hintha Business Centre on Merchant Street, and the Business Alliance on Dhammazed Road. The Business Centres provide office and meeting space, business equipment and services, and overnight accommodations in some cases. Several high-profile diplomatic missions, international business and NGOs have welcomed these Centres as one-stop cost-effective solutions for initial visits or long-term leases up to one year.

- As reported last week regarding Myanmar's public companies, MAPCO (Myanmar Agribusiness Public Corp) has received more than a dozen expressions of interest from international companies to develop the Thilawa Special Economic Zone. MAPCO's long-term strategy involves significant expansion for manufacturing and employment in various agricultural and value-added endeavors. On a similar note, Myanmar Times reported on businessman Serge Pun's call on government entities to ease industrial approvals in order to increase employment growth. He said, “We need millions of people to be employed, which means we need 10,000 or 20,000 factories” around the nation. This week's edition of Forbes-Asia magazine features Myanmar's emerging economy and an interview with Serge Pun.

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