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Myanmar Highlights

March 2014

Thailand's PTTEP to invest US\$3 billion in Myanmar over the next five years

Thailand's PTT Exploration and Production Public Company Limited (**PTTEP**) will invest approximately US\$3 billion in Myanmar over the next five years. PTTEP was awarded onshore blocks number PSC-G and EP-2 by the Government in the 2011 onshore block bidding round. The blocks are expected to produce a combined total of 300 million cubic feet of natural gas per day. PTTEP has been operating in seven other oil and gas blocks in Myanmar for several years, and has invested approximately US\$3 million in corporate social responsibility programmes in education, health and regional development at their operation sites. PTTEP is also among seven companies vying to develop a refining complex near Yangon. (Source: *Myanmar update.com*, 27 February 2014)

In related news, beginning in March 2014 the Petroleum Authority of Thailand Exploration and Production International Limited (**PTTEP International**) will provide 100 million cubic feet of gas per day for local consumption from the Zawtika Gas Project. The gas project will produce 300 million cubic feet of gas per day. PTTEP International has an 80% stake in the project, with the Myanmar's Oil and Gas Enterprise holding the remaining 20%. Output designated for local consumption has been increased from 60 million cubic feet to 100 million cubic feet in response to increasing local demand. PTTEP International will operate the project under a thirty year lease. The project is situated approximately 300km south of Yangon and 290km west of Dawei. (Source: *myanmar-business.org*, 4 March 2014)

Admin Power & Utility Ltd to enter into MoU with Ministry of Energy

Myanmar's Ministry of Energy and Thailand's Admin Power & Utility Ltd. (**Company**) will execute a Memorandum of Understanding by the end of March 2014 in relation to the construction of a 500MW natural gas power plant at Dawei. The construction of the power plant could be completed within eight months. The power produced will be supplied along existing power lines to local towns and villages. (Source: *eleven myanmar.com*, 27 February 2014)



Motorola Awarded Government Contract

Motorola Solutions Inc. (**Motorola**) has entered into an agreement to supply digital trunked radio solutions to the Government. The Government Radio Network, used by the emergency services will utilise Motorola's digital radio voice communication technology to communicate more efficiently and securely. (Source: *Myanmar Business Today*, 27 February 2014)

Myanmar Airways and Japan's Hama Incorporation to Establish Joint Venture

Myanmar Airways International Company Limited (**MAI**) and Japan's Hama Incorporation Company Limited (**Hama**) have agreed to increase the number of scheduled flights between Japan and Myanmar. The companies will establish a joint venture company, Myanmar Airways International Japan Company Limited, and plan to commence flights to Siem Reap and Phnom Penh in Cambodia in addition to the Japan-Myanmar route. (Source: *Myanmar Business Today*, 27 February 2014)

Yatanarpon and True Corporation Public Limited in Negotiations to Provide Telecom Services

Thailand's True Corporation Public Limited (**True Corp**) and Myanmar's Yatanarpon Teleport (**YTP**) are currently in negotiations relating to the provision of mobile telephone services in Myanmar. True Corp a subsidiary of the Charoen Pokphand Group provides a wide range of telecoms services in Thailand including mobile and broadband internet and cable television. YTP is a joint venture between local private companies and the state-owned Myanmar Post and Telecommunications which provides internet services in Myanmar. True Corp and YTP are negotiating the establishment of a foreign invested joint venture which will seek an operator's license in March 2014. The joint venture will be for a term of fifteen years and will have an estimated total investment of US\$1.6 billion. (Source: *reuters.com*, 26 February 2014)



Telecom Sector to Receive Increased FDI in 2014 – 2015

The telecom sector is expected to benefit from significantly increased foreign direct investment (**FDI**) in the year ending 31 March 2015. FDI for the period is predicated to exceed US\$4 billion. FDI is expected to reach approximately US\$3.5

billion in the year ending 31 March 2014. Telecom companies from France, the U.S., Singapore and Japan are currently in negotiations with telecom operations in Myanmar about the provision and subcontracting of services. (Source: *Mizzima*, 3 March 2014)

Singapore's Creative Professional Group to Consult on Kyaukphyu SEZ

The Creative Professional Group (**CPG**), a Singapore Consortium of advisory professionals, has been chosen via tender to consult on the development of the Kyaukphyu Special Economic Zone (**Kyaukphyu SEZ**). The Kyaukphyu SEZ will cost approximately US\$227 million to develop. CPG will receive a 5% fee for providing consultancy services relating to land issues, the construction of the deep sea port, and project finance. (Source: *mizzima.com*, 4 March 2014)

Ministry of Energy Seeking Technical Assistance

The Ministry of Energy (**MOE**) has stated that although Myanmar has abundant natural resources its energy sector would benefit from additional technical assistance and investment in research and development. The MOE intend to enter into several different Memoranda of Understanding and Agreement with counterparts in Bangladesh, India, Sri Lanka, Thailand, Bhutan and Nepal as part of the Bay of Bengal Initiative for Multi-Sectorial Technical and Economic Cooperation (**BIMSTEC**). BIMSTEC nations intend to establish a free trade area before 2018. (Source: *mmbusinessnews.blogspot.com*, 4 March 2014)

Myanmar Oil and Gas Services Society Established

Twenty local and one international oil and gas companies have established the Myanmar Oil and Gas Services Society (**MOGSS**). A number of MOGSS member companies will participate in the development of the 18 onshore blocks and 30 offshore blocks awarded via Government tender processes in 2013. International oil and gas account for approximately 80% Myanmar's oil and gas sector. (Source: *thuraswiss.com*, 27 February 2014)

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