

Thura NewsViews

Politics

UN Security Council to discuss Myanmar this month

The United Nations Security Council (UNSC) is set to hold a meeting to discuss issues in Rakhine State in late August, a year after the crisis there plunged into a newer, darker chapter. An article in the Myanmar Times said that a briefing on Myanmar will take place on August 28 and will include a briefing by UN Secretary-General Antonio Guterres, who recently visited refugee camps in southern Bangladesh, which are holding an estimated 700,000 people who fled northern Rakhine State last year. The exodus was triggered by attacks on August 25, 2017, by fighters from the Arakan Rohingya Salvation Army, leading to an army crackdown that has come with accusations of ethnic cleansing, which Myanmar denies. Last month, the UNSC discussed the crisis in Rakhine State and reportedly urged Myanmar's government to improve efforts to create conditions that will allow refugees to return. While Myanmar insists it is ready for the repatriation process to begin, many in the international community have insisted conditions on the ground are not conducive to returns taking place, citing a lack of guarantees of safety and freedom of movement. According to the Myanmar Times report, U Myint Thu, permanent secretary of the Ministry of Foreign Affairs, called on the international community to see

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August Highlights

Myanmar has shown a bold move introducing a new law allowing foreigners to own up to 35% in businesses

MPs agreed Myanmar joining the Association of Natural Rubber Producing Countries (ANRPC), which will benefit rubber businesses in the country

Limited offerings in retail sector in Myanmar resulting in more opportunities to investors due to its growth potential

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Weekly Newsletter




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Companies & Investments

Hot news regarding investments in Myanmar




Yangon to receive much needed new bus stops

Jul 12, 2018
U Maung Aung, secretary of the Yangon Region Transport Authority, stated this week that FMIDecaux ha

Hello Communications to build train station along Yangon Circular Railway

Jul 12, 2018
Through a joint venture with a local firm, Hello Communications will commence its work at Thamine st

Upcoming Events

Myanmar Blockchain Forum 2018
July 14, 2018

Myanmar Supply Chain Summit
August 29, 2018

Health & Humanitarian Supply Chain Forum
August 30, 2018

Myanmar Global Investment Forum
September 11, 2018 - September 12, 2018

Myanmar Connect 2018
September 18, 2018 - September 19, 2018

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Highlights

Trade with the Netherlands exceeds USD 61 million
July 12, 2018
Bilateral trade with the Netherlands reached USD 61.98 million in two months according to the ...

the situation in Rakhine “more objectively” and to become part of the solution. He said allegations that the country’s leadership was not responding to alleged human rights violations is “unreasonable”.

■ **Tatmadaw and KIO meet in China**

Senior members of the Tatmadaw - Myanmar's armed forces - and the Kachin Independence Organisation (KIO) have reportedly held a meeting in China, although the details of what was discussed has not emerged. According to a report in Eleven Media, Lieutenant-General Tun Tun Naung met with KIO chairman General N'Ban La in China's southern Yunnan Province on August 5. The meeting came after a senior KIO delegation, and its armed wing the Kachin Independence Army, attended the third 21st Century Panglong Union Peace Conference in Nay Pyi Taw in July. During that event they met with Senior General Min Aung Hlaing and State Counsellor Daw Aung San Suu Kyi. At the event, Major General Gun Maw of the KIO said that the group would continue dialogues with the government. The KIO remains one of the most powerful ethnic armed groups still in conflict with the Tatmadaw and has not signed the government's Nationwide Ceasefire Agreement (NCA).

Economy

■ **State Counsellor calls for tourism improvements**

State Counsellor Daw Aung San Suu Kyi has urged those involved in the country’s tourism sector to make changes, in order for the country to attract more foreign visitors. Speaking during the Central Committee for National Tourism Development, Aung San Suu Kyi said that the country would attract more tourists if transportation systems were “modernised and convenient”, according to a report in Myanmar Times. “Tourists can get many opportunities such as viewing the beautiful sceneries and enjoying new experiences, that is why roads, water ways and railways should be considered, aside from air travel,” she was quoted as saying. She also urged Myanmar to promote more community-based tourism activities, which would enable visitors to learn more about Myanmar’s unique cultures and traditions. Myanmar’s tourism industry saw record growth after economic and political reforms began in 2011, but the sector has been hit in the past year as Myanmar attracts international criticism for its handling of the crisis in Rakhine State.

■ **Two new border gates opened with India**

Myanmar has opened two new border gates with India, as part of plans to increase bilateral trade between the two countries. A statement from the Ministry of Labour, Immigration and Population said the gates are located at Tamu-Moreh in Sagaing Region, which connects with the Tengnoupal district of Manipur, and at Sohkawthar-Rikhawdar in Chin State, which is across the border from the Indian state of Mizoram. U Naing Naing Win, lower house representative for Tamu, told Myanmar Times that the move was part of plans to increase Myanmar’s exports. Residents from both countries will also be able to travel to the other country as far as 16 kilometers from the border line and stay for up to 14 days, the report said. Myanmar is bordering to two of the world's biggest

Myanmar in Figures

GDP (PPP): \$330.88bn (2017)

GDP (official ex.rate): \$59.5bn (Jan 2018)

GDP growth rate: 7.23% (2017)

Population: 52.92 mn people (Oct 2017)

Inflation: 6.5% (2017)

Foreign trade: \$29.2bn (2016-2017)

FDI: \$75bn (31/12/2017)

International reserves: \$5.2bn (Jan 2018)

CBM rate Kyat/\$ = 1442K/1\$ (09/08/18)

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countries in terms of population: India and China. However, India has struggled to compete with China's investments and influence in Myanmar.

Companies and Investments

■ **Air Asia to begin Yangon-Chiang Mai route**

Low-cost airline AirAsia will begin flying between Yangon and Chiang Mai, Thailand, three times a week starting on August 11, according to a report. The flights will take place on Tuesdays, Thursdays and Saturdays on planes carrying up to 180 passengers, according to an article in Myanmar Business Today. The Malaysian carrier also operates flights from Yangon to Kuala Lumpur and Bangkok, and from Mandalay to Bangkok. The opening of the Chiang Mai flights increases opportunities for Yangon-based travelers. Some of the town's best-known sights include Wat Phra Tat Doi Suthep, Royal Park Rajapruek, Chiang Mai Zoo and Chiang Mai Night Safari. Flag carrier Myanmar National Airlines is the only other airline to operate flights from Yangon to Chiang Mai.

■ **Yangon region government meets industrial zone developer**

U Phyo Min Thein, chief minister of Yangon Region, has met with representatives from Thai company Amata Corporation to discuss a proposed "Smart and Eco City" project in the commercial capital. An article in the Myanmar Times said that the talks, held on August 7, were related to a 150 megawatt power plant at the Yangon Amata Smart and Eco City Project, one of 23 urban development projects proposed by the regional government in April. The Yangon Amata Smart and Eco City Project is planned to be located in Dagon Myothit on 16,000 acres of land, with completion expected by 2026. The article said that the regional government plans to attract foreign direct investment for the project, although a cost of development has not yet been finalized. Amata is one of Thailand's leading industrial city developers, and is reportedly planning other large-scale projects across Southeast Asia, to take advantage of China's planned Belt and Road Initiative.

■ **French Chamber of Commerce publishes its first extensive anonymous salary survey**

CCI France Myanmar published the results of its first extensive anonymous salary survey yesterday, which was launched in June 2018. The results are now available for free on its website at (https://www.ccifrance-myanmar.org/sites/ccifrance-myanmar.org/files/myanmar_salary_survey_-_june_2018.pdf). Mr. Guillaume REBIERE, Executive Director of CCI France Myanmar says, "We wanted to offer the results of this survey for free, as a commitment from CCI France Myanmar to support the sustainable development of local companies." Survey questionnaire was prepared by MyWorld Myanmar, a Member of the CCI France Myanmar's Human Resources Committee and the answers were gathered from 243 companies across different sectors in Myanmar. The CCI France Myanmar's Human Resources Committee is co-chaired by Daw Ma Ma Naing (HR manager of Sule Shangri-La Hotel) and Mr. Guillaume Sautier (General Manager of International SOS), and aims at helping Members of CCI France Myanmar to discuss shared challenges, to exchange information and to implement project together. Daw Ma Ma Naing, was quoted as saying, "This survey is very valuable to all companies. Indeed, in the absence of reliable information, companies have no way to see if they are under or overpaying their staff. With this information, they will be able to better negotiate with new or existing employees." The Committee will conduct this anonymous salary survey every six months, and the target for December 2018 is to gather the information from a minimum of 500 companies.

Legal Box by Duane Morris & Selvam LLP**New Myanmar Companies Law Now in Force**

The new *Myanmar Companies Law 2017* (Pyidaungsu Hluttaw Law No.29) (“**MCL**”) passed on 6 December 2017, and implemented on 1 August 2018, replaces the century old *Myanmar Company Act 1914* (“**MCA**”). The MCL modernizes Myanmar’s corporate framework and provides new opportunities for local and foreign companies that didn’t exist under the MCA.

This is a great win for “*local*” and “*foreign*” investors in Myanmar. The MCL has been in the draft stage for around three years. Under the MCL, foreigners can now buy equity in Myanmar companies and Myanmar companies have greater access to foreign capital. This couldn’t come at a better time as Myanmar companies in need of capital can now expand their businesses easier with foreign collaboration.

Under the MCL, foreign companies/foreigners are now permitted to:

1. Acquire share ownership of up to a prescribed threshold of thirty-five per cent (35%) in a “*Myanmar Company*,” and the company will still be considered a “*Myanmar Company*”;
2. Purchase shares in a “*Myanmar Company*” without obtaining advanced permission from DICA. The MCL means that DICA will only need to be notified when the foreign ownership of a “*Myanmar Company*” exceeds the prescribed limit of thirty-five per cent (35%), in such a case, the company will need be re categorized as a “*foreign company*”;
3. Allow a board of directors to determine the form of consideration for an issuance of shares;
4. Have the option of drafting customized company constitutions providing they do not breach the MCL.

Since former U.S. President Obama’s Executive Order in 2016 lifted the last remaining American sanctions against Myanmar, foreign investors, family offices, private equity firms and VCs have spent 2017, identifying potential - “*Myanmar Companies*” as targets with a view to acquire an interest. We are expecting a significant uptick in M&A activity going into 2018. We understand this to affect certain key sectors of Myanmar’s economy which have been largely off limits to foreign investors in the past. Certain areas of interest include: banking; distribution; trading and insurance.

Under the MCL all existing companies, branches and representative offices will be required to re-register with DICA within 6 months of 1 August 2018.

Under the MCL, a company must have at least one “*resident*” director that is a resident in Myanmar for at least 183 days per year. There is no requirement that this director be a Myanmar citizen.

The MCL is expected to open Myanmar to a second wave of increased foreign investment that has not been experienced since the enactment of the *Foreign Investment Law* in 2012 (repealed and replaced by the *Myanmar Investment Law 2016*).

Through our office in Yangon, Duane Morris & Selvam advises corporations on investment, business and regulatory processes in Myanmar. For further information, please contact Mr Krishna Ramachandra (kramachandra@duanemorrisselvam.com), Ms Babita Ambekar (bambekar@duanemorrisselvam.com), Mr Priyank Srivastava (psrivastava@duanemorrisselvam.com), or Mr Rory Lang (rjlang@duanemorrisselvam.com) or visit www.duanemorrisselvam.com. Duane Morris & Selvam is recognised as a leading law firm for Myanmar related Corporate, M&A and Projects (including Energy) work – The Legal 500 (2017 & 2018).

Events

Name	Details	Organizer/Ministries	Contact Information
Myanmar Global Investment Forum	Venue: MICC-2, Nay Pyi Taw Date: 11-12 Sep 2018	Euromoney Conferences	rsvp@euromoneyasia.com
Myanmar Connect 2018	Venue: Pan Pacific Yangon Date: 18-19 Sep 2018	Capacity Media	donna.oliver@capacitymedia.com;
Livestock Myanmar 2018	Venue: Rose Garden Hotel, Yangon Date: 26-28 Sep 2018	Minh Vi Exhibition and Advertisement Services (VEAS)	info@veas.com.vn +84 28 3848 8561
Agri Myanmar 2018	Venue: Rose Garden Hotel, Yangon Date: 26-28 Sep 2018	Minh Vi Exhibition & Advertisement Services Co., Ltd	info@veas.com.vn rosie.tran@veas.com.vn +84 28 3848 8561~63
Medical Myanmar	Venue: Novotel Yangon Max Date: 10-12 Oct 2018	Fireworks Trade Media Pte Ltd	myanmar@asiafireworks.com +95 (0) 1 377381 +95 (0) 9 250175661
Health & Humanitarian Supply Chain Forum	Venue: Yangon Date: 16 Oct 2018	Global Supply Chain Council (GSCC)	info@gsc.co +852 81205321
Myanmar Supply Chain Summit	Venue: Yangon Date: 18 Oct 2018	Global Supply Chain Council (GSCC)	info@gsc.co +852 81205321
International Congress of the Pacific Rim College of Psychiatrists (PRCP) and Myanmar Mental Health Conference	Venue: Sedona Hotel, Yangon Date: 26-28 Oct 2018	PRCP and Myanmar Mental Health Society	credential@prcp2018.org
Myanmar Orthopaedic Scientific Conference and ASEAN Orthopaedic Congress	Venue: Novotel Yangon Max, Yangon Date: 07-09 Nov 2018	Myanmar Orthopaedic Society	congress.secretariat.aoa@myanmarorthopaedicsociety.org +95 (0)1 2305858
International Franchise & Business Opportunities (IFBO) Myanmar 2018	Venue: Sedona Hotel, Yangon Date: 08-10 Nov 2018	BizLink Exhibition Services Pte Ltd	IFBO@bizlink.com.sg
Asia IoT Business Platform	Venue: Sedona Hotel, Yangon Date: 15-16 Nov 2018	Asia IoT Business Platform	http://iotbusiness-platform.com/register/
Myanmar Clinical Conference	Venue: Mandalay Hill Resort, Mandalay Date: 16-18 Nov 2018	Medical Tours Australia	https://www.medicaltoursaustralia.com.au/myanmar-2018/myanmar-clinical-conference-1618-november/
6th International Exhibition & Conference on Pharmaceutical & Medical Industry	Venue: Rose Garden Hotel, Yangon Date: 14-16 Dec 2018	Minh Vi Exhibition & Advertisement Services Co., Ltd (VEAS)	info@veas.com.vn +84 28 3848 8561~63

Tenders

■ Ministry of Industry: Invitation for Expression of Interest (EOI)

- No. (3) Heavy Industrial Enterprise under the Ministry of Industry invites interested parties to do investment on **any kind of industries** within Thaton Industrial zone, near Inn Shae Village, Thaton Township, Thaton District, Mon State.
- Interested parties are required to submit their Expression of Interest (EOI), mentioning the types of business wish to carry out and technical systems to be coordinated to
Managing Director, No. (3) Heavy Industrial Enterprise,
Ministry of Industry
Office No. (37), Nay Pyi Taw, Republic of the Union of Myanmar
not later than 4 p.m. (Myanmar Standard Time) on 28.09.2018).
- Information on the EOI can be obtained at the address above from 30.07.2018 onward and interested parties shall submit the EOI in person bringing the following documents:
 - Cover Letter clearly stating the interest in the project
 - Valid Certificate of Company Incorporation
 - Memorandum of Association & Articles of Association (MoA & AoA)
 - Information on Foreign firm for Technical Cooperation (if it is Local Company)
 - Experience of the interested parties
 - Contact Person Name, Title, Address, Phone, Email
- More information can be obtained via phone no: +95 (0)67 408129, +95(0)9 254 557 887 and e-mail : mpcipl@gmail.com

■ Ministry of Electricity and Energy: Open Tender

- Myanma Petrochemical Enterprise under the Ministry of Electricity and Energy invites open tender for the sales of Urea fertilizers from as follows:

Factory	Amount (Tons)	Tender Opening		Tender Submission Deadline	
		Date	Time	Date	Time
No. 4 Fertilizer Factory (Myaungdagar)	2,000	21.8.2018	2 p.m.	21.8.2018	12 p.m.
	2,000	22.8.2018	2 p.m.	22.8.2018	12 p.m.
No.5 Fertilizer Factory (Kan Gyi Htauk)	5,000	21.8.2018	2 p.m.	21.8.2018	12 p.m.

- Tenders terms & conditions and forms can be viewed and downloaded at the Ministry of Electricity and Energy website - www.moee.gov.mm
- More information can be obtained via phone number: +95 (0)67 341108, +95 (0)67 3411093 within officer hour at the Production department of Myanma Petrochemical Enterprise.

■ Ministry of Agriculture, Livestock and Irrigation: Request for Bids (RFB)

- The Department of Rural Development (DRD) under the Ministry of Agriculture, Livestock and Irrigation *has received financing from the Kreditanstalt für Wiederaufbau (KfW) toward the cost of the Rural Electrification Programme (REP). DRD intends to use part of the proceed toward payments under the Contract for Rural Electrification Programme - Component I SHS (REP I), thus invites sealed Bids from eligible Bidders for Supply, Installation and Maintenance of Solar PV systems at approximately 13,000 Households and Public Facilities in Southern Shan State.*

2. For this contract, the Purchaser shall process the payments using the Simplified Disbursement Method, as defined in the KfW Guidelines, except for those payments, which the contract provides to be made through letter of credit.
3. Bidding will be conducted through international competitive procurement using a Request for Bids (RFB) as specified in the World Bank's Standard Procurement Documents (SPD), Request for Bids - Goods (2 envelope process) [October 2017], amended as per KfW's Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries [August 2016], and is open to all eligible Bidders as defined in the Procurement Regulations.
4. For quick reference, some of the key qualification requirements include:
 - The average annual turnover of the last three years should not be less than 10,000,000 USD.
 - The Bidder should have past experience of having satisfactorily completed during the last 5 years, at least two contracts had a value equivalent to or greater than 2 million USD.
 - More information is included in the bidding documents.
5. Interested eligible Bidders may obtain further information from DRD and inspect the bidding document following an appointment at the address given below:

National Electrification Project, Department of Rural Development, Ministry of Agriculture, Livestock and Irrigation, Office No. 36, Nay Pyi Taw, Myanmar; Tel/Facsimile: +95 (0)67 3418635

Electronic mail address: ksaung@gmail.com, dr.soesoehn@gmail.com, neppmo.drd@gmail.com

6. The bidding document in English may be purchased by interested eligible Bidders upon the submission of a written application to the address below and upon payment of a non-refundable fee.

GOPA-International Energy Consultants GmbH (intec)

Karsten Ley

Justus-von-Liebig-Str. 1

61352 Bad Homburg, Germany

E-mail: info@gopa-intec.de

and by presenting proof that payment of a non-refundable fee of 300 EURO (three hundred EURO) has been transferred to the following bank account:

Account holder: GOPA-International Energy Consultants GmbH

Bank's name: Commerzbank AG Bad Homburg

IBAN DE 06 5004 0000 0345 3149 00

Swift address: COBADEFF 501

Bank code: BLZ 500 400 00

Account no: 345 314 900 including a clear reference to this tender: **Myanmar SHS KfW01, BMZ 201567882**

Upon receipt of payment, tender documents will be made available as download link. If requested, the tender documents can be sent by courier or electronically on a CD to the address provided, but no liability is accepted for loss or late delivery .

7. Bids must be delivered to the address below on or before Monday **17 September 2018, 1:30 p.m.** Electronic bidding will not be permitted. Late Bids will be rejected. The outer Bid envelopes marked "Original Bid", and the inner envelopes marked "Technical Bid" will be publicly opened in the presence of the Bidders' designated representatives and anyone who chooses to attend at the address below on **Monday 17 September 2018, 2 p.m.** All enveloped marked "Second Envelope: Financial Part" shall remain unopened and will be held in safe custody of the Purchaser until the second public opening. All Bids must be accompanied by a Bid Security of 30,000 EUR
8. The address referred to above is:

National Electrification Project, Department of Rural Development,
Attn. Mr. U Thein Lwin, Deputy Director General, Ministry of Agriculture, Livestock and Irrigation
Office No. 36, Main Meeting Room (ground Floor), Nay Pyi Taw, Myanmar