

Thura NewsViews

Politics

■ US embassy issues warning

The US Embassy in Myanmar issued a warning for caution. A September 25 notice on the US Embassy web site read: "Myanmar security forces are investigating reports of potential attacks in Nay Pyi Taw, Yangon and Mandalay in the coming months". The warning did not provide information about the nature of the attacks or who might be behind them. It advised people to take extra caution and pay attention to local media for updates.

Myanmar's three largest cities have suffered a handful of attacks. However, tourism and foreign investment in these economic centers has been mostly insulated from the conflicts in the country's hinterland. In 2013, a string of unexplained bombings in Yangon, Mandalay and other cities killed three people. In 2016, three bombs exploded at a supermarket in Yangon with no casualties. In 2017, NLD advisor U Ko Ni was assassinated outside of Yangon International Airport.

It is unclear if the threats are linked to recent fighting between the Myanmar military and the Northern Alliance. Fightings recently resumed after the expiration of Myanmar army's (Tatmadaw's) unilateral ceasefire on September 21. The Tatmadaw used the term "terrorism" to describe an attack on the

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September Highlights

The government is expected to allow exports of raw rice if the prices in the local market drop too low in order to stabilise the country's staple food.

A submission for the government to acquire land for a new CNG fuelling station in Yangon Region will be made in the coming budget year.

Action will be taken as no businesses have been set up on some 40 percent of the land designated as industrial zones in Yangon.

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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 ...

military academy in Pyin Oo Lwin in mid August. There were civilian casualties among the dead.

However, some fear attacks from Islamic extremist groups provoked by perceived mistreatment of Muslims on the western border. Following the 2019 Easter Sunday bombings in Sri Lanka, U Zaw Htay, director general of the President’s Office, warned that Myanmar could also be a target. However, according to Frontier Magazine reports, the would-be extremists lack the organization or resources to carry out a similar attack within Myanmar.

The last time the US Embassy issued a terror alert was after the attacks on two New Zealand mosques in March this year.

■ **Northern Alliance will not agree to ceasefire**

The Myanmar army (Tatmadaw) claims the Northern Alliance (NA) is not interested in signing the Nationwide Ceasefire Agreement (NCA) and is not likely to agree to the conditions like the other groups.

The recent surge in violence between the military and coalition of armed ethnic groups known as the Norther Alliance has disrupted border trade with China. It has sent the government scrambling for a peace deal. September 17th negotiations ended with no bilateral ceasefire, and the military’s unilateral ceasefire expired on Saturday, September 21st.

“Considering the [Northern Alliance] action, they don’t seem to be interested in signing the NCA [National Ceasefire Agreement],” Brigadier General Zaw Min Tun told The Irrawaddy. “The Tatmadaw no longer plans to declare [a truce] for the sake of ending clashes.”

The military-backed USDP party architected the NCA in 2015. It was a historic deal that foraged tentative peace with some of Myanmar’s most powerful armed groups throughout the country. But factions that compose the Northern Alliance have not signed the deal. These include the Arakan Army (AA), the Kachin Independence Army (KIA), the Myanmar National Democratic Alliance Army (MNDAA) and the Ta’ang National Liberation Army (TNLA).

The two parties have traded blows for most of this year. The violence climaxed in a series of coordinated attacks in Shan State. Although the military has dismissed the NCA as a road to peace in this specific case, both sides were optimistic after the September 17 talks. The NA has extended a unilateral truce until December. Nevertheless, chronic mistrust and allegations of truce violations from both sides continue to plague the peace process, TNLA Major Mai Aik Kyaw told The Irrawaddy.

“Clashes have occurred continuously in our area. Clashes never really stopped. Whether [the Tatmadaw] declares a truce or not, fighting will continue if they come and attack,” he said.

Economy

■ **New companies registration fees reduced**

New companies will now pay less to register in Myanmar. The Directorate of Investment and Company Administration (DICA) announced that registration fees will drop from MMK 250,000 to MMK 100,000 beginning October 1, which

Myanmar in Figures

GDP (PPP): \$330.88bn (2017)
GDP (official ex.rate): \$59.5bn (Jan 2018)
GDP growth rate: 6.2% (2018)
Population: 54.22 mn people (Apr 2019)
Inflation: 7.1% (2018)
Foreign trade: \$35.9bn (2017-2018)
FDI: \$80.9bn (30/06/2019)
International reserves: \$5.2bn (Jan 2018)
CBM rate Kyat/\$ = 1,532K/1\$ (26/09/19)

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is the start of the 2019-2020 fiscal year. With lower rates, the Myanmar government seeks to promote investment from small and medium enterprises (SMEs). It is also aimed to increase the number of incorporated businesses.

The new rates will apply to newly-incorporated private companies limited by guarantee, companies limited by shares, unlimited companies, private companies limited by shares under the Special Company Act 1950 and companies registering as an overseas corporation.

Paving the way for SME's has been a priority of the NLD government since it came to power in 2015. In 2017, registration fees dropped from MMK 1 million to MMK 500,000 when parliament passed the comprehensive update Companies Law. It also reformed Myanmar's official business landscape. Fees were sliced again to MMK 250,000 in 2018. DICA introduced online registrations in that same year.

Myanmar has long struggled with illegitimate businesses and investments. Beyond company registrations, the Myanmar government has taken other measures to incentivize businesses and investors to deal within official channels. For a recent example, in September parliament approved what is effectively a tax amnesty for previously undeclared assets. This is in an attempt to curtail under-the-table business deals and untaxed holdings. Tax rates for those sorts of assets dropped from 15-20 percent to as low as 3 percent.

■ **Singapore-Myanmar investment promotion signed**

Myanmar and Singapore signed an official agreement for the promotion and protection of investments between the two countries. U Thaug Tun, head of the Ministry of Investment and Foreign Economic Relations (MIFER) and Singapore's Minister for Trade and Industry Chan Chun Sing signed the treaty.

"[The agreement] offers a fair and level playing field for both countries, for Myanmar's citizens and Singapore's citizens," MIFER Permanent Secretary U Aung Naing Oo told The Irrawaddy.

In the agreement, the two countries promised to keep to international rules and regulations when settling disputes. They also agreed to ensure reliable and consistent transfer of investments and assets between the two countries. Finally, Myanmar and Singaporean officials expressed a desire to cooperate on development of business, banking and finance, aviation and other industries.

Singapore is currently Myanmar's largest foreign investor with more than USD 22 billion in projects. The value amounts to around 30 percent of all of Myanmar's foreign investment, according to official data.

The recent agreement follows similar treaties signed with 12 other countries. These include Philippines, Vietnam, China, Laos, Kuwait, Thailand, India, Japan, Indonesia, United States of America, Republic of Korea, and Israel, the Myanmar Times reported. The report also added that Hong Kong may be next on the list.

■ **Foreign investment reported to be on the rise**

After a downturn in 2018, foreign direct investment (FDI) is picking up for Myanmar. An analysis by the Institute of Chartered Accountants in England and Wales (ICAEW) forecasts higher FDI. Also, they forecast the Myanmar economy to expand at 6.4 percent, according to a Myanmar Times report.

FDI reached USD 5.6 billion in 2018, a 14 percent drop from the previous year. However, this year, the Myanmar Investment Commission reported a sharp upturn in investment. Especially, growth was seen in the transportation, communication and manufacturing sectors, the article said. The report identified infrastructure projects related to the China-Myanmar Economic Corridor as a major contributor to the inflow. One of the largest projects is a new railway linking Mandalay and Muse that will require USD 9 billion of investment.

However, the report warned that the country's longstanding tax-collection issues and its lackluster system for enforcing contracts pose risks to Myanmar's business landscape. Furthermore, the ongoing humanitarian crisis in Rakhine State (which recently led the United Nations to call for a boycott of some of Myanmar's largest businesses) continues to threaten tourism, especially from the European Union. Nevertheless, Myanmar has enticed new investments in hotels and aviation. Several domestic airlines have announced new routes. The Myanmar government has plans to expand and renovate several airports around the country.

Legal Box by Duane Morris & Selvam LLP**Amendment of fees for company incorporation and annual return filing**

On 20 September 2019, the Ministry of Investment and Foreign Economic Relations issued Notification No. 84/2019 (the "Notification"), in connection with the prescribed fee inter alia towards company registration, annual filing fee, etc, as detailed below.

No.	Types of Application Forms	Existing Fees (MMK)	Amended Fees (MMK)
1.	Form A-1 (Application for registration of a private company limited by share)	250,000	150,000
2.	Form A-3 (Application for registration of a company limited guarantee)	250,000	150,000
3.	Form A-4 (Application for registration of unlimited company)	250,000	150,000
4.	Form A-6 (Application for Registration of a private company limited by share under the Special Company Act 1950)	250,000	150,000
5.	Form A-8 (Application for registration of overseas corporation)	250,000	150,000
6.	Annual Return Form (Lodgment for Annual Return, including for Overseas Corporation ("Form E-7"))	20,000	50,000

The Notification is pursuant to the powers vested with the authority Section 462(a) of the Myanmar Companies Law.

The above mentioned amendment to the prescribed fees shall be effective from 01 October 2019.

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), Mr Priyank Srivastava (psrivastava@duanemorrisselvam.com), or Mr CN Beilo (CBLo@selvamandpartners.com) or visit www.duanemorrisselvam.com. Duane Morris & Selvam is recognized as a leading law firm for Myanmar related Corporate, M&A and Projects (including Energy) work – The Legal 500 (2017 & 2018).

Companies and Investments

■ Indian airline launches new Yangon to Kolkata flight

Indian airline IndiGo has launched its new Yangon to Kolkata direct route. The new route inaugural 2.5-hour journey was undertaken by a 180-seat Airbus A320. The direct connection aims to support both tourism and the journeys of tens of thousands of Hindu and Buddhist pilgrims that visit Kolkata and its surrounding holy sites each year.

U Khin Aung Tun, vice chair of the Myanmar Tourism Federation, praised the new route. He suggested it could be the beginning of a richer travel and tourism relationship between Myanmar and India. "The Myanmar Tourism Federation, together with our sister association, Myanmar Tourism Marketing, will fully support and coordinate with tourism stakeholders and the government to further develop our tourism industry," The Myanmar Times quoted U Khin Aung Tun as saying. He added that the Myanmar Tourism Federation would hold road shows in the "near future" to entice more Indian tourists and tourism sector investors.

The new route is only one piece of a wave of new investments in air travel. In recent years Myanmar's aviation industry has struggled with low profits and accidents, and many local airlines have shuttered. However, more recently companies like IndiGo have begun to introduce new routes. One notable example is Golden Myanmar Airlines, which recently expanded its fleet of aircraft. The expanded route allows for more domestic flights. Likewise, the Myanmar government recently called for contractor bids for a massive expansion of the Dawei airport.

For now, IndiGo will bank on the double demographic of both leisure tourists and religious pilgrims. They expect that more flights will lead to more visitors.

■ F&N re-enters Myanmar beer market

Singapore-listed beverage firm Fraser and Neave (F&N) has launched its Myanmar subsidiary Emerald Brewery. The investment value of the deal is USD 70 million. The operations will produce Chang Lager Beer.

The brewing facility will be located in Hlegu Township, Yangon. Through Emerald Brewery, F&N will invest in local manufacturing, create employment opportunities, engage with local suppliers and distributors and support community investment programmes.

F&N's has received its capital investment to build a modern brewery with an annual beer production capacity of 500,000 hectolitres. The company will expand logistics including sales and distribution operations, in addition to driving marketing and people capabilities.

Emerald Brewery's facility will pack and distribute Chang Lager Beer in five formats – 330ml and 500ml cans, 320ml and 620ml bottles and 30-litre keg. An expansion in production capacity is expected to be accommodated in the coming years.

Events

Name	Details	Organizer/Ministries	Contact Information
International Construction Power & Mining Exhibition	Venue: Fortune Plaza, Yangon Date: 9-11 Oct 2019	UBM Myanmar	yeemon.chen@ubm.com +95-1-378957
Medex Exhibition	Venue: Tatmadaw Hall, Yangon Date: 9-11 Oct 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com +603-2692-6888
Myanmar Textile Summit	Venue: Yangon Date: 30-31 Oct 2019	ECV International	marketing@ecvinternational.com +86-2156-797705
International Conference on Wireless Communications and Sensor Networks	Venue: Mandalay Date: 1-2 Nov 2019	SciencePlus	papers.scienceplus@gmail.com +91 8763630137
Myanmar Plas Print Pack	Venue: Yangon Convention Center, Yangon Date: 1-4 Nov 2019	Chan Chao Int'l Co., Ltd.	overseas@chanchao.com.tw +886-2-2659-6000
Oil & Gas Myanmar	Venue: Novotel Yangon Max, Yangon Date: 6-7 Nov 2019	Fireworks Myanmar	myanmar@asiafireworks.com +95-9-2501-75661
Myanmex Myanmar Marine Expo	Venue: Yangon Convention Center, Yangon Date: 7-8 Nov 2019	Fireworks Myanmar	myanmar@asiafireworks.com +95-9-2501-75661
ASEAN LPG Forum Series LPG Myanmar	Venue: Sedona Hotel, Yangon Date: 13-15 Nov 2019	Gas Academy	info@gasacademy.com.sg +65-6742-2485
Asia IoT Business Platform	Venue: Sedona Hotel, Yangon Date: 21-22 Nov 2019	Industry Platform Pte Ltd	irza@industry-platform.com +65-6733-1107
Myanbuild	Venue: Tatmadaw Hall, Yangon Date: 28-30 Nov 2019	AMB Tarsus Exhibitions Sdn Bhd	support@ambtarsus.com (603) 2692 6888

Tenders

■ Ministry of Transport and Communications: Expression of Interest

1. Myanmar Railways has signed Build Operate Transfer (BOT) concession agreements with Meeyahta Development Limited (MDL) and Peninsula Yangon Limited (PYL) on 23rd July 2016 to implement International Hotel Project and Landmark Project respectively, which are located at No. 372, Bogyoke Aung San Road, Pabedan Township, Yangon Region.
2. To enable monitoring and controlling of the projects implementation as stated above, the Project Management Unit (PMU)/ Project Assurance Committee (PAC) was formed.
3. The Myanmar Railways (MR) would like to **invite reputable local and/ or international Project Assurance Services Company (PASC) to assist PMU/ PAC and to undertake Project Assurance activities**. The objectives of Project Assurance activities are to monitor validity and viability of the projects in terms of progress to date and prediction of project outcome. The Quality (specification), Time (schedule) and Cost always have to be bounded to ensure ongoing viability.
4. The PASC is responsible to the Myanmar Railways (Owner of the projects, shall be called Project Owner hereon) for the above stated projects. The projects have been started from 1st November, 2018 and the construction period is expected to be four years and any Extension of Time (EOT) granted thereon. The Project Assurance activities are required to be carried out for the rest of the construction period including EOT (if any).
5. EOI Documents and Background information of the proposed Project Assurance Services Company (PASC) could be obtained from the Deputy General Manager, Supply Department, Myanmar Railways, Corner of 51st Street and Merchant Street, Botahtaung Township, Yangon, Myanmar under the telephone numbers: +95-1-291985 and +95-1-291994 with effect from **23rd September, 2019** during office hours.
6. The completed proposed EOI Documents shall be submitted at above mentioned address not later than **02:00 p.m. on 28th October, 2019**. (Submission by mail, Email or Courier Services shall NOT be entertained.)
7. Enquiries can be made by contacting U Kyaw Moe Zaw, Deputy General Manager (Supply) under the telephone numbers: +95-9-5191309/ +95-1-291994 or U Aung Thu Latt, General Manager (Lower Myanmar) under the telephone numbers: +95-9-5009653/ +95-1-298594.

■ Ministry of Electricity and Energy: Invitation for Bids

1. The Ministry of Electricity and Energy has received financing from the World Bank towards the cost of the National Electrification Project, and intends to apply part of the proceeds towards payments under the contract for **ACSR Conductor for National Electrification Project**.
2. The Ministry of Electricity and Energy now invites sealed bids from eligible bidders for supply of ACSR Conductor to be delivered in 2020 to multiple destinations in all Regions and States of Myanmar. Domestic preference with the margin of 15% will apply. The goods will be grouped into 5 lots and bidders may submit bid for any one or more lots. Evaluation and award of contract will be on a lot-wise basis.
3. Bidding will be conducted through the International Competitive Bidding procedures as specified in the World Bank's Procurement Guidelines and is open to all eligible bidders.
4. Interested eligible bidders may obtain further information from Project Manager, Office No (27), Ministry of Electricity and Energy, nep.pmomoep@gmail.com and inspect the bidding documents during office hours at the address given below.
5. A complete set of bidding documents in English may be obtained free of charge by interested eligible bidders upon the submission of a written application to the address below. The Bidding Documents will be issued through email only.
6. Bids must be delivered to the address below on or before **10:00 a.m. on 1st November, 2019**. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives at the Yadanar Hall, Grand Floor, Office Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw at **10:00 a.m. on 1st November, 2019**.

7. All bids must be accompanied by a Bid Security as stated in ITB 19.1 Bid Data Sheet of the bidding document.
8. The address (es) referred to above is (are):
National Electrification Project
Project Manager, Project Management Office
Office: Building No. 27, Ministry of Electricity and Energy, Nay Pyi Taw
Telephone: +95-67-3431175
Fax: +95-67-3431176
Email: nep.pmomoep@gmail.com