

Thura NewsViews

Politics

ASEAN says RCEP deal will benefit Myanmar

Myanmar will benefit from the ambitious Regional Comprehensive Economic Partnership (RCEP), said ASEAN secretary Lim Jock Hoi. Lim argued that while Myanmar will not actually sign the 16-nation agreement, it would certainly benefit from it indirectly. Lim added that he is optimistic Myanmar would eventually become a full-blown signatory when its trade infrastructure is more developed.

RCEP, which has been in development since 2013, is set to include several ASEAN nations and key Asian trade partners, including China, India, Japan, South Korea, Australia and New Zealand. If successful, the deal would become one of the world's largest trade blocs. "The objective of launching RCEP negotiations is to achieve a modern, comprehensive, high-quality, and mutually beneficial economic partnership agreement among the ASEAN Member States and ASEAN's FTA partners," according to the ASEAN official web site.

However, RCEP has several hurdles to overcome before it will be benefiting any nation, directly or indirectly. The ongoing trade war between South Korea and Japan has cast a shadow over negotiations. India, too, is wary of the deal's impact on its domestic industries. Indeed, a parallel deal that does not include India is being planned, according to Indian newspaper Business Today. The latest round of RCEP negotiations began in Bangkok on October 10th.

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October Highlights

Myanmar's Central Statistical Organization has adopted an electronic platform, known as the Vital Registration E-Platform (eVR), to document and archive birth and death records at Union and State/Region levels supporting e-government initiative.

According to figures released by DICA, foreign investments of USD 362.28 million flowed into the Special Economic Zones (SEZs) in the 2018-2019 fiscal year.

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Weekly Newsletter



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Companies & Investments

Hot news regarding investments in Myanmar



Singaporean steel company to boost Myanmar production

Oct 04, 2019
A Singapore-owned steel producer announced plans to ramp up Myanmar production and manufacture the f



MAI to offer direct flights from Yangon to South Korea

Oct 04, 2019
Myanmar Airways International (MAI) will launch a new route from Yangon International Airport to Inc

Upcoming Events

Myanmar Textile Summit
October 30, 2019 - October 31, 2019

International Conference on Wireless Communications and Sensor Networks
November 1, 2019 - November 2, 2019

Myanmar Plas Print Pack
November 1, 2019 - November 4, 2019

Oil & Gas Myanmar
November 6, 2019 - November 7, 2019

Myanmex Myanmar Marine Expo
November 7, 2019 - November 8, 2019

More Events

Submit Event

Highlights

Myanmar launches unicode standard with slogan
October 4, 2019
The inauguration of Myanmar Unicode

■ **Myanmar grants six new countries on-arrival visas**

In a bid to boost the tourism sector, Myanmar has allowed visitors from six new countries to obtain visas on arrival. Starting in October, passport-holders from Australia, Germany, Switzerland, Russia, Spain and Italy may now purchase tourism visas after they land in Yangon, Naypyidaw and Mandalay. Visas on arrival cost USD 50.

The relaxed visa requirements are the latest in a long effort by the Ministry of Hotels and Tourism (MHT) to counteract disappointing tourism numbers following the country's transition to democracy. In the last four years, MHT has introduced e-visa tourist applications, replacing a tedious in-person application process, as well as paperless visas.

Last year, visitors from several Asian countries were granted either visa-free entry or tourist visas on arrival. As a result, the MHT claimed 2.14 million foreign visitors entered the country in the first half of 2019. It is contrasted with 1.72 million during the same period in 2018.

However, just because the MHT is broadening its scope beyond Asia does not necessarily mean it will see a similar spike in tourism from the West. Recent fighting in Myanmar's border regions and allegations of human rights abuses have driven many American, Australian and European tourists to choose other Southeast Asian destinations instead of Myanmar.

But whether from Asia, Europe or both, the tourism sector is bracing for a boom. Several domestic airlines have expanded their fleets and routes, and the Yangon Region Tourism Working Committee granted permits for 21 new hotels between May and August, reported the Daily Eleven. The total investment for those new hotels will be almost USD 240 million.

Economy

■ **Timeline shortened for Dawei SEZ**

Officials from Thailand and Myanmar are speeding up development of the Dawei Special Economic Zone (SEZ).

Officials from the two countries discussed the longstanding SEZ project at a Myanmar-Thailand Joint Coordinating Committee meeting in Nay Pyi Taw. The committee discussed the timeline to complete the project's initial phase and move into its final phase, as well as power and other infrastructure development. Both sides agreed to try and speed up work on the SEZ, which has been developing in fits and starts since 2008.

If the Dawei SEZ were to be completed, it could be the largest of its kind in Southeast Asia. A tax haven for foreign trade and manufacturing, the SEZ is planned in nine zones, a deep sea port and a new highway linking Dawei with the Thai border. However, disputes with Thai partners slowed development and eventually halted progress entirely in 2013. Although resumed in 2015 with new investment from Japan, power and transportation issues remain at the top of the list of development goals.

One key component, according to the committee, will be an ambitious new highway linking Dawei to Kanchanaburi, Thailand. That project will be funded by a MMK 220.6 billion, 0.1 percent interest loan from Thailand. Furthermore, the government also plans to renovate and expand Dawei's airport.

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/\$ = 1,531K/1\$ (10/10/19)

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Legal Box by Duane Morris & Selvam LLP

Announcement regarding overtime-working hours issued

The Myanmar Investment Commission (“MIC”) issued an announcement in relation to the overtime-working hours’ as per the Factory and General Labour Laws Inspection Department (“FGLLID”). The announcement was posted by DICA on October 3, 2019 (the “Announcement”). The Announcement as understood is applicable to the companies operating under the permit and/or endorsement of MIC and the region/state investment committee. The Announcement stipulates:

1. Companies shall obtain prior written consent from the employee required to work overtime, in case of weekday (i.e. Monday to Friday) which is not to exceed 03 hours per weekday or 05 hours on a Saturday.
2. For overtime on Sunday or a Public Holiday, companies shall obtain prior written consent from the employee and an acknowledgement from the Organization (or) Labour Coordination Committee.
3. No employee shall be required to work for more than one (1) Sunday in a four (4) week duration.

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).

■ Myanmar auto industry revs up

Myanmar automotive factories are upping their output in response to higher demand, according to an industry analysis by the Myanmar Times. Production has increased from both Japanese and Chinese brands, taking advantage of growing local demand, improved infrastructure and the development of Myanmar's special economic zones. The number of cars on Myanmar roads is estimated to reach 2 million by 2020.

Suzuki Myanmar Motor Co. Ltd., which claims to hold 60 percent of the local market, increased production this year to 15,000 cars and trucks, up from 12,000 in 2018, according to data obtained by the Myanmar Times. The Suzuki Ertiga, a mid-sized SUV, has become one of the fastest-selling personal cars in Myanmar. Suzuki assembles them in the Thilawa Special Economic Zone, located outside of Yangon.

In May, Toyota, another Japanese brand, also announced plans for a new manufacturing plant in the Thilawa SEZ, valuing USD 53 million. The Toyota factory will mainly produce the popular Hilux line of light pickup trucks.

Chinese automakers are also making inroads into the Myanmar market. Gold AYA Motor International is investing USD 30 million in a new plant in Mandalay's Myotha Industrial Zone. Gold AYA Motor plans to roll out 50,000 new vehicles over the next five years, made with a combination of locally-manufactured and imported parts. However, the company aims to eventually manufacture all of the parts itself and produce the first ever entirely Myanmar-made cars.

Companies and Investments

■ Huawei will remain big part of Myanmar telecom development

Chinese tech giant Huawei will remain a big player in Myanmar's telecom sector development despite security warnings from the United States and other countries.

Huawei Myanmar spokesperson Zhu Bo has claimed that Huawei communications networks already serve around one-third of people in Myanmar, according to a Radio Free Asia (RFA) report. The company will continue to play a key role in developing Myanmar's 5G service, which was first tested by local carrier MyTel in August. The Ministry of Transport and Communications aims for full 5G integration in the next few years, which could be 20 times faster than 4G data speeds, the Myanmar Times reported.

However, Huawei has been mired in international controversy. The United States suspects Huawei of aiding the Chinese government in cyber-spying and espionage. The U.S. and other countries have placed Huawei on international watch lists for entities acting against their national interests.

Myanmar, however, seems unconcerned with the suspicions leveled against Huawei, which controls 30 percent of the global telecom equipment market. In May, U Soe Naing, deputy director general of the Ministry of Transport and Communications, commended the company for its role in Myanmar's 5G buildout and said the ministry looks forward to their continued relationship. The business relationship is one of many with China, which Myanmar has turned to amid cooling relations with Western nations over alleged human rights abuses along its western border.

■ Thai Chang Beer brewed in Yangon

Yangon's new Emerald Brewery canned its first Chang beer on September 25th. Singaporean firm Fraser and Neave (F&N) invested US\$70 million into the new facility, which will be brewing the famous Thai beer brand at a capacity of 500,000 hectoliters per year.

At the brewery's First Canning ceremony, F&N executive committee chair Mr Koh Poh Tiong called Myanmar's beverage industry a "a fast-growing market." The company also boasted of Emerald Brewery's sustainable and environmentally-friendly brewing practices, which include water recirculation and solar power. F&N's other drinks include 100PLUS and Teapot, all of which are already popular in Myanmar. But this will be the company's first venture into hard beverages, following in the footsteps of foreign beer brands such as Heineken and Carlsberg.

Carlsberg is currently embroiled in a criminal lawsuit from a distributor that claims the company swindled it out of almost US\$400,000. But despite Carlsberg's legal woes, Myanmar's beverage market may indeed be growing. In June, the Ministry of Commerce announced that it would relax strict alcohol regulations that have banned beer and

liquor imports for all but certain hotels and embassy clubs. The import ban has led to rampant smuggling and counterfeiting and a huge grey market in which hotels sell their excess imports to small liquor shops.

Chang Beer, smuggled across the Thai border, remains one of Myanmar's best-selling black market products. How Emerald Brewery's legitimate Chang will fare against its cross-border competition remains to be seen, especially in eastern towns such as Hpa-Ann, which is closer to Thailand than to Yangon.

Events

Name	Details	Organizer/Ministries	Contact Information
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 Electricity and Energy: Open Tender

1. Myanma Oil and Gas Enterprise under the Ministry of Electricity and Energy invites open tender for supply of the following respective items in USD.

Sr. No.	Tender No.	Description	Remarks
(a)	IFB/001(19-20)	20" LSAW API 5L Grade X-46 MS 3 LPE Coated Line Pipe (PSL-2) (33810) MTR	MMK
(b)	IFB/002(19-20)	14" HFERW API 5L Grade X-46 MS 3 LPE Coated Line Pipe (PSL-2) (53130) MTR	MMK
(c)	IFB/003(19-20)	Natural Gas Engine Driven Compressor (1) Unit	MMK
(d)	IFB/004(19-20)	CNG Compressor Driven Electric Motor Package & Accessories (1) Lot	MMK
(e)	DMP/L-037(19-20)	10" HFERW API 5L Grade X-42 MS 3 LPE Coated Line Pipe (PSL-2) (41860) MTR	MMK
(f)	DMP/L-038(19-20)	8" HFERW API 5L Grade X-42 MS 3 LPE Coated Line Pipe (PSL-2) (16100) MTR	MMK
(g)	DMP/L-039(19-20)	4" HFERW API 5L Grade X-42 MS 3 LPE Coated Line Pipe (PSL-2) (16100) MTR	MMK
(h)	DMP/L-040(19-20)	Welding Electrode E-6011 (53) MT	MMK
(i)	DMP/L-041(19-20)	Heat Shrinkable Sleeve & Closure Patches (1) Lot	MMK
(j)	DMP/L-042(19-20)	Assorted Sizes of Pipe Fittings (1) Lot	MMK
(k)	DMP/L-043(19-20)	Pipe Line Testing Equipment (5) Items	MMK
(l)	DMP/L-044(19-20)	5 Ton Truck Crane (2) Units	MMK
(m)	DMP/L-045(19-20)	Water Bowser (2800 Gallons) (2) Units	MMK
(n)	DMP/L-046(19-20)	7 Ton Cargo Truck (4x2) (22) Units	MMK
(o)	DMP/L-047(19-20)	7 Ton Cargo Truck (4x4) (7) Units	MMK
(p)	DMP/L-048(19-20)	Fire Fighting Truck (10) Units	MMK
(q)	DMP/L-049(19-20)	10 Ton Truck with Crane (1) Unit	MMK
(r)	DMP/L-050(19-20)	10 M ³ Dump Truck (1) Unit	MMK
(s)	DMP/L-051(19-20)	Installation of Cathodic Protection System for Buried Pipe Line	MMK
(t)	DMP/L-052(19-20)	Welding Machine with Accessories & Portable Fire Pump (3) Items	MMK

Sr. No.	Tender No.	Description	Remarks
(u)	DMP/L-053(19-20)	Shale Shaker Unit and Accessories (1) Set	MMK
(v)	DMP/L-054(19-20)	Fire Fighting System (1) Lot	MMK
(w)	DMP/L-055(19-20)	Skid Mounted Crude Transfer Pump (3) Items	MMK
(x)	DMP/L-056(19-20)	Pumping Unit (2) Items	MMK
(y)	DMP/L-057(19-20)	Testing Equipment for Apply Research Centre (6) Items	MMK
(z)	DMP/L-058(19-20)	Geological Survey Instrument & Field Equipment (7) Items	MMK
(aa)	DMP/L-059(19-20)	Seismic Acquisition / Data Processing Work Station /Data Center (6) Items	MMK
(ab)	DMP/L-060(19-20)	Diesel Engine Driven Generating Set (3) Items	MMK
(ac)	DMP/L-061(19-20)	NDT Services for 10" & 14" Domestic Natural Gas Pipe Lines (Pyay – Myanaung / Maubin-Nyaungdon)	MMK
(ad)	DMP/L-062(19-20)	NDT Services for 14" & 4" Domestic Natural Gas Pipe Lines in Yangon Area	MMK
(ae)	DMP/L-063(19-20)	3.3 KV Auto Transformer / 185 KW, 3300 V Induction Motor (2) Items	MMK
(af)	DMP/L-064(19-20)	Class 'G' Cement (2000) Tons	MMK
(ag)	DMP/L-065(19-20)	Lubricant Oil (8) Items	MMK

- The open tender forms including description of materials/ Qty with detailed specifications and tender terms and conditions can be available during office hours commencing from **7th October, 2019** at the Finance Department, Myanma Oil and Gas Enterprise at No. 44 Complex, Nay Pyi Taw, Myanmar.
- The interested bidders should submit the **technical specifications with original bid bond and commercial quotation** in each separate sealed envelopes on which to be addressed to the Managing Director, Myanma Oil and Gas Enterprise and should reach in tender box of the Myanma Oil and Gas Enterprise not later than **02:00 p.m. on 7th November, 2019**.
- The tender closing date and time is **7th November, 2019 at 02:00 p.m.**
- Further information can be obtained at the Myanma Oil and Gas Enterprise over the telephone number: +95-67-411206.