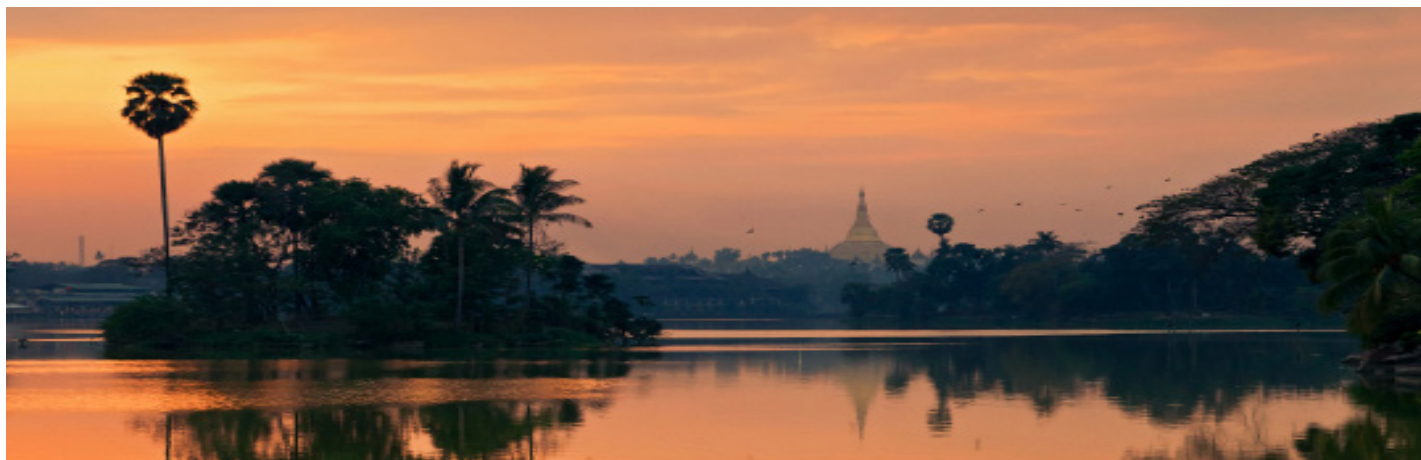


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Myanmar Highlights

October 2014

New investment rules announced for Thilawa SEZ

The Ministry of National Planning and Economic Development has issued new rules (**Thilawa Investment Rules**) in relation to the Thilawa Special Economic Zone (**Thilawa SEZ**). The Thilawa SEZ Management Committee (**TSEZMC**) has invited investors to submit proposals in relation to investing in or establishing operations in the Thilawa SEZ. The TSEZMC will review proposals and respond to applicants within 30 days of the submission. Investors are obliged to provide a copy of an executed land lease to the TSEZMC within 6 months of receiving TSEZMC approval. The following activities are permitted pursuant to the Thilawa Investment Rules:-

- Trading
- Housing and hotel development
- Technology services
- Wholesale trading
- Financial services
- Rental services
- Consultancy services
- Transportation services

If a business located in the Thilawa SEZ proposes to export more than 75% of its products, its minimum capital requirement will be the Kyat equivalent to US\$750,000. If a business proposes to sell more than 80% of its products to other export-manufacturing companies located in the Thilawa SEZ, its

minimum capital requirement will be the Kyat equivalent to US\$500,000. The following minimum capital requirements also apply:-

Type / location of business	Minimum capital requirement US\$
Companies located within the international trade exhibition building	10,000,000
Companies involved in housing and retail development	5,000,000
Schools and educational services companies	2,000,000
Manufacturing companies	300,000
Service companies	300,000

Hotels to be constructed in the Thilawa SEZ must be at least 3 stars. Hospitals to be constructed in the Thilawa SEZ must have a least 100 beds and should provide modern medical care services, although the exact nature of such services is not described in the Thilawa Investment Rules. (Source: *The Global New Light of Myanmar*, 7 October 2014)

Government announces details of stock exchange transition period

The Government has announced that the new Myanmar Stock Exchange (**MSE**) will be subject to a transition period lasting from 1 August 2014 through 31 March 2020. During the transition period the Ministry of Finance (**MoF**) will have complete regulatory authority over the MSE. The MoF will

effectively be vested with powers which in other jurisdictions are reserved for securities and exchange commissions and oversight bodies independent from government. Myanmar continues to work with foreign advisors to establish an independent regulatory commission. The transition period will allow this work to continue but will not delay the MSE's launch. Pursuant to Myanmar's Securities and Exchange Law (2013), the MoF will have the power to issue orders and directives to regulate the trading of securities on the MSE. The Myanmar Economic Bank will establish a joint venture with non-finance company partner to establish a new company to operate the MSE. (Source: *Myanmar Business Today*, 2 October 2014)

Asea Brown Boveri opens Yangon office

Swiss power and automated technology company Asea Brown Boveri Ltd (**ABB**) has established an office in Yangon. ABB plans to make its full range of power and automated solution services available to customers in Myanmar. By establishing a local presence ABB will be better positioned to serve local customers, improve service capabilities, and expand its operations to different locations throughout Myanmar in the future. (Source: *Myanmar Business Today*, 2 October 2014)



Ministry of Information announces new regulations implementing the 2014 Printing and Publishing Enterprise Law

The Ministry of Information (**MOI**) has announced new regulations implementing the 2014 Printing and Publishing Enterprise Law (**2014 Publishing Law**). The regulations clarify procedures in relation to the issuance of media licences to foreign invested companies. Licences issued pursuant to 2014 Publishing Law will be valid for 5 years. Foreign participation is permitted with the approval of the Myanmar Investment Commission. The MOI noted that as of April 2014, licences

have been issued to 366 weekly journals, 31 daily papers, 290 magazines and 8000 other publications. (Source: *Myanmar Times*, 18 October 2014)

Myanmar Timber Enterprise to make 1,000 teak and hardwood logs for sale through open bidding

Approximately 1,000 tonnes of teak and hardwood logs will be made available for sale in an open bidding process commencing on 21 October 2014. The Myanmar Timber Enterprise (**MTE**) has set a target of approximately 500,000 tonnes of teak and hardwood logs and sawed timber for domestic production use by the year-end 2015. Approximately 100,000 tonnes have already been sold. Myanmar has committed to reduction of the rate of teak extraction to 60,000 tonnes of teak logs and 670,000 tonnes of hardwood by year-end 2015. (Source: *The Global New Light of Myanmar*, 13 October 2014)

Asia Pacific Mining Ltd granted exploration licences

Hong-Kong based mining conglomerate Asia Pacific Mining Ltd (**APML**) has been granted an exploration licence in relation to an exploration area in Shan State (**AP-4**). The AP-4 licence covers an area of 649 square kilometers in the area of the historic Bawdwin zinc-lead-silver mine, northwest of the town of Namtu. Nantuo is approximately 40 kilometers northwest of Lashio, Shan State's major regional center and airport. Initial fieldwork in the licence area will consist of field-mapping, sampling and geochemical surveys aimed at better defining drill targets for subsequent testing. (Source: www.apmining.com, 3 October 2014)

Yoma Strategic Holdings and Yum Brands, Inc. to bring KFC to Myanmar

Yoma Strategic Holdings Ltd (**Yoma**) and Yum! Brands, Inc. (**Yum**) have announced plans to open Kentucky Fried Chicken (**KFC**) restaurants in Myanmar in 2015. NYSE listed Yum operates the licensed brands Taco Bell, KFC, Pizza Hut, and WingStreet worldwide. Singapore listed Yoma is a leading business corporation with real estate, agriculture, automotive and luxury tourism businesses in Myanmar. KFC is one of the world's largest restaurant chains, with \$23 billion in global sales and more than 18,000 restaurants in 118 countries worldwide. KFC is among the first handful of quick service restaurants to announce plans to enter the Myanmar market. According to Yoma, "*Myanmar is one of the potentially sizable consumer markets to emerge among developing economies. With about 50 million people and a growing middle class with disposable*

income, the country offers significant consumer opportunity for Yoma to grow KFC over the long term.” (Source: www.mizzima.com, 13 October 2014)

Myanmar knitwear Company to supply Marks and Spencer from new Thilawa factory

Prosperity Knitwear Myanmar Company Ltd (**PKM**) has invested approximately US\$5.5 million to establish a garment production facility in the area of the Thilawa industrial zone. Hong Kong invested PKM plans to increase its investment to up to approximately US\$45 million in 2015. The garment factory is expected to be in operation in December 2014. PKM produces sweaters for Marks and Spencer Plc. PKM, which currently employs 200 people in Myanmar, have said they expect to create an additional 2,500 jobs. The planned investment has been approved by the Myanmar Investment Commission. (Source: www.elevenmyanmar.com, 12 October 2014)

Marubeni Cooperation and Ministry of Electric Power sign MoU

Japan's Marubeni Cooperation (**Marubeni**) has signed a memorandum of understanding (**MoU**) with the Ministry of Electric Power in relation to the proposed development of a 1,800MW - 2,000MW coal-fired power plant. Pursuant to the MoU, Marubeni will conduct a feasibility study in relation to the construction of the power plant in the Tanintharyi region. The planned facility is to use the latest environmentally efficient technology and is expected to cost approximately US\$3.25 million. Construction is planned to commence in 2016. Approximately 80% of the electricity generated from the power plant will be exported to Thailand while the remainder will be allocated for domestic use. (Source: www.einnews.com, 13 October 2014)

Idemitsu Kosan, PTT, Puma Energy and Omni Focus submit tenders in relation to the development of oil refinery in Thanlyin

Tenders have been received from four companies in relation to the development of an oil refinery in Thanlyin as well as associated petro-chemical product and distribution rights. Letters of interest were originally submitted by twenty companies. Detailed proposals have been submitted by Japan's Idemitsu Kosan Company Ltd, Petroleum Authority of Thai Exploration and Production Public Company Ltd, Singapore-based Puma Energy International BV and Myanmar's Omni

Focus Company Ltd. The successful bidder is expected to be named before the end of 2014. (Source: *Myanmar Times*, 18 October 2014)

Novotel opens new hotel on Inle Lake

Novotel Hotels TM have opened a new hotel on Inle Lake. Novotel Hotels are part of the Paris headquartered Accor Group which owns, operates and franchises 3,600 hotels on 5 continents representing several diverse hotel brands. The hotel - the Inle Lake Myat Min - is located on the east bank of Inle Lake and has 60 junior suites, 60 lake villas and 2 deluxe villas. Facilities include 3 restaurants, 2 bars, a ballroom, 2 meeting rooms, a business center, a swimming pool, a fitness center and spa facilities. (Source: *Myanmar Business Today*, 21 October 2014)

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