Charltons - Myanmar Highlights Newsletter - 30 August 2013

[online version](http://www.charltonslaw.com/prc-adopting-environmentally-appropriate-technologies/)

# Myanmar Highlights Issue 1

## Report: PRC Adopting Environmentally Appropriate Technologies

A US Jamestown Foundation report noted that the PRC is adopting different tactics in its Myanmar policies, notably support for environmentally appropriate technologies for oil, gas and mining projects.

## Chinese Companies Could Learn from Western Companies, Chinese Ambassador Suggests

Newly arrived Chinese Ambassador to Myanmar, H.E. Yang Houlan, was quoted in the Myanmar Times:

“We are not so experienced in how to communicate with local people, how to make more feasibility studies on the environment and issues connected with people’s welfare.”  He added that Chinese companies could learn from how Western companies approach foreign investment.

## CMEA Issues Corporate Social Responsibility Initiatives

The Chinese Myanmar Enterprise Association (CMEA), comprising 100+ companies that do business in Myanmar, issued a set of Corporate Social Responsibility (CSR) initiatives … which call for greater environmental protection, transparency, and interaction with local communities in future projects.

## New Contract for Lepadaung Copper Mine

A new contract has been approved and signed for the Lepadaung Copper Mine, incorporating specific environmental, social impact and CSR initiatives  Production will increase from 40,000 tonnes to 100,000 tonnes annually.  Reporting in the Myanmar Times (July 29, 2013), a member of the Myanmar Investment Commission, U Aung Tun Thet, noted that the new contract will be “a model for international investment in Myanmar.”  Investment is estimated at US$997 million by principal investors Wanbao Corp.

## Gubelin to Conduct Testing in Mogok

Switzerland’s Gubelin Gem Lab has been the first foreign group to be invited to Mogok, Myanmar’s “Ruby Land”, to conduct gemological testing services.  Myanmar’s gemologists view the new equipment as providing the basis for international certification standards, and increasingly profitable sales.

## Thilawa SEZ May Offer Public Shares in 2014

The Thilawa Special Economic Zone may launch an offer of public company shares in early 2014 to develop the SEZ’s infrastructure.  The SEZ is a joint venture between Myanmar (51%) and Japan (49%), and planning is underway to secure the approval of the Directorate of Investment and Company Registration (DICA).  Thilawa is located in Thanlyin Township across the Yangon River.

## Yangon and Mandalay to Re-commence Classes

The historic campuses of the University of Yangon and the University of Mandalay will re-commence classes in December, 2013 for 300 students each, under an agreement with the Ministry of Education and Thailand’s Thepsatri Rajabhat University, Korea’s Hankok University of Foreign Studies, and the US Johns Hopkins University.  The pro-rector, U Kyaw Naing, notes that curriculum and courses are still being developed.

## City Mart CEO: Stock Exchange Needs Overhaul

Myanmar’s City Mart CEO has cited the need for “a successful overhaul of the Myanmar Stock Exchange” as a pre-requisite to companies going public in Myanmar. Daw Win Win Tint was recognised at the World Economic Forum as a “Young Global Leader” for her seventeen-year-long effort to create one of Myanmar’s most recognizable brands, establishing a thriving retail supermarket industry.  City Mart has 15 retail outlets and 5 Ocean Hypermarket venues in Yangon, as well as an expanding range of pharmacies, bakeries, child products and now real-estate.  The challenges of high real-estate prices in Yangon have now lead the entrepreneur to look for venues in other locations around Myanmar.

## Indian Joint Trade Commission Established

GMS MYANMAR MATTERS posts heartening news from India – as a result of a recent meeting between Commerce and Industry Minister Anand Sharma and the Myanmar Government, a Joint Trade Commission has been formed to boost sales and services from the sub-continent to Myanmar.   Mr. Sharma estimates the increase to $2.60 billion “within a few years”. Current Indian groups operating  in Myanmar include prominent oil and gas industry leaders, Tata Motors, pharmaceutical giants, shipping and Sonalika Tractors.

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The two successful bidders – Telenor (Norway) and Ooredoo (Qatar) of aspects of Myanmar’s telecommunications system plan to develop high-band-width telecommunications in the near future, possibly as soon as the advent of the SEA-GAMES events in December, 2013.  In addition, Myanmar Post and Telecommunications and the Myanmar Economic Corporation have formed a joint-venture with Yadanarbon Teleport, possibly increasing the competitive landscape.

## Myanmar Companies Act to be Revised

The Myanmar Companies Act (originally enacted in 1914, with revisions) is planned to be revised or re-written  in both Myanmar and English language versions, to bring it more up to date with modern company law practices. The Ministry for National Planning and Economic Development is leading the effort, with assistance from the Asia Development Bank. It is anticipated that modernising features will include on-line company registration.   Discussion is also underway on inclusion of the Burma Special Companies Act (1950) which differentiates between public and private companies.

## 12 New Laws Passed in Myanmar, More in the Works

Twelve new laws have been passed in Myanmar this year.  Eight remaining bills will be sent to President Thein Sein,  including  a Regional and State Parliamentary Bill, Corruption Elimination Bill, Myanmar Citizen Investment Bill, Central Bank of Myanmar Bill (see following article), Disaster Management Bill, Credit Bond Sale and Exchange Bill, Contempt of Court Bill and a Population and Household Bill.

In the next parliamentary session there will be introductions of draft measures related to the amendment of the 2008 Constitution, a Farmer Protection Bill, a Communications Bill, an SME Protection Bill, Trademark and Service Brand Bill, a Condominium Bill, an SEZ Bill, an Association Formation Bill, an Innovation Brand Bill, an Industrial Design Bill, an IP Law, a Multi-purpose Transport Bill, and measures relating to consumer protection, competition, and the Myanmar Engineering Council.

## Local Credit Cards may be Available in Myanmar in September

Cooperative Bank (CB) chair U Pe Myint has said that he thinks VISAs and MasterCards will be issued in Myanmar by September 2013, if approved by the Central Bank of Myanmar.  He noted that several banks have offered overseas VISA and Mastercard services since April 2013, but the local cards’ availability will promote an improvement in services and usage for Myanmar bank customers.

## Dawei SEZ Committee Approves Infrastructure Projects Schedule

The Dawei SEZ Joint High Level Committee has just approved a schedule of infrastructure investment projects intended for the investor selection process. Areas of interest are roads (Dawei to Kanchanaburi), a seaport, a natural gas power plant, reservoirs, and industrial estates.  Construction will take place between 2014 and 2018, at a cost of US$300-$400 Billion.

In news of other road and border infrastructure, some associated with the opening of the 870 km gas pipeline from Rakhine state to Yunnan province,  Indian Trade Minister Sharma announced planned ADB funding  from India to Myanmar for the first time since World War II’s Ledo Road, linking Agartala, Silchai, Imphal and Moreh (Manipur).  A bus service has been announced from Moreh to Mandalay, with associated border crossings.

Other strategic trade routes on Myanmar’s eastern border linking Myanmar with Thailand are Tachilek/Mae Sai, Myawaddy/Mae Sot, and Kawthaung/Ranong.

## WEF Focuses on Value-Added Products and Services in Myanmar

A major focus of discussions at recent World Economic Forum in Naypyidaw related to extractive industries.  Myanmar possesses abundant natural resources and industry officials agreed that Myanmar will aim to gain the most value by building capacity to process and market value-added materials, rather than simply exporting raw commodities.

World Economic Forum Co-Chair John Rice, Vice-Chair of GE, HKG-SAR noted the importance of value-added agricultural products and services, to increase profits and sustainability, especially in remote rural locations.  Other areas, he noted, are improving hardware (i.e., infrastructure) and software (capacity building) such as Rule of Law, a regulatory framework, and education to support its human capital.

## New SEZ Proposed for Sittwe

New SEZ proposed for Sittwe - Indian government is offering up to $150 million towards new investments in the area, which is the poorest and most remote state in Myanmar.

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