Charltons - Myanmar Highlights Newsletter - 28 April 2014

[online version](http://www.charltonslaw.com/dica-release-revised-fdi-figures/)

# Myanmar Highlights Issue 32

## DICA release revised FDI figures

The Directorate of Investment and Companies Administration (DICA) has announced that Myanmar attracted approximately US$4.1billion in foreign direct investment (FDI) in the twelve months ending 31 March 2014. Total foreign investment in Myanmar now stands at approximately US$46 billion. Increased foreign investment has led to the creation of 50,571 additional jobs since the end of December 2013. Foreign investment projects include energy, petroleum and natural gas, commodities, mineral extraction, hotel and tourism, property development, livestock, fisheries and agriculture. China is the largest source of FDI having invested approximately US$14 billion, second is Thailand which has invested approximately US$10 billion and third is Hong Kong which has invested approximately US$6 billion. (Source: Eleven Myanmar, 21 April 2014)

## Petroleum Authority of Thailand planning Myanmar expansion

The Petroleum Authority of Thailand Public Company Limited (PTT) plans to expand its retail oil operations in Myanmar. PTT proposes to invest approximately US$40.3 million on developing petrol stations throughout the country. At present PTT operates one station in Nay Pyi Taw and an oil depot in Yangon. PTT plans to invest almost US$100 on the expansion of its retail oil businesses in the ASEAN region over the next four years. The company has allocated approximately US$46.5 million for expansion in the Philippines, US$24.8 million for Laos and approximately US$21.7 million for Cambodia. PTT will open new petrol stations and expects sales volume to grow by 10-15% or approximately US$1.9 billion. PTT's total capital expenditure budget over the next four years is US$ 1 billion, approximately half of which will be allocated to petroleum exploration and production, with approximately 17% to oil refining and petrochemicals, 14% to gas operations, 12% for new business and asset acquisition, 6% for oil and international trading and 1% for research and development. (Source: Bangkokpost.com, 11 April 2014)

## Bidders submit revised proposals in relation to development of Hanthawady airport

Four bidders have submitted revised proposals in relation to the proposed development of a new airport at Hanthawady. The bidders had previously submitted proposals which included project financing information. However it was subsequently announced that a Japanese Official Development Assistance Loan would be made available to part finance the project. Bidders were therefore requested to re-submit proposals containing revised estimates. The four bidders are Thailands Tai Sae Corporation, Frances Vinci Concessions and Construction Company Limited, South-Korea`s Incheon Airport Consortium and a consortium made up of Singapore's Changi Airport Planners together with Yongnam Holdings Incorporated and Japan's Gasonline Corporation. (Source: elevenmyanmar.com, 20 April 2014)

## Myanmar Airways to expand fleet with purchase from Avions de Transport Regional and GE leasing agreement

Myanmar Airways has announced that it is negotiating the purchase of six ATR 72-600 turboprop aircraft from France`s Avions de Transport Regional Company (ATR). Myanmar Airways is also negotiating with US-based General Electric Company Capital Aviation Services (GE) in relation to the sub-leasing of ten new Boeing aircraft. GE entered in a lease agreement (GE Lease Agreement) with Boeing Aviation on 11 February 2014 in Singapore. Pursuant to the GE Lease Agreement GE will lease six new Boeing 737-800s and four new Boeing 73 - 8Max from 2015 to 2020. (Source: elevenmyanmar.com, 20 April 2014)

## Thailand's Oishi Group establish Myanmar joint venture

Thailand's Oishi Group Public Limited Company (OISHI) has established a Myanmar subsidiary to operate Shabushi© restaurants in Myanmar. OISHI has formed a new joint venture company (JVCo) with Myanmar`s City Food Company Limited (City Food). OISHI hold a majority 55% stake in the JVCo with City Food holding the remaining 45%. The first restaurant, which is scheduled to open in May 2014, will be located at the City Mart Building in Yangon. A second restaurant is scheduled to open in June 2014 in Mandalay. OISHI aims to establish Shabushi restaurant chain in Singapore, Hong Kong and Laos on a franchise basis or a joint venture with local partners.

Several other Thai food brands such as Black Canyon, Fuji Japanese restaurants and Five Star Chicken have recently opened outlets in Myanmar. (Source: The Bangkok Post, 21 April 2014)

## Wilmar International form Myanmar joint venture

Singapore's Wilmar International Limited (Wilmar), Asia's leading agribusiness group has entered into a joint venture with Myanmar`s Great Wall Food Stuff Industry Company (Great Wall). The joint-venture company will produce and sell sugar products. Wilmar will take a 55% stake in the joint venture which will acquire all the existing sugar-related businesses, mills and plants of Great Wall and its subsidiaries. Great Wall's assets include two sugar mills with a total daily capacity of 4,000 metric tonnes of sugarcane and an annual production capacity of 65,000 metric tonnes of sugar per year, a bio-ethanol plant and an organic compound fertilizer plant. (Source: The Straits Times, 22 April 2014)

## 32% increase in Myanmar tax revenue

Myanmar's Internal Revenue Department has announced a 32% increase in tax collected in the twelve months in the year ending 31 March 2014. Total tax revenue was approximately 3.5 trillion kyats (US$3.5 billion). The increase is lower than the 75% increase in the year ending 31 March 2013. According to the World Bank Group (WBG), Myanmar's economy is projected to grow at a rate of 6.8% over the next twelve months. However, in November 2012 the WBG raised concerns about Myanmar's rate of inflation which had reached 7.3% in August 2013. (Source: www.dvd.no, 25 April 2014)

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