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## Myanmar Highlights

November 2014

### Lafarge Cement invests in Thilawa SEZ cement repacking facility

Lafarge Cement Company Ltd (**Lafarge**) in partnership with the Aung Myin Thu Group Co. Ltd (**Aung Myin**) and My Associates Company Ltd (**My Associates**) has opened a cement repacking facility in the Thilawa Special Economic Zone. Lafarge has contributed approximately 60% of the initial project investment of US\$20 million. Aung Myin and My Associates have contributed approximately 20% each. Lafarge plans to invest approximately US\$500 million in Myanmar's burgeoning construction sector. Imported cement will be repackaged at the Thilawa facility, which can store approximately 20,000 tonnes of cement. (Source: [www.myanmar-business.org](http://www.myanmar-business.org), 18 November 2014)

### Food Corporation of India to import rice from Myanmar

The Food Corporation of India (**FCI**) proposes to import rice from Myanmar. The rice will be distributed in the northeastern states of Mizoram and Manipur. The rice will be produced in the central rice production regions on the Ayerawaddy River. The FCI proposes to import approximately 100,000 tonnes commencing in March 2015. The FCI is also planning to construct additional storage facilities in the northeast region of India to store the rice imports. (Source: [www.business-standard.com](http://www.business-standard.com), 17 November 2014)

### Foreign insurance companies to be permitted to establish in Thilawa SEZ

The Ministry of Finance has announced that from January 2015 foreign insurance companies will be permitted to establish in the Thilawa Special Economic Zone. According to Myanmar's

Special Economic Zone Law, foreign insurance companies can establish within special economic zones (**SEZs**) without the prior approval of the Myanmar Investment Commission. Insurance companies intending to establish within SEZs instead need to obtain the prior approval of the Insurance Business Regulatory Board. (Source: [www.mizzima.com](http://www.mizzima.com), 17 November 2014)

### General Electric and the Myanmar Electric Power Enterprise to cooperate on gas turbine upgrade

General Electric and the Myanmar Electric Power Enterprise have reached an agreement in relation to the upgrade of existing gas turbines in Myanmar. This new initiative will result in approximately 30MW of additional power for Myanmar. The planned upgrade will take approximately six months. (Source: *The Global New Light of Myanmar*, 17 November 2014)

### China and Myanmar execute trade deals worth US\$7.8 billion

China and Myanmar have entered into new trade agreements worth approximately US\$7.8 billion. The agreements relate to a wide range of industries including but not limited to energy, agriculture, telecommunications, infrastructure and finance. The signing of the agreements was timed to coincide with Chinese Premier Li Keqiang's recent visit to Myanmar. Among other things, China will assist Myanmar to build natural gas power plants, and provide US\$300 million in small-scale agricultural loans. The two countries have also agreed to establish an electricity cooperation committee to coordinate energy projects. China has additionally committed to purchasing 1 million tonnes of rice from Myanmar in 2015 at a price of US\$400 per ton. (Source: *The Irrawaddy*, 13 November 2014)

## Singapore and Vietnam to provide Myanmar with SME development loan

Singapore and Vietnam will provide Myanmar with a loan of US\$50 million to benefit small and medium-sized enterprises (SMEs). Funds will be available from April 2015. Vietnam will provide US\$30 million while Singapore will provide US\$20 million. Funds will be distributed to the SMEs through Myanmar's Small and Medium Industrial Development Bank (S&MDB) at an interest rate of 4%. S&MDB has provided US\$20 million in the current fiscal year. According to the Myanmar Ministry of Industry, there are approximately 120,000 licensed SMEs in Myanmar. The Government is working in cooperation with the German Friedrich Naumann Foundation to hold workshops, conferences, and lectures about SME development. The German International Cooperation has also assisted three Myanmar private banks on servicing the SME sector. (Source: [www.irrawaddy.org](http://www.irrawaddy.org); 21 November 2014)

## Mitsubishi, Jalux Inc. and Yoma Strategic Holdings to operate Mandalay airport

Myanmar's Department of Civil Aviation (DCA) has announced that a special purpose company MC-Jalux Airport Services Co. Ltd (MC-Jalux) - established by Mitsubishi Corp, Jalux Inc. and Yoma Strategic Holdings Ltd - has been selected to operate Mandalay airport, the country's second-largest airport. The special purpose vehicle will also oversee the airport's expansion into a regional hub including the rehabilitation and maintenance of terminal buildings and runways. The operation agreement is for a term of 30 years. MC-Jalux is expected to take over the operation of the airport from March 2015. According to the DCA, Mandalay airport currently has capacity to handle three million passengers a year, but only serviced 750,000 in 2013. The privatisation of Mandalay airport is part of an overhaul of the country's air network. (Source: [www.irrawaddy.org](http://www.irrawaddy.org); 18 November 2014)

## First Myanmar Investment announced 2015 expansion plans and intention to list on the Yangon Stock Exchange

First Myanmar Investment Company Ltd (FMI) has announced details of new expansion plans on the back of its highest ever profit results. FMI proposes to expand its operations in four of its existing business areas, including real estate, healthcare, aviation and banking. In 2014 FMI began construction on the Star City housing project in Rangoon's Thanlyin Township, which is eventually expected to provide 9000 apartments for 30,000 people. In 2015 FMI will begin construction of the

Kris Plaza in Naypyidaw, a residential apartment complex in cooperation with the Krislite Company. FMI also plans to expand its healthcare investments in collaboration with the Indonesia-based Lippo Group, with plans to build and administer eight private hospitals across the country on the same model as Yangon Pun Hlaing, in which FMI has a 35% share. Yoma Bank Ltd, a subsidiary of FMI, will provide full banking services in all 44 of its branches in Myanmar from the end of 2014. FMI's net profit doubled in the last fiscal year to K3.02 billion (US\$2.81 million), the best result ever recorded by the company. The company's total capital rose to K27 billion (US\$25.12 million) over the same period, with the FMI's total assets currently valued at K73.4 billion (US\$68.28 million). FMI has also announced its intention to list on the Yangon Stock Exchange, which is being jointly developed by the Myanmar Securities Exchange Centre and Japan's Daiwa Securities Group. (Source: *The Irrawaddy*; 24 November 2014)

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