



A New Economic Climate : Foreign Investment Law and Other Incentives

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Outline



Myanmar in Brief



Mode of Doing Business



Investment Environment

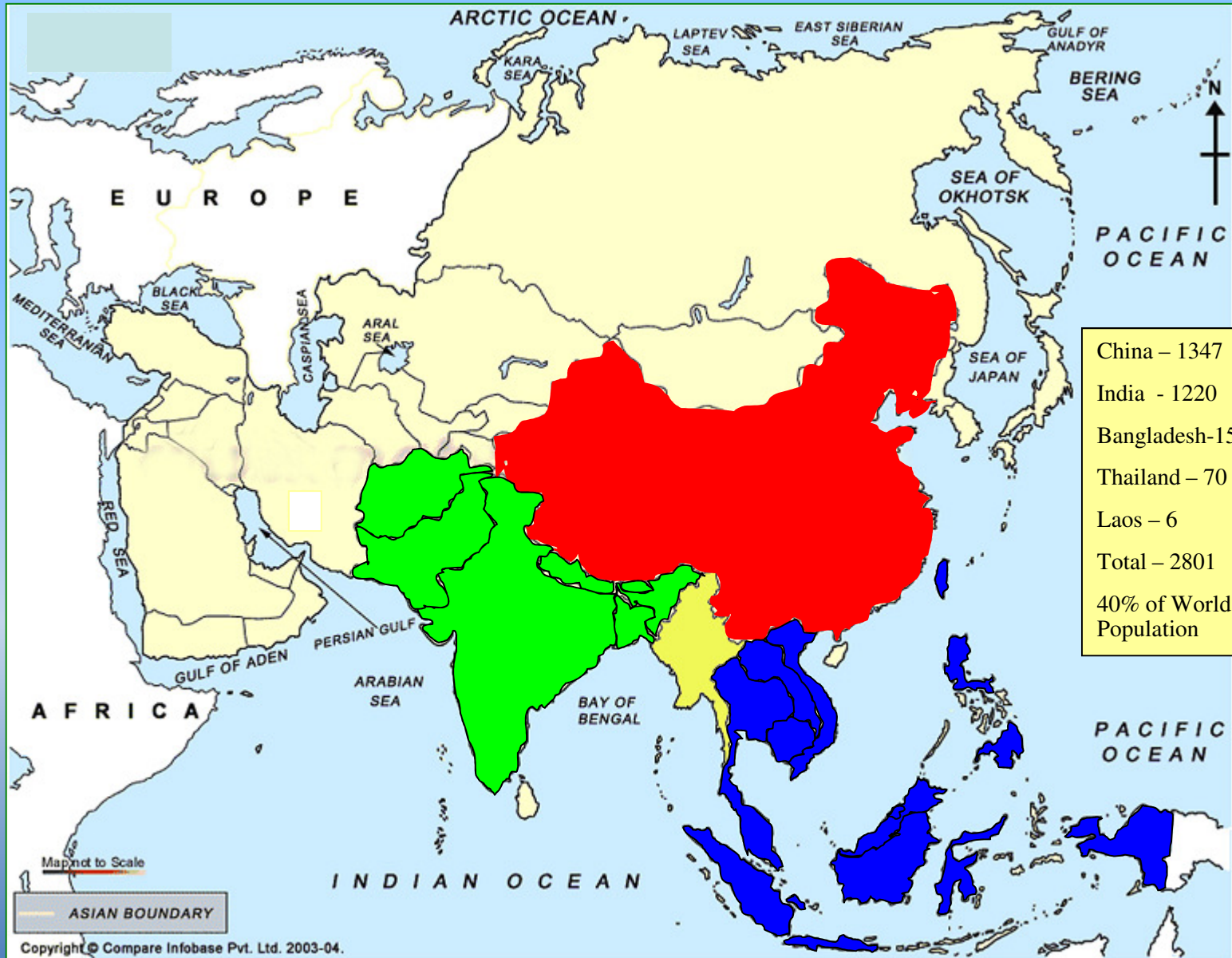


SWOT on Myanmar



Why Myanmar?

Myanmar in Brief



Myanmar in Brief



Abundance of precious gem stone. Ruby accounts for 90% of world supply and the largest jade resource country in the world.



Has gold deposit across the country



Copper is the largest export of mining product



Others mining product such as silver, lead, tin, tungsten and antimony deposit are widespread in the country



10th largest resources of natural gas in the world



Expansive forest which covers half of total area of the country



Fertile land for agriculture which amounts 19.3 million hectares arable land and out of these, over 6 million hectares have not yet been exploited

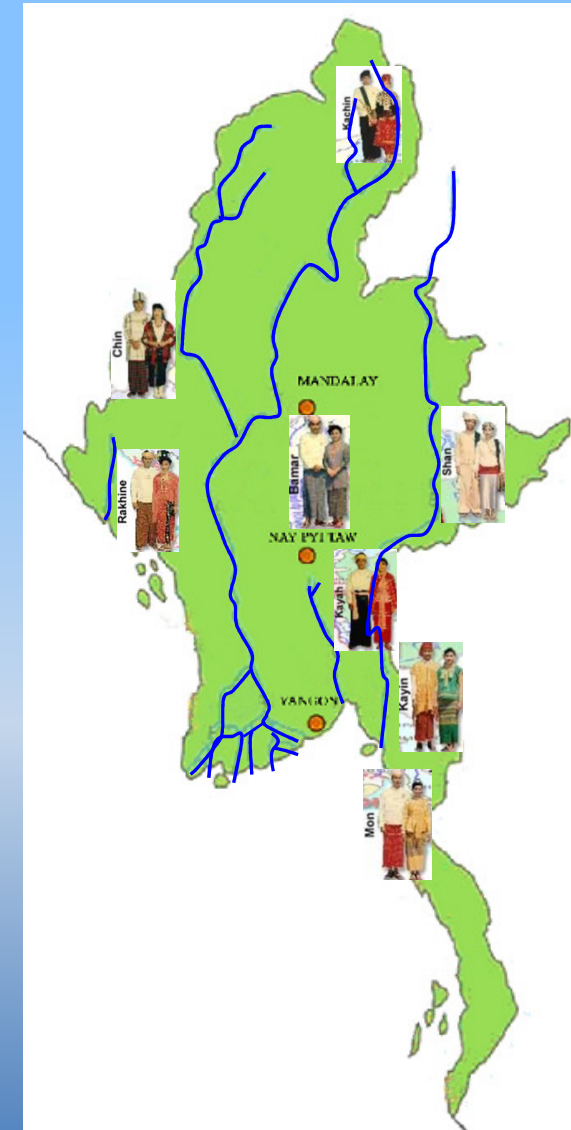


Fishery resources currently being used is less than 60% of sustainable yield

Myanmar in Brief



- ◆ Over 60 million population with working age of 37.35 million, 62.25% of total population
- ◆ Over 91% of population is literate
- ◆ Much of Myanmar's intellectual speaks English
- ◆ Relatively low wage

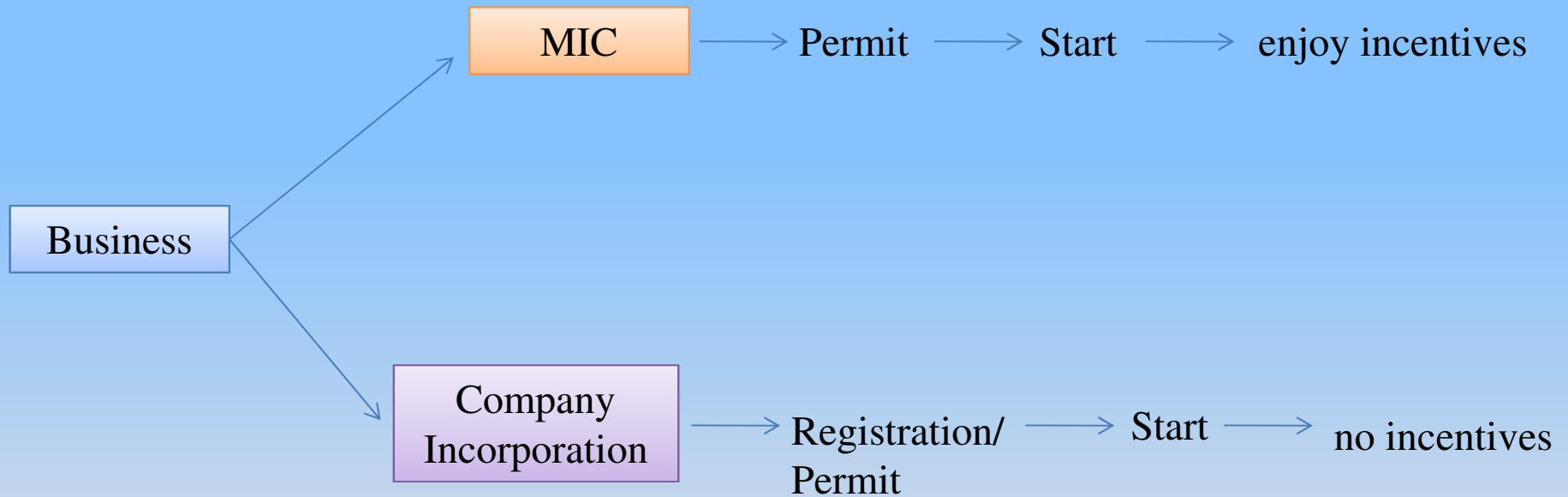


Vision



To become a modern developed nation that meets the aspirations of its people for a better life.

Mode of Doing Business

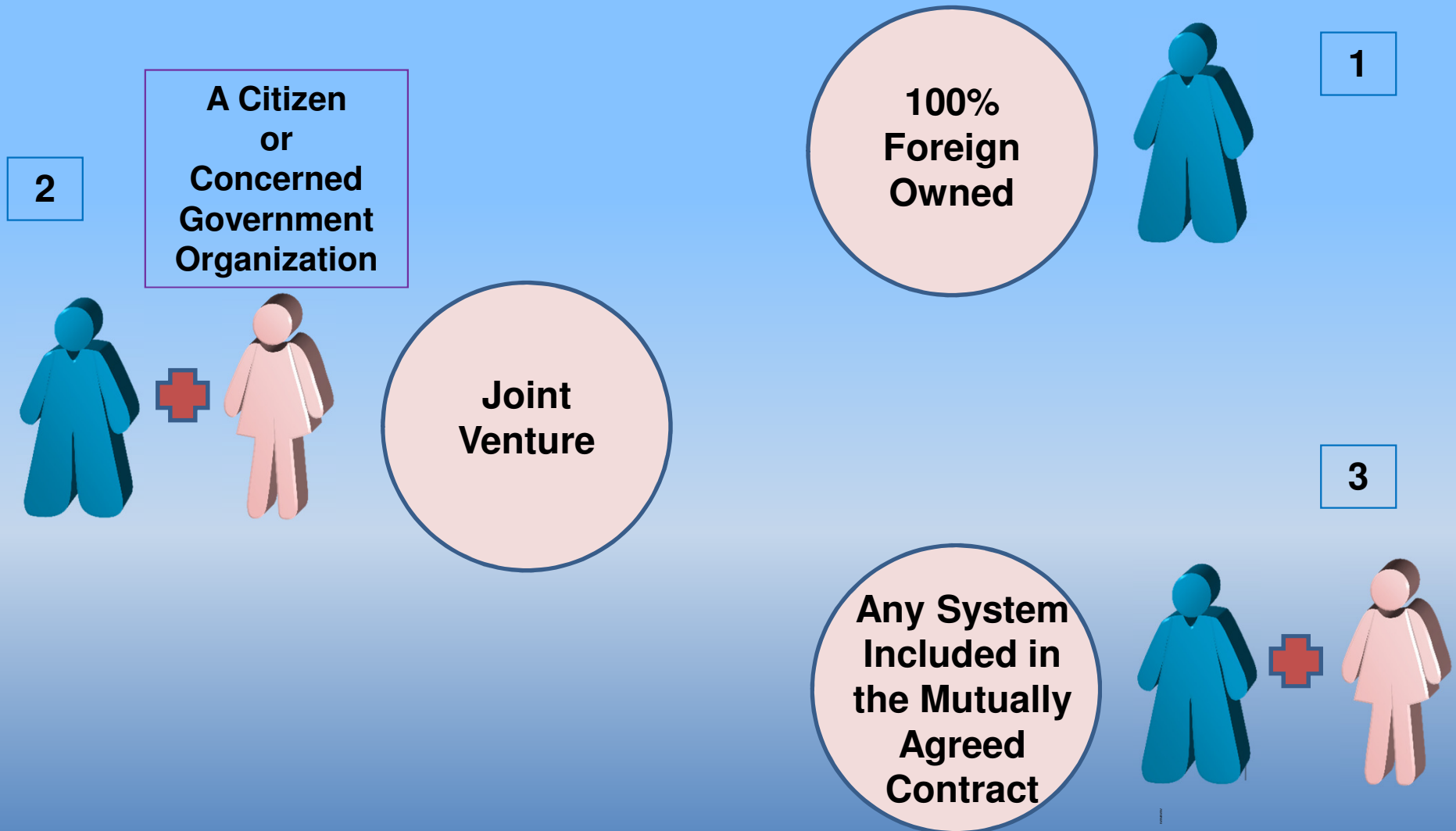


Investment Laws



- ▶ **The Union of Myanmar Foreign Investment Law (FIL)** was enacted on 30 November 1988 and the parliament has approved a new foreign investment law on 2nd November 2012.
- ▶ **The Special Economic Zone Law** was also enacted in January 2011 and is now proceeding for amendment.
- ▶ **The Dawei Special Economic Zone Law** was also enacted in January 2011.

Form of Investment



Exemptions and Reliefs



- **5 years tax holiday**
- **Further tax exemption/relief for an appropriate period in case if it is considered beneficial for the State**

Exemptions and Reliefs (Cont.)



- ❖ **Exemption or relief of income tax on reinvestment;**
- ❖ **Right to accelerate depreciation of capital assets for the purpose of income-tax assessment;**
- ❖ **Relief from income tax up to 50 percent on the profit from exports;**
- ❖ **Same rate of income tax between foreigners and Myanmar citizens;**
- ❖ **Right to deduct the research and development expenditure from taxable income;**
- ❖ **Right to carry forward and set off losses up to 3 consecutive years.**

Exemptions and Reliefs (Cont.)



Exemption/Relief of Customs Duties and/or Other Internal Taxes

- ✓ Imported machinery & equipment - construction period
- ✓ Imported raw material - first 3 years of
commercial production

Exemption/Relief of Commercial Tax

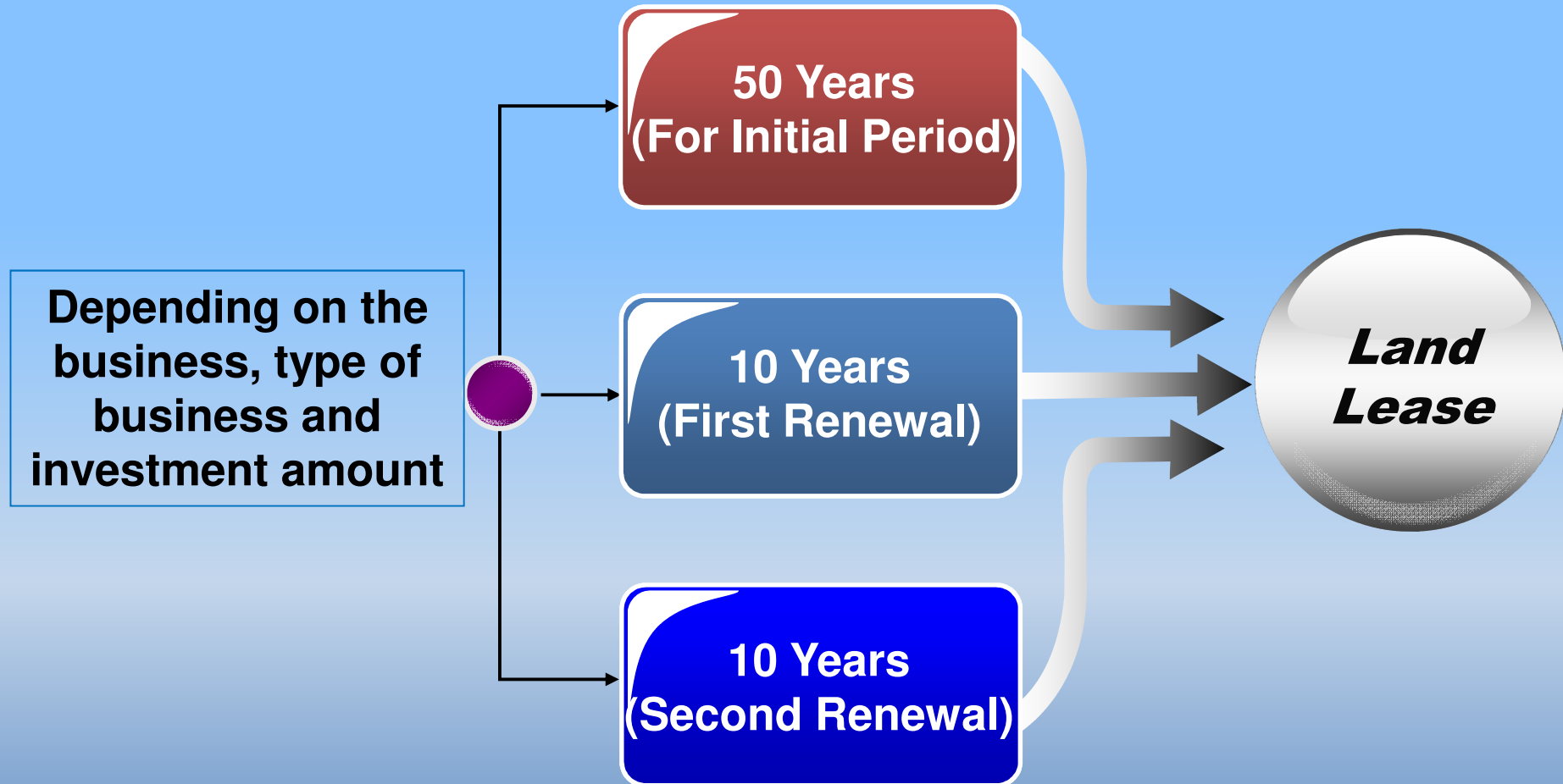
- ✓ Exports

Guarantees



- ✓ No nationalization and expropriation.
- ✓ No termination during the permitted period.
- ✓ Right to repatriation.

Right to Use Land



Investment in Myanmar

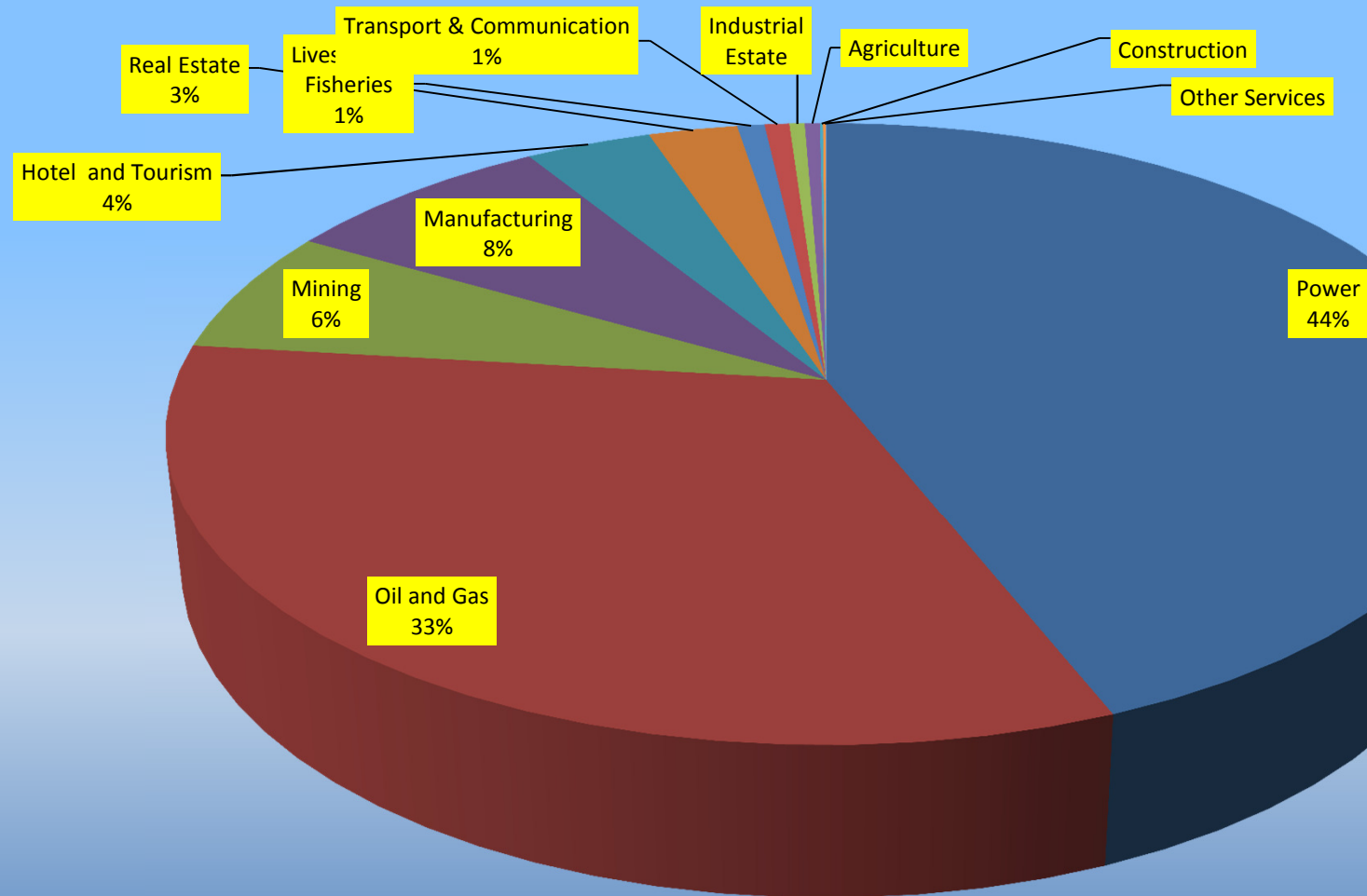


Foreign Investment of Permitted Enterprises as of (30/9/2013) (By Sector)

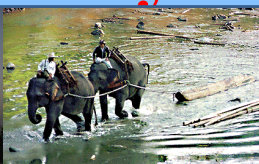
(US\$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	Power	6	19237.921	43.99
2	Oil and Gas	115	14372.272	32.86
3	Mining	68	2833.734	6.48
4	Manufacturing	286	3441.165	7.87
5	Hotel and Tourism	49	1595.211	3.65
6	Real Estate	21	1129.323	2.58
7	Livestock & Fisheries	26	347.124	0.79
8	Transport & Communication	16	313.906	0.72
9	Industrial Estate	3	193.113	0.44
10	Agriculture	12	191.961	0.44
11	Construction	2	37.767	0.09
12	Other Services	12	41.892	0.10
	Total	616	43735.389	100.00

Investment in Myanmar



Investment in Myanmar



Foreign Investment of Permitted Enterprises as of (30/9/2013) (By Country)

(US\$ in Million)

Sr. No.	Particulars	Permitted Enterprises		
		No.	Approved Amount	%
1	China	51	14193.395	32.45
2	Thailand	69	9984.012	22.83
3	Hong Kong	61	6458.979	14.77
4	Republic of Korea*	84	3044.678	6.96
5	U.K *	62	3055.518	6.99
6	Singapore	94	2437.866	5.57
7	Malaysia	46	1625.861	3.72
8	France	3	474.360	1.08
9	Viet Nam***	6	511.186	1.17
10	India	9	283.100	0.65
11	Japan	39	277.282	0.63
12	The Netherlands	7	249.136	0.57
13	U.S.A	15	243.565	0.56
14	Indonesia	12	241.497	0.55
15	Philippine	2	146.667	0.34
16	Russia Federation	2	94.000	0.21
17	Australia	14	99.246	0.23
18	Austria	2	72.500	0.17
19	Panama	2	55.101	0.13
20	United Arab Emirates	1	41.000	0.09
21	Canada	16	41.883	0.10
22	Mauritius	2	30.575	0.07
23	Germany	2	17.500	0.04
24	Republic of Liberia**	2	14.600	0.03
25	Denmark	1	13.370	0.03
26	Cyprus	1	5.250	0.01
27	Macau	2	4.400	0.01
28	Switzerland	1	3.382	0.01
29	Bangladesh	2	2.957	0.01
30	Israel	1	2.400	0.01
31	Brunei Darussalam	3	4.273	0.01
32	Sri Lanka	1	1.000	0.00
33	Luxembourg	1	5.200	0.01
	Total	616	43735.739	100.00
* British Overseas Territories				
**The name and promoter and principal organization be changed from Singapore to Republic of Liberia.				
*** Anh Sao Viet (ASV) Pharma Co., Ltd.				

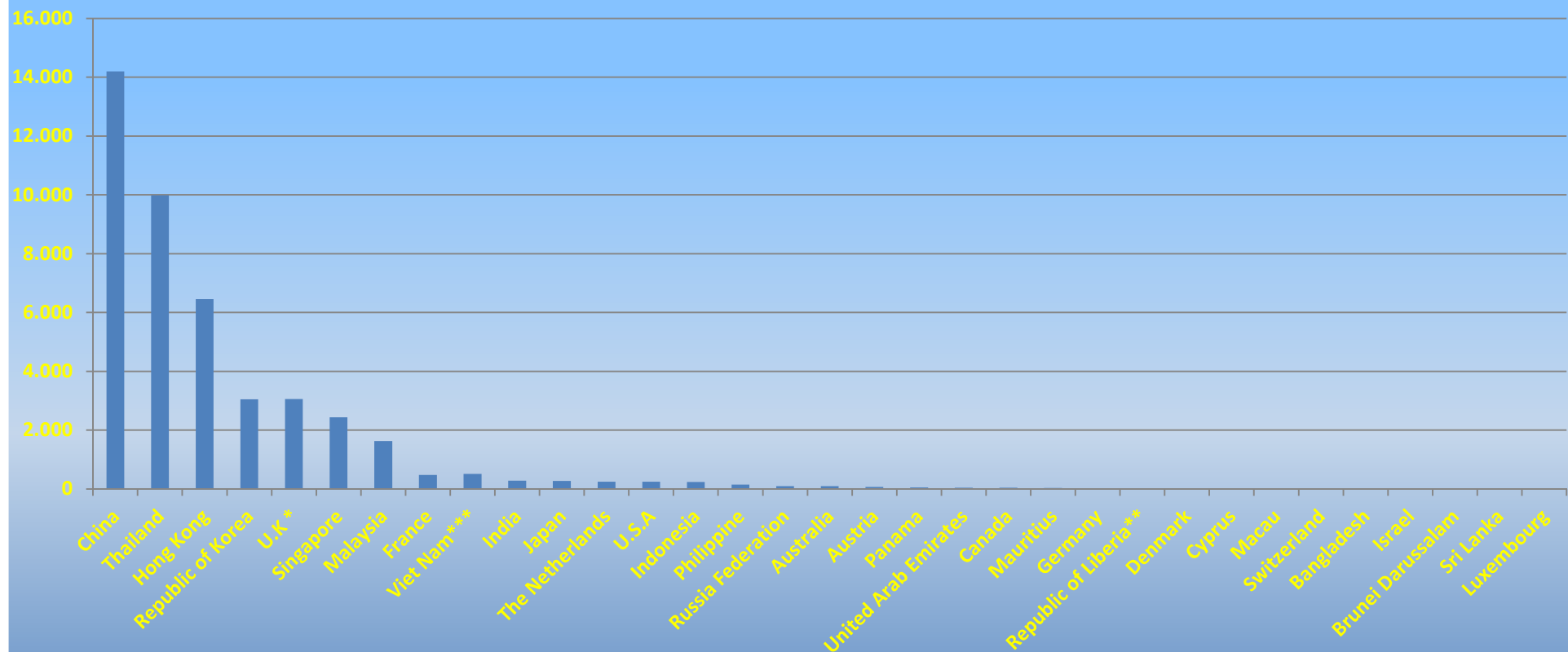
US\$

Investment in Myanmar



Foreign Investment of Permitted Enterprises as of (30/9/2013) (By Country)

(US\$ in Million)



SEZs in Myanmar

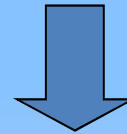


- ✚ **Dawei SEZ**
 - being developed
- ✚ **Thilawa SEZ**
 - being developed
- ✚ **Kyaukphyu SEZ**
 - to be developed

Way Forward



Labor Intensive



Value Added



Heavy / Hi-tech Industry

Why Myanmar?



Opportunities for Italian Companies

- ⌘ Investment in industrial sector is highly prioritized
- ⌘ Lots of rooms for investment in heavy industries
- ⌘ High potential in mining business
- ⌘ Infrastructure development requires huge amount of investment

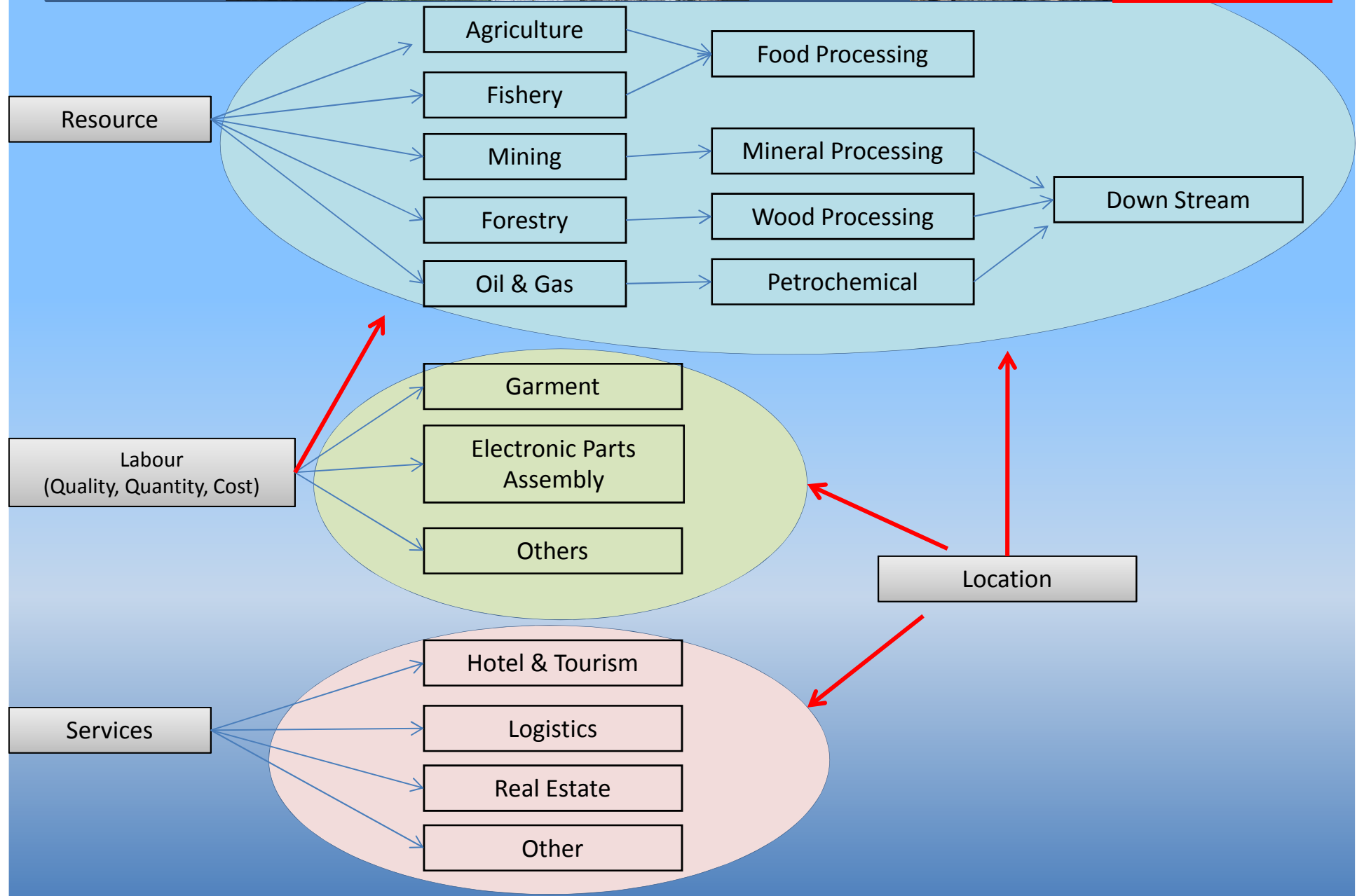
Why Myanmar?



- ❖ Lift of sanction by the EU
- ❖ GSP (EBA) has been reinstated by the EU in July 2013
- ❖ GSP by the US is now under consideration
- ❖ Recognized to be the last destination for investment in Asia
- ❖ Integration into global community
- ❖ Political will of the Government



Investment Potential of Myanmar



Thank You

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