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Myanmar Highlights

July 2014

DICA releases updated information on FDI in Myanmar

According to the Directorate of Investment and Company Administration, a total of 3,032 foreign companies and 70 joint ventures have established operations in Myanmar since the Foreign Investment Law (**FIL**) was introduced in 2012. Government approved foreign investment since the introduction of the FIL until the end of June 2014 was approximately US\$46 billion. Foreign investment received for the same period was approximately US\$36 billion. Investment in the energy sector represented approximately US\$19.28 billion. Investment in oil and gas accounted for approximately US\$14.37 billion. (Source: *Eleven Weekly Media*, 21 July 2014)

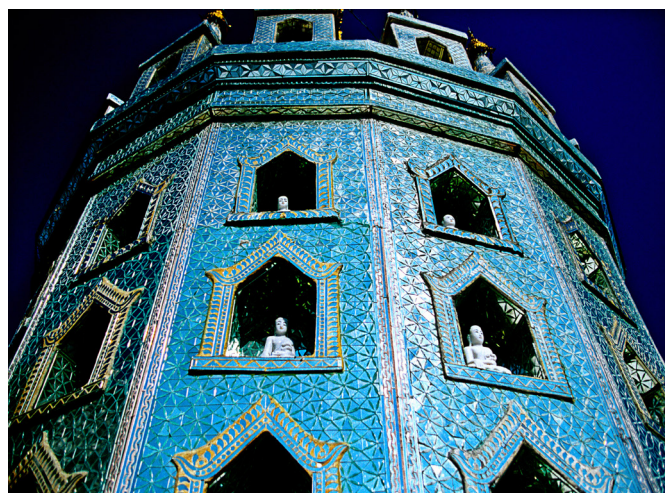
UMW Oil & Gas Corporation Bhd to provide drilling rig services to PTP International

Malaysia based UMW Oil & Gas Corporation Bhd (**UMWOG**), a subsidiary of UMW Offshore Drilling Sendirian Bhd, will provide drilling rig services to the Petroleum Authority of Thailand Exploration and Production International Ltd as part of the development of gas block M3 in the Gulf of Mottama. UMWOG announced that the contract is for five wells and may be extended for one optional well thereafter. (Source: *Myanmar Business Today*, 23 July 2014)

Siam Cement to build US\$400 million cement plant in Myanmar

Thailand's Siam Cement Group (**SCG**) has announced it plans to invest approximately US\$400 million to construct a cement factory in Myanmar. Construction is expected to be completed before the end of 2016. SCG will initially manufacture cement and later a variety of cement products such as ready-mixed

concrete and precast concrete blocks. The cement factory will utilise a 'Waste to Energy System' whereby electricity will be generated as waste materials is incinerated. It is expected that approximately 1.8 million tonnes of cement will be manufactured annually. (Source: *Myanmar-business.org*, 21 July 2014)



Central Bank to amend minimum reserve requirements

The Central Bank of Myanmar (**CBM**) is set to introduce new rules which require private banks to maintain minimum reserve requirements in cash only. Bonds will no longer be included as part of a bank's reserves for the purpose of meeting mandatory minimum requirements. The minimum reserve – the fraction of customer deposits and notes that a commercial bank must hold as reserves (rather than lend) - is expected to be reduced to 5% or 6 %, down from the present requirement of 10%. (Source: *Myanmar Business Today*, 22 July 2014)

Jade mining operations set to recommence in Kachin

The Jade Supervisory Work Committee has confirmed that mining operations will recommence in Kachin State from September 2014. The Government introduced a suspension of mining in the area in 2012. Myanmar is the world's largest exporter of high-quality jade. Myanmar's 51st Jade and Gems Emporium, held from 26 June to 6 July 2014, generated record revenues of approximately US\$3.5 billion. (Source: *Myanmar Business Today*, 22 July 2014)



San Miguel Corporation and Petron Corporation to consider Myanmar investment

The San Miguel Corporation (**SMC**), a Philippine company, has announced it plans to invest approximately US\$10 billion to acquire energy assets in Southeast Asia. SMC will focus on assets which have the potential to increase revenues by more than 50%. Another Philippine company, the Petron Corporation (**Petron**), which supplies more than a third of the country's oil requirements, has also initiated a US\$9 billion capital spending plan to expand its oil, power and infrastructure operations in the region by 2016. Both SMC and Petron have indicated they will consider the acquisition of assets in Myanmar. (Source: *Myanmar Business Today*, 22 July 2014)

KDDI Summit Global Myanmar to invest US\$2 billion to help modernise telecommunications network

Myanmar Posts and Telecommunications (**MPT**) has entered into a 10-year joint operation agreement with Japan's KDDI Corporation (**KDDI**) in relation to the modernisation of MPT's telecommunications network. KDDI and the Sumitomo Corporation have established a new joint-venture company - KDDI Summit Global Myanmar (**KSGM**) – which will cooperate with MPT. KSGM will invest approximately US\$2 billion in the joint venture over the next two to three years. Mobile penetration in Myanmar is currently in the region of 10%. The Myanmar Government has repeatedly stated that its goal is to increase mobile penetration to 75% by the end of March 2016. (Source: *Myanmar Times*, 21 July 2014)

Twenty-two companies submit expressions of interest in proposed LPG project

The Ministry of Energy (**Ministry**) has announced that twenty-two local and foreign companies have expressed interests in forming a joint venture in relation to the development of a Liquefied Petroleum Gas (**LPG**) plant in Nyaungdone. The plant is expected to produce 30 tonnes of LPG per day. In April 2014, the Ministry invited companies to submit expressions of interest in relation to the production, storage, distribution and sale of LPG on a joint venture basis. Companies which have submitted expressions of interest include, but not limited to, Mitsui & Co. Ltd, JGC Corp, and Sojitz Corp from Japan; PTT Public Co. Ltd from Thailand; Singapore's PUMA Energy International, and Langfan CNPC Huaya Petrochemical Engineering, Shanghai Sino-Myanmar Investment Management, Guangdong Zhenrong Energy Co., Ltd., and China Huanqui Contracting & Engineering Corporation from China. (Source: *Eleven Weekly Media*, 27 July 2014)

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