EuroCham Myanmar

The Voice of European Business in Myanmar

Myanmar: the last frontier in Southeast Asia

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FRENCH MYANMAR CHAMBER OF COMMERCE & INDUSTRY

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Presentation Topics

- Country Overview & Recent History
- EuroCham Myanmar
- Economic Landscape
  - Economic Indicators, FDI
  - Economic Reform post 2011
  - Doing Business in Myanmar

COUNTRY OVERVIEW

Population

52 million
70 % rural, 30 % urban
89 % literacy rate
135 ethnic groups

Area

676.578m2 – second largest in SEA after Indonesia

Border

6.522 km – with 40 % of the world's population

RECENT HISTORY

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2016

New government takes office

2015

General elections – new NLD – led government

2013

Full lift of EU political and economic sanctions; EU opens representation in Yangon and encourages trade with Myanmar under the “Everything but Arms” – initiative and GSP

2011

End of military rule
start of democratic transition and substantial reform

EuroCham: Establishment and Funding

The European Chamber of Commerce in Myanmar

Implementation

Applicants: CCI France-Myanmar and Eurochambres
Affiliated entities: CEIPIEMONTE, VOKA, HCCI

Funding

Five Year Grant (2015-2019) by the EU
EuropeAid/135160/DD/ACT/MM (ICI+)

Launch and Establishment

2014 in Yangon, 2015 in Brussels

Mission and Mandate

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- Advocating member interests with relevant organisations in Myanmar, ASEAN and in the EU
- Promoting the development of trade, commerce and investment between the EU and Myanmar
- Providing a platform for EU businesses in Myanmar
- Improving conditions for doing business in Myanmar

Services

- Organisational support for advocacy groups, events and meetings
- Support for market entry
- Information on market and legislation
- Organisation of business delegations and B2B meetings
- Business Center available for European companies/institutions

Myanmar

The Economic Landscape

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Economic Indicators

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GDP:	8.5% (2014 /2015)
GDP / sector:	Agriculture 36%, Industry 22%, Services 42%
FDI:	USD 4.1 bn (2014) USD 8.1 bn (2015)
FDI / Sector:	Oil & gas 27%, Power 22%, Manufacturing 20%, Transport & communications 15% (1st 4)
Main exports:	Natural gas, wood products, beans and pulses, rice
Main imports:	Vehicles, iron and steel, machinery

Sources: WB, ADB, DICA

FDI 1989-90 to 2010-11 VS 2011-12 to 2015-16

Source: Directorate Investment & Company Administration, WB

FDI per origin – 2014-15

Source: DICA

Economic legal reform post 2011

2012 Foreign investment Law

2013 New York Convention

2014 Special economic Zone (SEZ) Law, **Notification 49/2014**

2015 Competition Law, Condominium Law, Myanmar Stock Exchange

2016 Arbitration Law, Amendment Factory Act, Shops and Establishment Law

2016 EU Myanmar Investment Protection Agreement, New investment Law (Company + Foreign), IP and Trade Marks, Companies Act, Labor…

Notification 49/2014

Define which activities are allowed for foreign investors:

- Prohibited:

  arms, managing and conserving of natural forest, exploitation of minerals incl. gold, prospecting, exploration and production of jade/gems, air navigation services (…).

- Conditional:
  - JV with MM citizen: manufacturing of grain products (biscuit, noodle…); food preserving, manufacturing and canning; ropes; plastic domestic wares; textile; oxidants; golf courses and resort; chemicals; air services…
  - JV with MM citizen AND relevant ministry recommendation: bee and bee products (Agriculture & Livestock), eco tourism (Environment), soft beverage (Industry), Clinics (Health)…
  - JV with other conditions: JV WITH ministries, JV with national / local government with ministerial approval : offshore platform construction; lottery; fiber optic cables, locomotive…cigarettes and crops.

Type of companies and Incorporation

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- Representative office → market exploration
- Branch office (no trade)
- Limited Company (no trade)

- Under Company Act: Services, no tax holidays
- Foreign Investment Law: manufacturing, production, infrastructures; tax holidays and duty exemptions.
- Special Economic Zone Law: Tax holiday, duty exemptions. Customs on spot, Land.

Easiness of Doing Business 2016 (WB)

Doing Business 2016 (WB): + 10 in 1 year

Topics	DB 2016 Rank	DB 2015 Rank	Change in Rank
Starting a Business	160	189	**29**
Dealing with Construction Permits	74	84	**10**
Getting Electricity	148	154	**6**
Registering Property	145	145	No change
Getting Credit	174	171	**-3**
Protecting Minority Investors	184	184	No change
Paying Taxes	84	73	**-11**
Trading Across Borders	140	140	No change
Enforcing Contracts	187	187	No change
Resolving Insolvency	162	162	No change

Starting a Business 2016 (DB 2016 WB)

Starting a Business in Myanmar (DB2016 WB)

No.	Procedure	Time to Complete	Associated Costs
1	Conduct a name check at the Company Registration Office (CRO) at the Directorate of Investment and Company Administration (DICA)	1 day	Kyat 1,000 (form fee)
2	Obtain reference letter from the ward chief	2 days, simultaneous with previous procedure	no charge
3	Obtain criminal history from the township police station	1 day	no charge
4	Request business incorporation certificate	1 day	Kyat 5,100 (application fee)
5	Obtain signature of the directors before a lawyer or certified public accountant	1 day	Kyat 40,000 for witnessing the signature of the memorandum and articles of association
6	Payment of stamp duty and registration fees	1 day	Kyat 1 mill. (registration fees) + Kyat 60,000 (stamp duty)
7	Open Bank Account	1 day	no charge
8	Obtain certificate of incorporation	3 days	paid as part of company incorporation fees
9	Submit certification of registration documents (CRD)	1 day	no charge
10	Obtain a seal or a rubber stamp	1 day	Kyat 2,000
11	Register for commercial tax	1 day	no charge

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Thank You!

Questions?