

**Statement by H.E. U Wunna Maung Lwin, Union Minister for Foreign  
Affairs of the Republic of the Union of Myanmar  
at Global Investment Symposium  
organized by International Economic Alliance (IEA)  
28<sup>th</sup> September 2015**

**Distinguished Members of IEA,**

**Ladies and gentlemen,**

At the outset, I wish to express my sincere appreciation to the International Economic Alliance (IEA) for inviting me to speak at this “Global Investment Symposium” today. I would like to take this opportunity to share with the IEA’s members and participants Myanmar economic development resulting from our Government’s efforts to bring about democratic transformation in Myanmar and inflow of foreign direct investment into the country.

I believe that my presentation today will give you a better understanding about our Government's efforts in democratization and reforms as well as business and investment opportunities offered by Myanmar to the American entrepreneurs.

As you all are well aware, Myanmar has taken a new course since our democratically elected government took office in March 2011. We have undertaken a series of dramatic and far-reaching political, economic, and administrative reforms in our transition to democracy.

## **Four Significant Reforms**

Let me begin by briefly describing the reforms undertaken by our government. We have implemented four significant reforms in parallel. The first is political reform aimed at peace building and national reconciliation. The second is economic and social reforms in which people-centered development for inclusive growth has been put in place.

The third is public administrative reform which has paved the way to ensuring clean, transparent governance aiming to bring about political devolution and people-centered administration. The fourth is the private sector development reform placing emphasis on concrete institutional infrastructure and regulatory framework in terms of business, trade, investment and logistic issues. Importantly, the government acknowledges the importance of transparency, accountability and inclusiveness in both political and economic reform processes.

During the nearly 5-year tenure of the current government, we have laid the necessary foundations for a new, democratic Myanmar. We have not only created a better political and socio-economic environment within the country, but have also fostered national reconciliation through dialogue with our various minority ethnic groups, and improved bilateral relations with countries around the world.

### **Political Reform**

Politically, we have paved way to bring all stakeholders into the political process of the country. We have granted amnesties to prisoners on several occasions so that these individuals can contribute to our national reconciliation

efforts. We have expanded basic freedoms, including freedom of the press and freedom of expression. I am proud to say that our government has been successful in introducing a new political culture in Myanmar where those who agree to disagree can still work together.

## **National Reconciliation**

Our government firmly believes that national reconciliation is a prerequisite for Myanmar's peace and stability. It is in this belief that, our government extended an olive branch shortly after taking office to our nation's many national races armed groups to build sustainable and lasting peace in Myanmar.

After several rounds of peace negotiations, on 31 March 2015, we were able sign an agreement on the draft nationwide cease-fire agreement between the Union Peace-making Working Committee (UPWC) and the Nationwide Ceasefire Coordination Team (NCCT). We are optimistic that this will lead to the signing of the Nationwide Ceasefire Agreement (NCA) before the forthcoming general elections in November. Following the signing of NCA, we will continue to hold political dialogues with these armed groups in order to achieve a sustainable and lasting peace in the country.

## **Economic Development and Investment in Myanmar**

Let me now touch on economy and investments sectors of Myanmar. The Government's policy priorities for the period 2012-2015 have been clearly spelled out in the Framework for the Economic and Social Reforms (**FESR**) in collaboration with local and international experts. The framework focuses on promoting the inclusive growth and quick wins. FESR involves **10 priority**

**areas such as fiscal and tax reforms, monetary and financial reforms, liberalization of trade and investment, private sector investment, health and education, food security and agriculture, governance and transparency, mobile phones and internet, infrastructure and effective and efficient government.**

Our government has also laid down four economic policies. They are sustaining agriculture development towards industrialization and all round development, balanced and proportionate development, among states and regions, inclusive growth for entire population, quality of statistics and statistical system. As part of the FESR and four economic policies, the Ministry of National Planning and Economic Development is implementing the 20 years National Comprehensive Development Plan-NCDP (2011-2031) based on the Master Plans of government bodies. The main objective of NCDP is to develop and industrialize the nation.

Moreover, as part of the people-centered development approach, the government has given seven high priorities to fulfilling the basic and socio-economic needs of the people. They are **electricity, drinking water, agriculture, job opportunities, tourism, monetary affairs, and trade and investment.**

## **Investment in Myanmar**

As regards investment situations in Myanmar, FDI flow stood at natural resources and few investments were received from manufacturing, agriculture and services sectors which are essential for economic development of Myanmar. The Foreign Investment Law issued in 1988 did not create expected destination for country's economic development. It was weak in legal inspect and political impact also made impediments in investment environment.

With an aim to developing a favorable investment environment and private sector, Myanmar Investment Commission (MIC) is taking four reform-actions: First is legal framework reform. The new Foreign Investment Law, which is more friendly to the investors than the previous one, was promulgated on 2<sup>nd</sup> November 2012, and its rules were issued on 31<sup>st</sup> January 2013. The new Myanmar Citizens Investment Law was also enacted on 29<sup>th</sup> July 2013 and the SEZ Law on 23<sup>rd</sup> January 2014.

The Myanmar Investment Commission has issued three notifications on Classification of Types of Economic Activities; Economic activities which required Environmental Impact Assessment and Investment Business Activities that are not required to exemption and relief from tax. These three notifications can be found at [www.dica.gov.mm](http://www.dica.gov.mm).

For an eco-friendly system with favorable climate, equitable opportunities for both foreign and domestic investors and their responsible investment, the ongoing legislative work program on investment is now focusing on merging the two laws—Myanmar citizens investment law and foreign investment law—into a single coherent one with the assistance of International Finance Corporation

(IFC). The new law will include the provisions of transparency, predictability and full protection for the foreign investors.

MIC is also amending Myanmar Companies Act (1914) into a new Myanmar Companies Law with the assistance of Asian Development Bank (ADB) to modernize it with the current situation, to reduce procedures of registration and to carry out electronic company registration.

The second reform being taken is the institutional reform. Myanmar Investment Commission, which comprised Ministers, Deputy Ministers and government representatives has been reorganized on 28<sup>th</sup> May 2014, consisting of 13 members who are not only from Government Sector but also from private sector, academic field and civil society. **Six out of 13 MIC members are from private sector.** It is unprecedented to allow private sector participation in MIC.

In the area of investment policy, significant reforms can be seen in some sectors, which were closed before, are now allowed to foreign and local investors. For instance, manufacturing of medicine which was not allowed in the past is now being allowed to foreign and local investors. Every action undertaken by MIC has been informed to public via website and media. Approval process has been stated in Foreign Investment Rules and unnecessary steps were abolished. In addition, it has taken comments and suggestions from the state and regional governments.

## **Ways of doing business in Myanmar**

Foreign investors may set up business in accordance with one of the following laws:

- (a) Foreign Investment Law and Myanmar Citizens Investment Law,
- (b) Myanmar Special Economic Zone Law and
- (c) Myanmar Company Act (1914).

Investors can enjoy incentives and exemptions according to Foreign Investment Law and Myanmar Citizens Investment Law. Investors can also enjoy incentives and exemptions according to Myanmar Special Economic Zone Law.

## **Investment Plan**

In line with the National Comprehensive Development Plan (NCDP), the Foreign Direct Investment Promotion Plan (FDIPP) has been outlined with the assistance of Japan International Cooperation Agency (JICA). To achieve the goals of NCDP, FDIPP is set in line with four successive 5-year Development Plans. The first 5-year plan was set from 2011 to 2015 (short term), second from 2016 to 2020 (midterm), third from 2021 to 2025, and the last from 2026 to 2030 (the last two are long term).

In the short term (2011- 2015), FDI is expected to increase with the target amount of US\$ 4 billion per year. This is the stage-I that undertook “quick win” implementation. In the midterm (2016-2020) that will implement the stage-II “Strengthen economic and investment base to reduce poverty”, it is targeted to the amount of US\$ 6 billion per year. The first part of long term (2021-2025) that

will carry out the stage-III “Implementation of Mega Projects, Strengthening connectivity”, is targeted to the amount of US\$ 8 billion per year. The second part of Long term (2026-2030) that will implement the stage-IV “Higher level of diversification and upgrade of production base”, FDI is expected to increase with the target amount of US\$ 11 billion per year.

### **Challenges for FDI promotion in Myanmar**

We still need to do for the improvement of the legal framework and policy framework, improvement of human capacity, infrastructure, transparency in sharing investment related information, legal Provisional Consistency with the other domestic laws, Land lease issues for investors, high technologies and so on.

### **Investment Areas**

Aiming at creating more job opportunities, investments are being allowed in the mining, energy, forest, and livestock and fishery sectors with the minimum environmental impact. In doing so, the government enacted laws and regulations in order to prevent the natural resources depletion.

### **Progress of FDI inflow**

The inflow of FDI into Myanmar has amounted US\$ 4.644 billion in the fiscal year 2011-2012, US\$ 1.419 billion in 2012-2013, US\$ 4.107 billion during the 2013-2014 and US\$ 8.011 billion in 2014-2015 fiscal year. The FDI inflow has increased in double compared to the amount of previous two fiscal years.

A total of 947 foreign enterprises in 12 sectors from 41 countries were permitted with the total pledged amount of US\$ 56.62 billion up by June 2015. Among them, China ranks the first, followed by Thailand and Singapore.



Among the investment in 12 sectors of the economy, the first leading sector is Oil & Gas accounted for 34.69%, the second leading sector is Power accounted for 34.13%, and the third leading sector is manufacturing accounted for 10.12% of the total permitted amount of foreign investment. Investment opportunities exist in Power, Oil and Gas, Manufacturing, Mining, Hotel and tourism, Transport and communication, Real Estate, Livestock and Fisheries, Agriculture, Industrial Estate, Other services and Construction.

### **Special Economic Zones for Regional Development**

In order to make good use of our natural resources and strategic geographical features, we have drawn three major Special Economic Zones, *namely* the Dawei Special Economic Zone, the Thilawa Special Economic Zone and the Kyaukphyu Special Economic Zone. These special economic zone projects are aimed at promoting all-round development of the regions, promoting living standard of the local populace and making headway to the regional economy.

The Dawei SEZ is located on the western end of Southern Economic Corridor of Greater Mekong Sub-region. Having strategic geographical location, the plan to connect it by sea route is expected to promote this SEZ to become a potential logistic hub in South East Asia and East Asia. The Thilawa SEZ, being located in Kyauk Tan Township, at the edge of the commercial city of Yangon and beyond that, the coast of Indian Ocean, is also strategic. Similarly, the Kyaukphyu SEZ in Rakhine State can offer the chance to shorten the sea route for ships, by-passing the longer route of the Melacca Straits.

**Ladies and Gentlemen,**

In just 42 days—on November 8, Myanmar will hold multi-party general elections. Our government is fully committed to an electoral process that is credible, inclusive, transparent and free and fair. Myanmar's political, economic and social reforms have enhanced our country's ability to integrate with the international community. The people-centered democracy, to which Myanmar is fully committed, has facilitated the economic development of our country and uplifted the social status of our people.

## **Conclusion**

In conclusion, I would like to reaffirm our commitment to consolidating democratic institutions and building a new, peaceful, pluralistic, and developed Myanmar. We want Myanmar's friends to better appreciate what our government has done and achieved so far, and also recognize the complexity of the challenges that we face.

I fervently hope that today's discussion will help the IEA members and participants better appreciate how far we have come and our commitment to completing the work we have begun. I would like to urge you to pass the word and encourage potential American investors to join us in investing in the social and economic development of Myanmar. On the part of our government, we are ready to work shoulder to shoulder with our friends around the world for the better and brighter future that all of Myanmar's people deserve.

I thank you.