



EEPCINDIA
ENGINEERING THE FUTURE

DOING BUSINESS IN
MYANMAR
2014

THE EEPC INDIA
Doing Business Series

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Myanmar is rich in natural resources such as arable land, forestry, minerals, natural gas, as well as freshwater and marine resources, gems and jade. The country has recently emerged as a natural gas exporter, with exports to neighbouring countries providing an increasingly important revenue stream. There is large scale investment in hydropower, natural gas and oil and commodity exports. Myanmar's is primarily an agricultural economy. The most productive segments of the economy are currently the extractive industries, in particular oil and gas, mining and timber. Other areas such as manufacturing and tourism, which represent a small share of economic activity, are largely accounted for by state industries. While the Myanmar government has good economic relations with neighbors such as China and Thailand, significant improvements in the business and political climate and economic governance will be required to attract serious, long term investment, particularly from western economies.

I. Brief country profile

Geography & location	
Official Name	Republic of the Union of Myanmar
Capital	Nay Pyi Taw
Business Capital	Yangon
Geographic Location	Southeastern Asia, bordering the Andaman Sea and the Bay of Bengal, between Bangladesh and Thailand
Area	676,578 sq km
Major cities	Yangon; Mandalay; Nay Pyi Taw

II. Key Demographic Indicators

Population	54,584,650 (July 2012 est.)
Age structure	0-14 years: 27.1% 15-64 years: 67.8% 65 years and over: 5.1% ((2012est.)
Median age (total)	27.2 years
Population growth rate	1.07% (2012 est.)
Literacy	89.9%
Language	Burmese (official)

III. Key Economic Indicators

Inflation rate	5% (2011 est.)
GDP (Official Exchange rate)	\$50.62 billion (2011 est.)
GDP (per capita-PPP)	\$1,300 (2011 est.)
Exports	\$8.196 billion (2011 est.)
Export commodities	natural gas, wood products, pulses, beans, fish, rice, clothing, jade and gems
Imports	\$5.982 billion (2011 est.)
Import commodities	fabric, petroleum products, fertilizer, plastics, machinery, transport equipment; cement, construction

	materials, crude oil; food products, edible oil
Exchange rate	kyats (MMK) per US dollar - 5.39 (2011 est.)
Ports & terminals	Moulmein, Rangoon, Sittwe

IV.	Business Information
Climate	tropical monsoon; cloudy, rainy, hot, humid summers (southwest monsoon, June to September); less cloudy, scant rainfall, mild temperatures, lower humidity during winter (northeast monsoon, December to April)
Office hours & timings	0900 Hrs to 1730 Hrs
India's time difference with the country	Myanmar is one hour ahead of India

V. Visa Regulations

Tourist	<ul style="list-style-type: none"> • Passport valid at least six months • 3 visa forms • 3 photographs with white background • Covering letter for stating purpose of visit • Hotel confirmation • bank statements last three months • Foreign exchange or International credit card copy
Business	<ul style="list-style-type: none"> • Passport valid at least six months • 3 visa forms • 3 photographs with white background • Covering letter for stating purpose of visit • Business invitation letter from Myanmar company and one copy directly fax in embassy also • Hotel confirmation • bank statements last three months • Foreign exchange or International credit card copy

Visa Fee	Tourist	Rs.900.00 by Demand Draft in favour of Embassy of Myanmar, Payable at New Delhi.
	Business	Rs.1400.00 (single entry) by Demand Draft in favour of Embassy of Myanmar, Payable at New Delhi. Rs.7000.00 (Multiple entry) by Demand Draft in favour of Embassy of Myanmar, Payable at New Delhi
Processing Time	Tourist	02-03 working days
	Business	02-03 working days

VI Public Holidays in Myanmar

Public Holidays in 2014

S.N.	Date	Occasion
1.	01-01-2014	Kayin New Year Day
2.	04-01-2014	Independence Day
3.	12-02-2014	Union Day
4.	02-03-2014	Peasants' Day
5.	15-03-2014	Full Moon Day of Tabaung
6.	27-03-2014	Armed Forces Day
7.	12-04-2014 to 21-04-2014	Maha Thingyan (Water Festival) long holidays
8.	01-05-2014	May Day
9.	13-05-2013	Full Moon Day of Kasong
10.	11-07-2014	Full Moon Day of Waso (Beginning of Buddhist Lent)
11.	19-07-2014	Martyr's Day
12.	8-10-2014	Full Moon Day of Thadingyut (End of Buddhist Lent)
13.	6-11-2014	Full Moon of Tazaungmone
14.	16-11-2014	National Day
15.	21-12-2014	Kayin New Year Day
16.	25-12-2014	Christmas Day



VII. Business Climate In Myanmar:

There have been significant political changes in Myanmar over the past year and a half. Following the partial lifting of sanctions, investors are ready to engage. The investment environment outlook is positive for sectors such as oil and gas, there are still hurdles that investors will have to navigate.

BUSINESS SECTORS:

As of August 2012 there were over 29,000 businesses registered with the Directorate of Investment and Companies Administration, of which over 1,300 were 100% foreign owned companies and branches.

Small and medium sized enterprises (SMEs) make up the vast majority of business in Myanmar.

ADVANTAGES OF INVESTING IN MYANMAR:

- ASEAN membership offers regional trade benefits;
- Strategic location, between China and India ;
- Rich supply of natural resources, including forests, minerals, natural gas, gems and jade;
- Abundant agricultural resources, as well as marine resources;
- High potential for tourism; and
- Attractive demographic profile of the labor force, providing one of Asia's lowest labor costs.

LEGAL FORMS OF FOREIGN INVESTMENTS

Foreign investors that wish to carry out business activities in Myanmar can incorporate a foreign owned limited liability company, register a branch of a foreign company, operate as a sole proprietor or establish a partnership. Foreign banks can also set up representation offices in Myanmar, but the activities of such offices are very limited.

Foreign investors can own 100% of a limited liability company or partnership, depending on the business of the entity.

Limited liability companies can either be registered under the Myanmar Foreign Investment Law (MFIL), enabling a wide range of benefits and incentives, or under the Myanmar Companies Act (CA), where these benefits are not available.

The current minimum capital requirement for a MFIL company is currently USD 500,000 for a manufacturing company and USD 300,000 for a service company. Under the CA the minimum capital requirement is reduced to USD 150,000 for a manufacturing company and USD 50,000 for a service company.

RESTRICTIONS ON FOREIGN INVESTMENTS

Myanmar currently has a wide range of possibilities for foreign investment, including opening up for 100% foreign ownership. Nevertheless, several restrictions do apply depending on the business activities that are involved.

The 2012 version of the MFIL provides a list of 11 economic activities that are to be restricted for foreign investments. The restricted activities can be summarized as follows:

- activities that affect culture and ethnic traditions;
- activities that can be harmful to people's health or harmful to the environment;
- import of experimental technology, pharmaceuticals and utilities that have not yet been approved abroad;
- manufacturing and service activities - as further described by Notification;
- agricultural activities, livestock activities and fishery activities - as further described by Notification; and
- activities conducted within ten miles of the borders of Myanmar, unless carried out in an designated economic zone.

VIII. India-Myanmar Bilateral Trade-Background

India-Myanmar relations are rooted in shared historical, ethnic, cultural and religious ties. As the land of Lord Buddha, India is a country of pilgrimage for the people of Myanmar. India and Myanmar relations have stood the test of time. The geographical proximity of the two countries has helped develop and sustain cordial relations and facilitated people-to-people contact. India and Myanmar share a long land border of over 1600 km and a maritime boundary in the Bay of Bengal. A large population of Indian origin (according to some estimates about 2.5 million) lives in Myanmar. India and Myanmar signed a Treaty of Friendship in 1951. The visit of the Prime Minister Rajiv Gandhi in 1987 laid the foundations for a stronger relationship between India and Myanmar.

India and Myanmar have also signed a Double Taxation Avoidance Agreement.

India-ASEAN Free trade Agreement

Myanmar is a member country of the ASEAN trade bloc.

ASEAN-India Free Trade Area (AFTA) free trade Agreement was signed among the ten member states of the Association of Southeast Asian Nations (ASEAN) and India. The initial framework agreement was signed on 8 October 2003 in Bali, Indonesia and the final agreement was on 13 August 2009. The free trade area came into effect on 1 January 2010.

The signing of the ASEAN-India Trade in Goods Agreement paves the way for the creation of one of the world's largest FTAs – a market of almost 1.8 billion people with a combined GDP of US\$ 2.8 trillion. The ASEAN-India FTA will see tariff liberalisation of over 90 percent of products traded between the two dynamic regions. Tariffs on over 4,000 product lines will be eliminated by 2016

EXIM Bank Lines of Credit to Myanmar

Exim Bank signed a pact with Myanmar Foreign Trade Bank (MFTB), for a line of credit worth \$500 million. The credit line will be used for irrigation, rail transportation, electric power and other infrastructure development projects in Myanmar. Bank of India and Export Import Bank of India (Exim Bank) plan to establish presence in Myanmar through branches and representative offices, to push Indian investments and support growth in bilateral trade.

Exim Bank, India's export credit agency has already extended seven lines of credit, with an aggregate value of \$247 million, to MFTB and total disbursements worth \$123 million.

India has set a total bilateral trade target of \$3 billion by 2015. It can import more agricultural produce, coal and minerals and export heavy industrial items, chemicals, pharmaceuticals and textiles.



• India's bilateral trade with Myanmar (exports, imports & total trade)

VALUE IN MILLION USD					
Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
EXPORTS					
India's Total Export	163,132.18	185,295.36	178,751.43	251,136.19	305,963.92
India's exports to Myanmar	185.82	221.64	207.97	320.62	545.38
%Growth in India's exports to Myanmar		19.27	-6.17	54.17	70.1
Myanmar's %age share in india's total exports	0.11	0.12	0.12	0.13	0.18
IMPORTS					
India's Total Import	251,654.01	303,696.31	288,372.88	369,769.13	489,319.49
India's imports from Myanmar	808.63	928.97	1,289.80	1,017.67	1,324.82
%Growth in India's imports from Myanmar		14.88	38.84	-21.1	30.18
Myanmar's %age share in India's total imports	0.32	0.31	0.45	0.28	0.27
TOTAL TRADE					
Indo-Myanmar total trade	994.45	1,150.60	1,497.77	1,338.29	1,870.20

Source: DGCI&S

• India's engineering exports to Myanmar

VALUE IN MILLION USD

HS Code	Description	Yr. 2007	yr. 2008	Yr. 2009	Yr. 2010	Yr. 2011	%age share in India exports of engineering goods to Myanmar	%age change Yr. 2011/10
TOTAL	All products	162.7	237.3	208.1	272.5	455.8		67.24
	Engineering goods	88.26	117.2	94.06	70.28	233.5		232.36
730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect, dia >406.4mm					120.7	51.67	
721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	25.02	29.56	33.37	15.44	21.80	9.33	41.21
870423	Diesel powered trucks with a GVW exceeding twenty tonnes	1.34			0.157	4.208	1.80	2580.2

860400	Railway maintenance-of-way service vehicles		1.827	0.515		4.145	1.77	
854460	Electric conductors, for a voltage exceeding 1,000 V, nes	1.226	0.15	0.009	1.208	3.479	1.49	188.00
	Total for top 5	27.59	31.54	33.90	16.81	154.3	66.07	818.41

- Top 5 engineering items listed above constitute almost 66% share in India's total exports of engineering goods to Myanmar
- With the recent opening up of Myanmar economy, India's exports of engineering items to Myanmar have growth significantly..

IX. Indian companies in Myanmar

The Government of India is actively involved in over a dozen projects in Myanmar, both in infrastructural and non-infrastructural areas. TCIL, ONGC Videsh Ltd. (OVL), GAIL, ESSAR, M/s RITES, NHPC, TATA Motors etc. Are a few of the major companies operating in Myanmar.



X. Useful Contacts

Embassy of India in Myanmar

H.E. Mr Gautam Mukhopadhaya

Ambassador

EMBASSY OF THE REPUBLIC OF INDIA, YANGON

545-547 Merchant Street

Kyauktada Township

Post box No.75 I

Yangon (Myanmar)

Tel: 0095-1-243972, 391219,388412

Fax: 0095-1-254086, 388414

Email : indiaembassy@mptmail.net.mm

Embassy of Myanmar in India

H.E Mr Aung Khin Soe

Ambassador Extraordinary and Plenipotentiary

Embassy of the Republic of the Union of Myanmar

3/50 F, NYAYAMARG, CHANAKYAPURI

NEW DELHI 110021

Tel : ++91 11 2467 8822, ++91 11 2467 8823

Fax : ++91 11 2467 8824

myandelhi@gmail.com

Web www.menewdelhi.editboard.com

Deputy Head of Mission : U Ba Hla Aye (Counsellor)

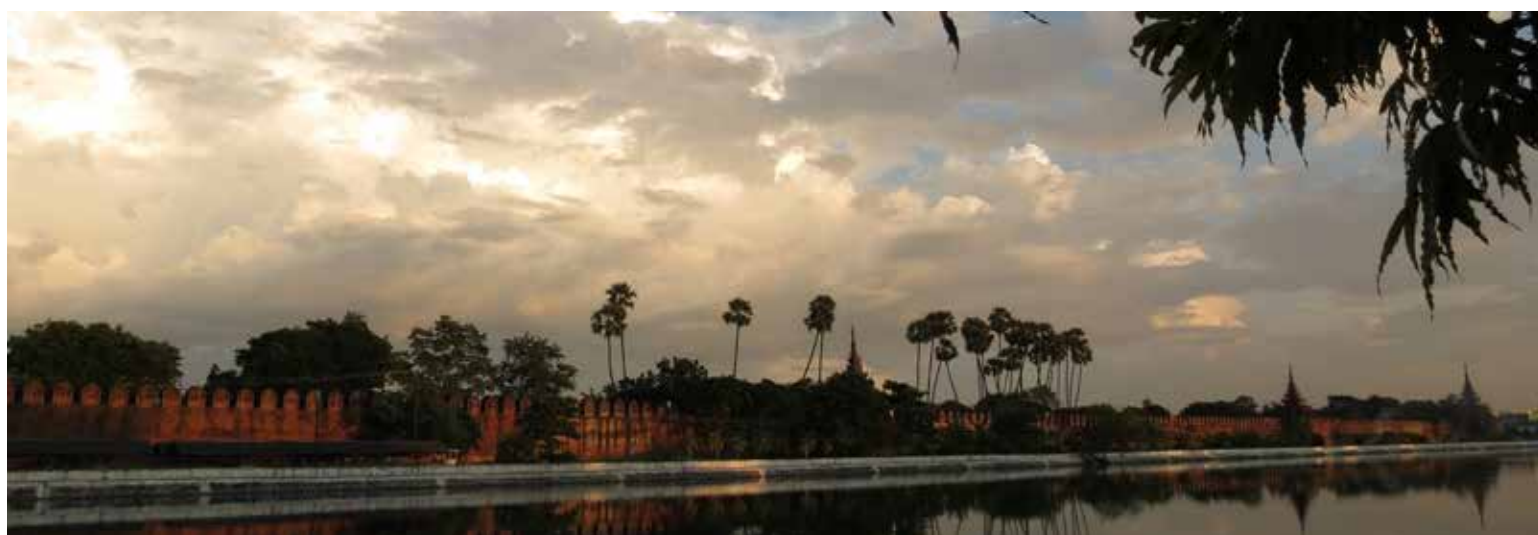
XI. Major Trade Promotion Organizations In Myanmar

- Ministry of Commerce - Directorate of Trade, <http://www.myanmar.com/Ministry/commerce>
- Union of Myanmar Federation of Chambers of Commerce and Industry, <http://www.umfcci.com.mm>



XII. Online sources of information

Site Name	URL	Description	Access Type	Language(s)
Ministry of Commerce of Myanmar	http://www.commerce.gov.mm	The site offers country profile, trade statistics, importers and exporters list, trade fair calendar, information on import and export procedures as well as on trade and investment opportunities.	Free	English
BIMSTEC	http://www.bimstec.org	Bay of Bengal Initiative for Multi-Sectoral technical and Economic Cooperation (BIMSTEC) is an organisation which was set up in 1997 to foster co-operation and development among Bangladesh, India, Myanmar, Sri Lanka and Thailand (Bhutan and Nepal were admitted in 2004). It was envisioned as bridge linking Southeast Asia and South Asia and expects it to lead to ever growing economic, commercial and investment interaction between the two regions, between ASEAN and SAARC and between Thailand and India. Its webpage offers member country profiles, current news, existing and potential trade agreements and projects they are currently working on.	Free	English,
Myanmar Yellow Pages	http://www.myanmaryellowpages.biz	Myanmar Yellow Pages allows to search for companies by product, service, and company name.	Free	English,



EEPC INDIA OFFICES

HEAD OFFICE

EEPC INDIA
Vanijya Bhavan (1st Floor)
International Trade Facilitation Centre
1/1 Wood Street, Kolkata-700 016
Tel : 0091-33-22890651/52/53
Fax : 0091-33-22890654
E-mail : eepcho@eepcindia.net
URL : www.eepcindia.org

TERRITORIAL OFFICE

EEPC INDIA
Vandhna (4th Floor), 11 Tolstoy Marg, New Delhi-110 001
Tel : 0091-11-23353353, 23711124/25
Fax : 0091-11-23310920
E-mail : eepcto@eepcindia.net

REGIONAL OFFICES

Chennai

EEPC INDIA
Greems Dugar (3rd Floor)
149 Greems Road, Chennai-600 006
Tel : 0091-44-28295501/5502
Fax : 0091-44-28290495
E-mail : eepcrochen@eepcindia.net

Kolkata

EEPC INDIA
Vanijya Bhavan (2nd Floor)
International Trade Facilitation Centre
1/1 Wood Street, Kolkata-700 016
Tel : 0091-33-22890673/74 **Fax :** 0091-33-22890687
E-mail : eepcrokol@eepcindia.net

Mumbai

EEPC INDIA
Centre 1, 12th Floor, World Trade Centre
Cuffe Parade, Mumbai-400 005
Tel : 0091-22-42125555 **Fax :** 0091-22-42125556/22180119
E-mail : eepcromum@eepcindia.net

New Delhi

EEPC INDIA
4A, Vandhna Building (4th Floor)
11, Tolstoy Marg, New Delhi-110 001
Tel : 0091-11-23314171/74 **Fax :** 0091-11-23317795
E-mail : eepcrodel@eepcindia.net

SUB-REGIONAL OFFICES

Ahmedabad

EEPC INDIA
TF- 313/A (3rd Floor), ATMA House
Ashram Road, Ahmedabad-380 009
Tel : 0091-79-26588720
E-mail : eepcsroahd@eepcindia.net

Bangalore

EEPC INDIA
Vinayaka Complex (2nd Floor)
44/45, Residency Road Cross, Bangalore-560 025
Tel : 0091-80-25581396/8669 **Fax :** 0091-80-25586914
E-mail : eepcsroblr@eepcindia.net

Hyderabad

EEPC INDIA
Soham Mansion (1st Floor)
No. 5-4-187/3 & 4/4, M.G. Road, Secunderabad-500 003
Tel : 0091-40-27536704 **Fax :** 0091-40-27536705
E-mail : eepcsrohyd@eepcindia.net

Jalandhar

EEPC INDIA
Plot Comm. 1, Focal Point, Jalandhar-144 004
Tel : 0091-181-2602264 **Fax :** 0091-181-2601124
E-mail : eepcsrojld@eepcindia.net

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Vanijya Bhavan (1st Floor)
International Trade Facilitation Centre
1/1 Wood Street, Kolkata-700 016
Tel. : 91-33-22890651/52/53
Fax : 91-33-22890654
E-mail : eepcho@eepcindia.net
URL : www.eepcindia.org