

# Investment Mission Report

## 1. Project Name

Outward Investment Promotion Mission to Myanmar

## 2. Implementation venue, period

Yangon, Nay Pyi Taw, September 4 - 10, 2011



## 3. Organizers

ASEAN-Japan Centre, Embassy of the Republic of the Union of Myanmar in Japan

## 4. Observations and reports

The objective of this investment mission is to update information of current economic situation and investment environment, to explore business opportunities in labor-intensive industries such as Garment, Food and IT in Myanmar.

After the inauguration of the new civil government, the government is comprehensively reviewing their policy related to financial, commercial and investment area. The current investment law is now under review so as to promote foreign investment. The two SEZ Laws were established in January, 2011, and one-stop-service of investment related procedure by the Myanmar government has started. There was an announcement that dual exchange rate system would be resolved with consultation with IMF in two months.



Foreign direct investment concentrates in energy and resources sector. Priority area of investment is resource-based heavy investment, resource-based export oriented value-added projects and labor intensive export-oriented projects. They expect establishment of joint venture with Japanese companies to introduce new technologies to make their product more competitive.

According to the manufactures, the sharp appreciation of the Kyat hit their business. But after some tax reduction plans are implemented for six months to promote trading, and it seems that they mitigate the impacts in businesses such as Cutting Making and Packing (CMP) business in garment sector.

Myanmar makes steady progress toward democracy and a market economy. Even though the sharp appreciation of the Kyat hits and economy in Myanmar, it seems to be acceleration in economic growth. The electric power supply is improving by new hydro and gas power plants. In September 2011, economic sanctions still remain. But after the election, many West countries' companies have already intensified their efforts to seek their new business opportunities in Myanmar. While the lift of the economic sanctions is one of the important issue in business, the business actions from foreign investors have already started. There is a big potential and attractiveness for investors such as lower cost and 60 million pro-Japan market. The further expansion of business cooperation between Japan and Myanmar will be highly expected.

