

**Speech for**

**H.E. U Thaung Tun, Union Minister for  
Investment and Foreign Economic Relations**

**On the occasion of**

**Myanmar Investment Environment Update Webinar**

**23 December 2020**

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## **Excellencies, Distinguished Guests, Ladies, and Gentlemen:**

Greetings to you all.

I do sincerely appreciate this opportunity to offer an overview of some of the latest reforms to Myanmar's investment environment during today's webinar, jointly organized by the ASEAN-Japan Centre, the Myanmar Embassy in Tokyo, and the Ministry of Investment and Foreign Economic Relations, generously supported by JICA.

I am so pleased this event could proceed as planned, notwithstanding COVID-19. While I cannot be with you in person today, I do sense your genuine eagerness to make a lasting contribution to Myanmar's development. And for that, I thank you.

But before I begin, please allow me to thank Mr. Masataka Fujita, Secretary-General of the ASEAN-Japan Centre, and His Excellency U Soe Han, our Ambassador in Tokyo for their remarks just now. As they have each noted, we have achieved so much in such little time!

## **Ladies and Gentlemen:**

When I last visited Japan in October of 2018 to attend the Myanmar-Japan Investment Forum – I claimed Myanmar would continue to enjoy growth rates well above 6 percent into the years ahead – solidifying our position as one of ASEAN's fastest-growing economies.

Needless to say, much has changed in 2020 due to the COVID-19 pandemic. However, the World Bank reports Myanmar's economy has remained resilient, and that we shall remain the region's third fastest growing economy, albeit at rates lower than expected.

Encouragingly, with vaccines on their way, the major development banks are also in agreement regarding our rapid return to pre-COVID growth levels of 6 percent in 2021.

But we do not shy away from the fact that COVID-19's social and economic impacts have been significant.

This administration remains committed to easing the economic burden felt by businesses and households – guided first by our COVID-19 Economic Relief Plan, CERP – and our soon-to-be-launched Myanmar Economic Resilience and Reform Plan, or MERRP.

The MERRP highlights the continuing importance of inclusive and sustainable growth, 'green' investment in renewable energy and infrastructure, and improvements to connectivity, and articulates the essential role we envision for our dynamic and entrepreneurial private sector.

Both the CERP and the MERRP are in harmony with the Myanmar Sustainable Development Plan and seek to strengthen the socio-economic foundations necessary to facilitate a more rapid, more inclusive, and greener post-pandemic recovery.

## Excellencies, Distinguished Guests:

Since 2011, Japanese investment in Myanmar has exceeded US\$ 1.74 billion.<sup>1</sup>

As our 5<sup>th</sup> largest investor<sup>2</sup> and 3<sup>rd</sup> largest export market<sup>3</sup>, Japan ranks amongst our most important economic partners.

Bilateral trade between our countries has already exceeded US\$ 1.2 billion this current fiscal year<sup>4</sup>, touching US\$16.5 billion since the dawn of our democratic transition.<sup>5</sup>

Thanks to the trust Japanese investors have placed in Myanmar, approved FDI from Japan in the fiscal year just passed exceeded US\$700 million<sup>6</sup> – contributing substantially to our achieving 98% of our FDI target.

This government recognizes the important contribution Japan can and does make to our nation's development aspirations – from infrastructure to industry, from transport to tourism, from energy to environmental sustainability.

And yet, in light of global uncertainty, some may well ask: What might Myanmar offer Japanese investors at this moment? Why invest in Myanmar now?

I say – with this government's pursuit of broad-based, sustainable, and inclusive growth, Myanmar offers one of the most exciting frontier investment destinations currently on offer anywhere.

We are the largest country on the Southeast Asian mainland, strategically located in one of the world's fastest-growing regions.

We offer a vibrant and dynamic land-bridge, connecting the world's fastest-growing economies - China, India, and the ASEAN countries.

These economies together have a population of over 3.4 billion.

We are likewise blessed with nearly 2000 km of uninterrupted coastline – from the Bay of Bengal to the Andaman Sea.

And, with a population of 54 million, and with a rapidly growing middle-class, Myanmar also enjoys what has been termed a 'demographic dividend'.

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<sup>1</sup> The full figure is US\$1.742 billion.

<sup>2</sup> Japan is Myanmar's 5<sup>th</sup> largest investor when counting from April 2016 onward.

<sup>3</sup> Japan is Myanmar's 3<sup>rd</sup> largest export market when counting from April 2016 onward.

<sup>4</sup> The total value of Japan-Myanmar bilateral trade in US\$ for the current Fiscal Year amounts to US\$1.273 billion.

<sup>5</sup> The total value of Japan-Myanmar bilateral trade in US\$ since April 2011 amounts to US\$16.5 billion.

<sup>6</sup> The total value of approved Japanese FDI since October 2019 i.e., the start of the current Fiscal Year is US\$701.432 million (as of 30/6/2020).

But in addition to this natural bounty, we have been busy with a range of investment reform measures which have catapulted Myanmar into this year's World Bank Ease of Doing Business top 20 most-improved countries —

achieving progress, the OECD describes as 'almost unprecedented'.

Not long after assuming office in 2016, we passed the new Myanmar Investment Law, greatly simplifying investment rules and regulations, and bringing our investment regime in-line with international standards.

The Companies Law reform soon followed, permitting foreign investments in domestic companies of up to 35 percent and the opening of our Stock Exchange to foreign participation.

These new, modern laws governing business activities, together with a range of new intellectual property and trademark protections, have created a fairer, more secure, and more level playing field for all investors – both foreign and domestic.

The new Companies Law also paved the way for the creation of a fully digitalized company registration system, which we call Myanmar Companies Online, or MyCO for short.

Since its launch, 100 percent of new registrations have been made online.

With such initiatives, complemented by timely legal and procedural reforms, Myanmar's investment future remains brighter than ever.

Another recent development is the Project Bank, an online public database that provides investors with a list of prioritized public infrastructure projects to enhance transparency and competitiveness in line with our MSDP.

Additionally, a new online Land Bank is being prepared that will provide greater clarity regarding land ownership while simplifying investor access to government land for industrial and commercial purposes.

Continuing this government's embrace of the digital era, we are also improving the range of online investment tools, services, and payment mechanisms offered, making the overall investment process more simple and secure.

A new online Yangon Building Permit System has reduced paperwork for those seeking construction permits.

We've also recently transitioned to an online tax payment system, now allowing Yangon-based firms to pay various forms of tax through a mobile payment system connected to banks.

Thanks to initiatives such as MyCO, our Project Bank, the expansion of our Automated Cargo Clearance System to Muse, Myawaddy, and beyond – between 2014 and 2020, Myanmar leaped 29 places on the UN’s E-Government Index – amongst the top 10 most improved countries.

Guiding much of these investment reform efforts has been our Myanmar Investment Promotion Plan, or MIPP, a plan which aims to attract more than US\$ 200 billion through responsible investment over the next two decades, facilitating Myanmar’s transition to a middle-income country.

We intend to revise and update the MIPP over the coming months – and to make amendments in response to changing business conditions in the context of COVID-19, and to help us prepare for a post-COVID era.

Taking advantage of our location, and with our recent signing of the Regional Comprehensive Economic Partnership, we are also now better positioned to further expand trade and investment relations between Myanmar and Japan.

Indeed, with Japanese investment and know-how, I believe this new trade agreement will help Myanmar better integrate and even move up global value chains that supply markets worldwide.<sup>7</sup>

**Ladies, and Gentlemen:**

As a result of these efforts, a vast range of investment opportunities are now open to those who seek them. Permit me to note just a few.

I see Myanmar gradually emerging as a hub for higher-value modern manufacturing, including that made possible via improved access to global value chains.

With a rapidly growing demand for sustainable energy solutions, combined with this government’s commitment to providing access to electricity for the entire country by 2030, energy generation and transmission present yet another highly promising investment area.

The recent awarding of a ‘notice to proceed’ to build a liquefied natural gas-fired power plant in Yangon - one of the biggest investments by Japanese companies in Myanmar – is a testament to the immense opportunities that exist in this very promising sector.

Our garments sector also continues to expand, with Fitch Solutions predicting Myanmar will remain a dominant regional player – boosted by lower labor and logistical costs and with privileged access to EU and US markets.

**Excellencies, Distinguished Guests:**

We know that meaningful growth and quality job creation cannot be achieved without continued responsible investment – investment that creates quality jobs. As MIFER has been forging ahead

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<sup>7</sup> Include a chart showing RCEP v Non-RCEP FDI into Myanmar since 2011

with efforts to promote Myanmar as an investment destination of choice, Special Economic Zones are playing a central role.

With support from Japan, the Thilawa SEZ has become a best practice example -- with major Japanese brands such as Suzuki, Toyota, and Yakult already present -- serving as a magnet for further investment inflows, and with a second phase development already attracting significant investor interest.

In this regard, we were very pleased to hear of Japan's continued support to our Dawei SEZ. Located 20 km north of Dawei, the capital of Tanintharyi Region in Myanmar's southeast coast bordering Thailand, the Dawei SEZ has the potential to become one of the largest SEZ in South East Asia - some eight times larger than Thilawa SEZ in Yangon - and over ten times larger than the Kyauk Phyu SEZ in Rakhine.

Furthermore, and consistent with this administration's commitment to opening up our economy, promoting quality employment, and securing sustainable growth, we have recently announced our intention to launch an entirely new Special Economic Zone along the coastline of Mon State.

Building upon Thilawa's success, with a new world-class multi-lane highway now in operation, the new Mon SEZ will connect the Indian and Pacific Oceans, and the Thilawa SEZ to Da Nang in Vietnam via the Greater Mekong Sub-Region East-West Economic Corridor.

The industrial development of the entire region will grow as supply chains will be connected.

Further details will be provided in due course. However even at this initial stage. I wish to affirm that international best practices shall be adhered to, including open, transparent international competitive tendering.

**Excellencies, Distinguished Guests, Ladies, and Gentlemen:**

I know we all share a desire to see peace and prosperity flourish throughout Myanmar and the entire region.

My thanks to both the government and the people of Japan for your unstinted support over the years. As we embark on the next phase, we are reassured by your presence and are grateful for your ongoing assistance.

As I draw my remarks to a close, two Japanese proverbs come to mind

The first, *'Money grows on the tree of persistence'*.

The second, *'The day you decide to do it, is your lucky day.'*

No great achievement is possible without persistent work. But without action, luck will never find you!

In closing, I wish to assure you that Japanese investments shall always find safe harbor in Myanmar.

For those considering investing in Myanmar, you shall find a warm and welcoming partner. For those already here, please be assured that we are committed to seeing your investments thrive and prosper.

So, let us seize this opportunity to ensure a more resilient recovery today and more sustainable growth tomorrow.

May you all be in good health, and may peace reside in your hearts.

Thank you.

Domo arigato gozaimasu.