

# Thura NewsViews

## Politics

■ **Government introduces five new tax laws**

Myanmar has continued its tax reforms by enacting five new tax laws. The laws were signed into law on 28 March 2014 and came into effect on 1 April 2014 and include the Revenue Law of 2014, which introduces changes to the rates for Income Tax and Commercial Tax (CT), as well amendments to Income Tax Law, Commercial Tax Law, Stamp Duty Law and Court Fee Act. For the Personal Income Tax (PIT), income bands and rates have been adjusted with the top rate increasing from 20 percent to 25 percent, while the income band has been increased from MMK 500,000 (US\$ 500) to MMK 2 million (US\$ 2,000).

Income Tax Bands for Individuals		Rate of taxation
Assessable income (MMK)		(% of income)
From	To	
1	2,000,000	0%
2,000,001	5,000,000	5%
5,000,001	10,000,000	10%
10,000,001	20,000,000	15%
20,000,001	30,000,000	20%
Above 30,000,000		25%

For Corporate Income Tax (CIT), the same rate of 25 percent applies however, newly setup small and medium enterprises (SMEs) will have three year tax breaks, or until revenues reach in excess of MMK 5 million (US\$ 5,000). Commercial Tax applies to all services unless those that are specifically exempted – for example life insurance services, banking services and education services – which is a reverse of the previous rule, where CT was not applied unless specifically stated. Additionally, export CT applies to Crude Oil (5 percent), natural gas (5 percent), teak and hardwood logs (50 percent), gems (30 percent) and jewellery made from gems (10 percent), while local entrepreneurs and state-owned enterprises are exempt from CT. Stamp Duty has had a number of changes, most notably with regards to taxation of foreign currency denominated documents, whereby foreign currency is converted to Myanmar kyat and the regular rate is applied.

■ **Obama to make Myanmar return**

US President Barack Obama will return to Myanmar later this year, according to a senior State official. Speaking at the launch of the Asian Society Policy Institute in New York earlier this month, Deputy Secretary of State Bill Burns said that the President will make the visit at some point in the autumn, and that the visit will coincide with stops in China and Australia for a series of

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**April Highlights**

Ooredoo Myanmar has revealed that it plans to roll out 3G services by the third quarter of 2014.

Myanmar's prawn breeders are gearing up to export their products to the US Market.

State-owned flag-carrier Myanmar Airways is in discussions to buy six ATR 72-600 planes to add to its fleet.

**Myanmar in Figures**

GDP (PPP): \$111.1bn (2013)  
GDP (official ex.rate): \$59.43bn (2013)  
GDP growth rate: 6.8% (FY2014-15 proj.)  
Population: 59.78mn people (2011)  
Inflation: 5.7% (2013)  
Foreign trade: \$18bn (FY2012-13)  
FDI: \$45.3bn (31/01/2014)  
International reserves: \$8.3bn (Dec 2013)  
Kyat/\$ = 962K/1\$ (24/04/14)

regional meetings. This year's visit will be Obama's second Myanmar trip after he became the first sitting US President to visit Myanmar in November 2012, stopping briefly in Yangon as part of an Asia trip that also saw him take in the ASEAN Summit in Cambodia as well as a visit to Thailand. During his previous visit, he held talks with President U Thein Sein, Daw Aung San Suu Kyi and also delivered a speech at Yangon University where he praised the reforms taking place in the country and spoke of the US's important relationship with Myanmar. However, the upcoming visit's tone may be different as the US, and many other countries, have continually expressed concern over the government's handling of ongoing ethnic violence in Rakhine State, with thousands of internally-displaced persons (IDPs), mostly Muslims, languishing in camps without access to food and basic healthcare.

■ **Daw Aung San Suu Kyi garners international support for constitutional change**

Opposition leader Daw Aung San Suu Kyi returned from a recent visit to Europe with backing from international leaders in her quest for constitutional change, which would allow her to run for presidency in the 2015 General Election. During her weeklong trip passing by Germany and France, Daw Aung San Suu Kyi met with French President Francois Hollande and German Chancellor Angela Merkel, both who agreed to support the process, which is aimed at minimising the military's role in parliament, where a quarter of all seats are automatically given to military figures. Speaking to the French press, Daw Aung San Suu Kyi said that Myanmar is "not yet a democracy", referring to the part of the constitution that stipulates that a quarter of all parliamentarians must come from the military. Daw Aung San Suu Kyi has also been vocal in amending the part of the constitutions which says that any person who is married to a foreigner cannot become the country's president. Daw Aung San Suu Kyi was married to the late British academic Michael Aris, and it is thought the law was introduced specifically to stop her from becoming the country's president. Both Francois Hollande and Angela Merkel said that they were aware of the issues faced to change Myanmar's constitution and that they are willing to lend support to the change in process.

## Economy

■ **Myanmar gets US\$ 4 billion in foreign investment**

Myanmar received US\$ 4.107 billion in foreign direct investment (FDI) in the 2013-2014 fiscal year, according to reports. Quoting the Directorate of Investment and Companies Administration (DICA), which is under the Ministry of National Planning and Economic Development, reports said that the bulk of the FDI came in the industries of manufacturing, energy, oil and gas, mining, hotels and tourism, real estate, livestock, fishery and agriculture. According to the figures, the largest investments came from China, followed by Thailand and Hong Kong. Up to December 2013, 71 new projects, funded by foreign investment, created more than 50,000 jobs in Myanmar. Myanmar's FDI has seen huge improvements in the last three years ever since the government initiated a series of political and economic reforms, aimed at lifting the country's economy. In November 2012, Myanmar enacted a new Foreign Investment Law aimed at encouraging foreign companies to invest in the country, which offers huge potential due to its vast natural resources, large population and strategic location on the cusp of Southeast Asia and between China and India.

■ **Myanmar's domestic aviation industry offers potential but increased competition**

Myanmar's domestic aviation industry offers potential in the long-term but will become more challenging as competition increases further with new players entering the market, according to a report by CAPA Centre for Aviation, a leading research group in the industry. Currently there are eight airlines operating in the domestic market in Myanmar, with a ninth – Mann Yatanarpon – soon to launch services and a further two expecting to begin operations by the end of the year. As Myanmar's tourism industry grows, reaching record figures of above 2 million visitors in 2013 and that figure expected to rise, it offers huge potential to domestic airlines in a market with 4 million annual passengers. The report also noted that infrastructure constraints are a major barrier for domestic growth in the country and that the airport at the capital city, Nay Pyi Taw, has huge potential due to its space but currently has a limited market. Golden Myanmar Airlines became the first domestic low-cost carrier (LCC), introducing its services in 2012, flying between Yangon and Mandalay domestically, and to Bangkok and Kuala Lumpur internationally, with more routes expected in the future. Myanmar's air accident rate is nine times higher than the

global average, Win Swe Tun, deputy director of Myanmar's Department of Civil Aviation (DCA) told Reuters last year. The most notable incident of note in recent years was on 25 December 2012 when an Air Bagan plane crashed on its approach to Heho Airport in Shan State, killing one on board and one on the ground.

■ **Strong ASEAN prospects driven by Philippines, Myanmar growth**

Economic prospects in the Association of Southeast Asian Nations (ASEAN) are strong for the coming year, driven by growth in the Philippines and Myanmar, according to Singapore's Emeritus Senior Minister Goh Chok Tong. Speaking at the annual Boao Forum for Asia conference in China's Hainan province, the ex-Prime Minister of Singapore said that Myanmar offers huge potential since it is often seen as the "last frontier" for foreign investments and offers huge investment opportunities, but that challenges remain. He said that Myanmar must first pass the challenge of a General Election in 2015, which is seen as a key indicator of the country's stability and future, and still faces issues with regards to a lack of infrastructure and skilled labour. He added that if the Elections are a success and the reforms continue at their current pace, then Myanmar could become "the driver for ASEAN." Tong also cited the ASEAN Economic Community (AEC), to begin in 2015, as a key opportunity for the ASEAN nations to progress together.

## Companies and Investments

■ **Siam Cement looks abroad as domestic market stagnates**

Siam Cement, Thailand's largest industrial conglomerate, is looking to expand its presence across Southeast Asia as the domestic market has struggled since political unrest has slowed down spending on infrastructure projects. The company, which also produces chemicals and paper, has focused its attention on growing economies such as Myanmar, Cambodia and Indonesia where a huge growth in infrastructure projects have led to a high demand in construction materials. In Thailand, the company's profits have been held back by ongoing clashes between supporters of current Prime Minister Yingluck Shinawatra and the opposition, the latter who accuse Shinawatra of corruption. As Myanmar emerges from five decades of isolated military rule, reforms in the government have led to a surge in interest from foreign companies keen to tap into the market, with a boom taking place particularly in the infrastructure and construction industries. Siam Cement has predicted the Thai cement demand will grow only between two to three percent this year, down from seven percent last year. Across Southeast Asia, the company predicts annual growth to reach seven or eight percent. Siam Cement's assets reached US\$ 2.2 billion last year and aims for sales in Southeast Asia to increase from 20 percent to 30 percent by 2018.

■ **Wilmar enters Myanmar**

Leading agribusiness firm Wilmar International has announced that it will enter Myanmar's sugar market, by signing a joint-venture agreement with local firm Great Wall Food Stuff to produce and sell sugar in the country. As part of the agreement, which is subject to regulatory approval, Wilmar will hold a 55 percent stake in the agreement. The majority of Wilmar's business comes from palm oil, in which it is the world's largest producer, but it has been steadily building its sugar projects in recent years, with a recent acquisition of India's Shree Renuka Sugar for up to US\$ 145 million. As part of the Myanmar agreement, Wilmar will buy two sugar mills from Great Wall, a bio-ethanol plant and one organic compound fertiliser plant. The amount invested by Wilmar in the deal has not been revealed.

## Events

Name	Details	Organizer/Ministries	Contact Information
Myanmar Medi-Pharm Expo	<b>Venue:</b> UMFCCI, Yangon <b>Date:</b> 21-23 May 2014	Myanmar Pharmaceutical & Medical Equipment Entrepreneurs' Association (MPMEEA) and Myanmar Private Hospital Association	Further information can be obtained from Myanmar Pharmaceutical & Medical Equipment Entrepreneurs' Association Tel: +95 (0)1-214834, +95 (0)1-216205
Myanmar Urban Development Conference and Myanmar Real Estate Show 2014	<b>Venue:</b> Traders Hotel, Yangon <b>Date:</b> 25-28 May 2014	SPHERE Conference	karin@sphereconferences.com joyce@sphereconferences.com
Myanmar Manufacturing Summit 2014	<b>Venue:</b> Park Royal, Yangon <b>Date:</b> 26-27 May 2014	Centre for Management Technology (CMT)	grace@cmtsp.comsg Tel: +65 6346 9147
4th Myanmar Oil & Gas Summit 2014	<b>Venue:</b> tbc, Yangon <b>Date:</b> 23-24 June 2014	Oliver Kinross	james.mckenzie@oliverkinross.com
2nd Myanmar Consumer Summit	<b>Venue:</b> tbc, Yangon <b>Date:</b> 18-19 June 2014	Centre for Management Technology (CMT)	nisha@cmtsp.com.sg Tel: +65 63469130
Myanmar Banking & Finance Conf. 2014	<b>Venue:</b> tbc, Yangon <b>Date:</b> 15-17 July 2014	Organized by SPHERE Conferences	thithi@sphereconferences.com
Myanmar Green Energy Summit 2014	<b>Venue:</b> Traders Hotel, Yangon <b>Date:</b> 5-6 August 2014	Confexhub supported by Myanmar Investment & Trade Centre	sookmei@confexhub.com
CAEXPO The 11th China-ASEAN Expo	<b>Venue:</b> tbc, Yangon <b>Date:</b> 19-22 September 2014	Guangxi of Chia Nanning and Ministry of Commerce	moetradeair@gmail.com zhangyingxia033@gmail.com Tel : +95(0)67-408324, +86-771-5813165
Electric Power & Renewable Energy Myanmar 2014	<b>Venue:</b> Myanmar Convention Center (MCC) Hall, Yangon <b>Date:</b> 30 Oct -1 Nov 2014	Co-organized by the UMFCCI and supported by Myanmar Industries Association (MIA), Myanmar Federation of Mining Association (MFMA)	To be confirmed

## Tenders

### ■ Ministry of Information: Open Tender

Myanma Radio and Television under the Ministry of Information has invited an open tender to purchase the following items in USD:

No	Item	Unit	Currency
1)	50 KW SW Radio Transmitter	1 set	USD
2)	DVB-T2	100,000 Nos	USD
3)	Pocket Radio (2 Band, FM & MW)	50,000 Nos	USD
4)	Pocket Radio (9 Band, FM, MW & SW)	50,000 Nos	USD

Tender forms are available from 9 April 2014 till 8 May 2014 at Myanma Radio and Television, Nay Pyi Taw. Opened tenders are to be submitted between 9:30 am to 4:30 pm on 9 May 2014. Further information can be obtained by phone at +95(0)67-79483, +95(0)67-79135.

### ■ Mandalay City Development Committee: Open Tender

Mandalay City Development Committee has invited an open tender to purchase the following items:

No	Item	Unit	Currency
1)	Dredger, Water Master	1	N/A
2)	Tow Truck	1	N/A
3)	Mini Excavator	8	N/A
4)	Road Roller (15 Ton)	5	N/A
5)	Mechanical Road Sweeper	1	N/A
6)	Backhoe Loader	1	N/A
7)	Garbage Tank Carrier(15 Ton)	3	N/A
8)	Garbage Tank Carrier (3 Ton)	8	N/A
9)	Three wheel motorcycle dump truck	60	N/A
10)	Land Cruiser	1	N/A
11)	Minibus	1	N/A
12)	Hiace	1	N/A
13)	Prado	2	N/A
14)	Dump Truck(10 Ton)	4	N/A

Tender forms can be purchased on 28 April 2014 and completed forms are to be opened on 5 May 2014. Further information can be obtained by phone at (+95)02-80157, (+95)02-81316.