

22 October 1993

ENGLISH ONLY

TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Investment and
Financial Flows; Non-debt-creating
Finance for Development; New
Mechanisms for Increasing Investment
and Financial Flows
Third session
Geneva, 10 January 1994

Case study submitted by Myanmar*

*** The attached case study is circulated at the request of the submitting Government, in the form and language in which it was received.**

TD/B/WG.1/Misc.3/Add.10

GE.93-54086

THE GOVERNMENT OF THE UNION OF MYANMAR
MINISTRY OF NATIONAL PLANNING AND ECONOMIC DEVELOPMENT

INVESTMENT OPPORTUNITIES IN MYANMAR

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I. COUNTRY PROFILE

The Land

1. Myanmar is the largest country on the mainland South-East Asia with a total land area of 676,577 sq.km sharing total international borders of 5858 km with Bangladesh and India on the North-West, China on the North-East, Laos on the East and Thailand on the South-East. It has a total coastline of 2832 km. It stretches 2090 km from north to south and 925 km from east to west at its widest points.

2. Myanmar could be taken as a forest-clad mountainous country. Three parallel chains of mountain ranges that begin from the eastern extremity of the Himalaya mountain range, run from North to South: the Western Yoma or Rakhine Yoma, the Bago Yoma and the Shan Plateau. The snow-capped peak of the Hkakabo-Razi at 5881 m is the highest in South-East Asia. These mountain chains divide the country into three river systems, the Ayeyarwady, the Sittoung and the Thanlwin, of which the Ayeyarwady, the most important river, about 2170 km long, and its major tributary, the Chindwinn, 960 km long, constitute the greatest riverine system in the country. As it enters the sea, the Ayeyarwady forms a vast delta of 240 km by 210 km.

3. According to these mountain chains and river systems, the country can be divided into seven major topographic regions: the Northern Hills, the Western Hills, the Shan Plateau, the Central Belt, the Lower Myanmar Delta, the Rakhine Coastal Region and the Tanintharyi Coastal Strip.

4. As it is mainly in the Tropical Region, Myanmar has a tropical monsoon climate with three seasons: the hot season from mid-February to mid-May, the rainy season from mid-May to mid-October and the cool season from mid-October to mid-February. Annual rainfalls vary from 500 cm in the coastal regions to 75 cm and less in the central dry zone. Mean temperature ranges from 32°C in the coastal and delta areas and 21°C in the Northern lowlands. During the hot season, temperatures could run considerably high in the central dry zone.

The People

5. Myanmar's population spread over seven States and seven Divisions is estimated at 42.33 million in 1992/93. Myanmar is inhabited by many ethnic nationalities, as many as 135 national groups with the Bamars forming the largest group comprising about 68.96 per cent of the population.

Religion

6. About 89.4 per cent of the population—mainly Bamars, Shans, Mons, Rakhines, and some Kayins are Buddhists, while the rest are Christians, Muslims, Hindus and Animists. The Christian population is composed mainly of Kayins, Kachins and Chins, Islamic and Hinduism are practiced mainly by people of Indian origin.

II. RESOURCES

Agriculture

7. The agricultural sector being the mainstay of the Myanmar economy with about 39 per cent of the total GDP is accorded priority. Prevalence of different agro-ecological tracts has made it possible to grow a multitude of over 60 crops ranging from typical tropical ones to moderate temperate varieties which are cereals such as rice, wheat, maize, millet, beans, pulses and oilseeds, industrial crops such as cotton, jute, rubber, sugar cane, toddy palm, tobacco and spices and also others both edible and non-edible.

8. *Land Resources* - Myanmar possess a large land area in the South East Asia region and unlike most neighboring countries, she still has a vast potential of land resources for cultivation and for further expansion of the cultivable land. Of the total area of 67.6 million hectare only about 12 per cent is under cultivation. There is also a great potential for further expansion of mixed and multiple cropping areas, especially in lower Myanmar where the moisture content of soil and water availability are much better than in upper Myanmar. In Upper Myanmar, especially in the dry belt zone, cultivation is done with water drawn from networks of irrigation facilities. There still exists a great room for further extension of irrigation facilities, as the potentialities have so far been exploited only to a small extent. The total cultivated area under irrigation accounts for about 12 per cent of net area sown.

9. *Land Utilization* - With a view to develop agriculture, livestock breeding and other affiliated enterprises, the State Economic Enterprises, joint ventures, co-operative societies and other organizations and private individuals will be granted the right to cultivate / right to utilize culturable, fallow and waste land upon application. Central Committee for the management of culturable land, fallow land and waste land has been formed and the duties and rights of the Committee has been prescribed. The Committee had prescribed the procedures for the right to cultivate land / right to utilize land for agriculture and livestock breeding purposes. Foreigners or organizations consisting of foreigners may also apply for the utilization of land to the FIC.

10. Persons who desire to invest in commercial enterprises concerning such activities will be granted the right to cultivate / right to utilize culturable land, fallow land and waste land up to the maximum area mentioned below:

- (a) Agriculture
 - (i) Plantation Crops 5000 acres
 - (ii) Orchard 3000 acres
 - (iii) Seasonal Crops 1000 acres
- (b) Livestock, Poultry Farming and Aquaculture
 - (i) Aquaculture 2000 acres
 - (ii) Livestock & Poultry Farming
 - (aa) Buffalo, cattle, horse 5000 acres
 - (bb) Sheep, goat 1000 acres
 - (cc) Poultry, pig 500 acres

11. Duration has been fixed for a maximum period of thirty years for cultivation and utilization of land for plantation crops and orchard, livestock and poultry farming and aquaculture purposes. The period may be extended upon negotiation. In case of cultivation for seasonal crops the duration shall continue as long as there is no breach of conditions.

12. Exemption from payment of land revenue shall be granted for a period of 2 to 8 years from the granting of the lease depending upon the type of agricultural crops, livestock breeding and aquaculture; and at least 3 years of income-tax exemption may be granted from the year of commencement of commercial run of the business carried out on land developed and invested. An order permitting the right to cultivate / right to utilize land shall be granted after a deposit of 10% of the investment as guarantee fees has been paid.

Livestock and Fishery

13. The Livestock and Fishery Sector is one of the productive sectors with a vast potential for further expansion and for export.

14. **Livestock** - Livestock breeding of pedigree stock, cattle, buffalo, sheep, goat, pig, and poultry etc., forms an integral part of the rural economy. Ownership of livestock is characterized by small individual herds and flocks. For the development of the cattle industry, vast pasture land with suitable climate are available in different regions.

15. **Fishery** - Fisheries in Myanmar can be classified into fresh water fisheries and marine fisheries. Fresh water fisheries are mainly of the nature of flood fisheries made possible through vast river systems and heavy rainfall. There are also leasable fisheries which cover a vast area. Fish culture operations are at the same time undertaken extensively in ponds, lakes and reservoirs.

16. Myanmar has a long coastline, 2832 kilometers in all. The continental shelf covers 228,781 sq. kilometers and Myanmar's exclusive economic zone is 486,000 sq. kilometers wide. According to surveys and researches undertaken in marine fisheries, the Maximum Sustainable Yield (MSY) of the Union of Myanmar is estimated at about 1.05 million metric tons per year, out of which 0.59 million metric tons was exploited during last year, leaving a large potential for development. In conformity with the provisions contained in United Nations Convention on the Law of the Sea, regarding the sharing of the surplus fishery resources to neighboring States, the Department of Fishery have started to grant fishing rights, initiated some joint fishery development programmes and formation of joint venture companies with effect from 1989/90.

17. In order to cope with the increasing fishing activities in Myanmar, in addition to the existing Fisheries Manual of 1905. Various laws such as Law Relating to the Fishing Rights of Foreign Fishing Vessels, Myanmar Aquaculture Law, Myanmar Marine Fisheries Law and Freshwater Fisheries Law have been enacted and procedures have been prescribed. A person desiring to carry out fishery in the form of joint venture under the Foreign Investment Law shall also have to apply for licence to the Department of Fisheries. Fishing grounds shall be determined as required in Myanmar Marine Fisheries Waters beyond the baseline by the said department.

Forestry

18. Myanmar is indeed very rich in forest resources, as the forest covers about 50.87 per cent of the total land area. There are over 8570 different plant species, including 2300 tree species, 850 kinds of orchid, 97 varieties of bamboo and 32 different types of cane. In 1992/93 reserved forest area totalled 101425 sq. km.

19. *Teak* - The forest area with significant teak resources covers about 6.1 million hectare, accounting for about 10 per cent of the growing stock in some places. Teak is highly reputable in the world market. Myanmar enjoys the largest share of the world teak trade. The annual potential yield of the teak is around 0.3 million hoppus tons (0.6 million cubic meters). An average of 164913 hoppus tons in log form and 28831 tons in conversion form are exported annually. Other items exported are veneer, plywood, furniture, carving, joinery, flooring products, moulding etc.

20. *Hardwood* - There are different species of hardwood such as Padauk (*Pterocarpus macrocarpus*), Pyinkado (*Xylia dolabriformis*), Kanyin (*Dipterocarpus* species), Taungthayet (*Swintonia floribunda*), Pine (*Pinus insularis*) etc. The annual potential yield of hardwood is round 1.4 million hoppus tons (2.5 million cubic meters). During the last 10 years, an average of 1.22 million hoppus tons is extracted annually, of which 0.45 million hoppus tons is extracted by the State.

21. **Bamboo** - Bamboo grow mostly mixed with other tree species while in the Rakhine State there is a single patch of Kayin-Wa (*Mellocanna bambusoides*) growing in pure stands stretching over about 7770 sq. km. On a cutting cycle of 10 years, the annual yield is 2.0 million tons, an equivalent of about 0.8 million tons of bamboo pulp. In the Tanintharyi Division, there are single pure bamboo patches and also some mixed with other tree species. The growing stock covers an area of 1860 sq. km. On a cutting cycle of 10 years, the annual yield is about 0.6 million tons, an equivalent of about 0.2 million tons of bamboo pulp.

22. **Cane** - Cane grows in abundance in Myanmar, and there are about 32 species having been identified and recorded. The annual potential yield of various species is estimated at about 67 million pieces. At present, only a few species are exported. However, with the present extent of cane resources, there is ample scope for expansion of its extraction and for exports.

Mining

23. **Minerals** - Myanmar is well endowed with mineral resources and has many famous mines. To explore, develop and exploit the mineral resources of the country and to make partnership in bilateral co-operation, the Ministry of Mines is welcoming the foreign investors interested to invest in joint ventures with the Economic Enterprises under the Ministry. Two State Enterprises under the Ministry are responsible for the production of metallic minerals and one Enterprise deals with Industrial minerals as well as iron and steel products. The production of precious stones, such as gems, jade and diamond are handled by another State Enterprise. The main minerals produced are refined lead, refined silver, zinc concentrate, copper concentrate, refined tin, tin concentrate, tin-wolfram-scheelite concentrate and gold. The precious stones produced are ruby, sapphire, diamond and jade. Industrial minerals produced include coal, gypsum, baryte, limestone, dolomite, bentonite, chromite, fireclay, fluoride granite and various other items.

24. No.(1) Mining Enterprise. The Bawdwin Mine which was the richest silver mine during 1930 produces the major portion of lead together with two other mines, Bawsaing and Yadanatheingi. The Bawdwin Mine also operates its own two hydroelectric power plants with a total installed generating capacity of 13.0 Megawatts. All the three mines are situated in the Shan State.

25. No. 1 Copper Mine situated in Salingyi Township operates an open pit mine producing 8000 tonnes of ore per day. Total ore reserves are about 130 million metric tons of mainly chalcocite ore containing an average copper content of 0.77%. The ore is known to contain some amount of gold and silver. Another large deposit called Letpadaung, was found to contain about 180 million tons of

copper ore.

26. No.(2) Mining Enterprise. Tin concentrates, tin and tungsten concentrates, tin tungsten and scheelite concentrates, refined tin are the main products of this enterprise. Gold is produced from four gold deposits; from which the first major gold production at Kyaukpahtoe was put on stream during early 1993. Diamonds of gem quality were also found while sluicing tin concentrates in Tanintharyi Division and systematic exploratory work is being carried out to find the main source of occurrence. High grade tin concentrate is produced from Heinda open-pit mine in the Tanintharyi Division. Heinze placer deposit is suitable for dredging tin concentrate by small dredgers with low operation costs. Most of the Tin and Tungsten mines are situated in Dawei area Tanintharyi Division.

27. No.(3) Mining Enterprise. This Enterprise deals with industrial minerals as well as iron and steel products. About 21 items of industrial minerals are produced. Pig iron, steel billets, steel grinding balls and mild steel rods are the products of No.1 Iron and Steel Plant situated at Pyin-Oo-Lwin and Ywama Steel Mill situated in Yangon-North district produce steel billets, wire rods, mild steel rods formed products and M. S sheets. It can also produce G.I sheets, wire nails, barbed wire and G.I wire mesh.

28. Myanma Gems Enterprise. The world's finest and most valuable rubies are found in Mogok area in the Mandalay Division. Rubies from Myanmar are acknowledged to be the finest in quality. It is considered by connoisseurs to be the world's most valuable gem. Sapphire has all the properties of ruby except for its colour. Sapphire is also found in the picturesque mountain of Mogok. Mogok produces a dazzling variety of assorted coloured gems including Spinel, Garnet, Peridot, Tourmaline, Aquamarine, Amethyst, Citrine, Zircon, Moonstone, Lolite, Danburite. Recently two new Gems tracts are discovered by the geologist in the Northern Shan States and the area is found to be promising for future production of high quality gems.

29. Phakant Area in Kachin State is renowned for its production of Jade in Myanmar. Imperial jade is the best and the colour is emerald green of unequal purity. Jade with superb lustre, texture and an attractive variety of colours including mottled green is known as Commercial Jade. Utility jade is remarkable for its purity of grain and colour and is good for carving figurines and ornaments.

Energy

30. Crude Oil and Natural Gas - Exploration, development, production and transportation of crude oil and natural gas in the Union of Myanmar, are responsible by Myanma Oil and Gas Enterprise (MOGE). MOGE operates (14) oil and gas fields in onshore area for

production of oil and gas. Oil producing fields are mostly in the Central Belt and Pyay Embayment. Recently test wells in Myanaung oil field yields crude oil and natural gas. In Pyay oil field, some new discoveries are made from the subthrust zone. MOGE discovered more gas pools near Aphyauk in Shell's relinquished Block-G. At present, Natural Gas from Aphyauk gas field in Taikkyi Township are being distributed to Yangon and Pyay Area for power generation and industrial use.

31. To promote the development in the oil and gas sector, the Myanma Oil and Gas Enterprise had signed (20) Production Sharing Contracts with (14) Multinational Oil Companies to explore and produce petroleum in onshore and offshore area of Myanmar since 1989. After 3 years exploration period, some of the companies have terminated their contracts. At present, 6 contractors in onshore and 2 contractors in offshore are continuing the exploration works. In Myanmar offshore, Total / Unocal has completed a number of appraisal wells drilling, with a result of increasing gas reserves and the surplus gas will be exported to neighboring countries. In offshore Block M-13 and M-14, Texaco / Premier / Nippon Oil also succeeded in drilling, discovering substantial amount of condensate and natural gas.

32. Potential for further onshore exploration and development exists in Hukaung Basin, Chindwin Basin, Shwebo - Monywa Plain, Salin Basin, Central Myanmar Basin, Bago Yoma Region, Pyay Embayment, Ayeyarwady Delta Basin, Rakhine Coastal Plain and the Sittoung Basin. With the encouraging discoveries from Myanmar offshore Area, the remaining offshore blocks will become more prospective for hydrocarbon play.

Manufacturing

33. A variety of consumer goods are being produced by the State-owned factories of the 8 manufacturing enterprises under the Ministry of No. 1 Industry, such as textiles and garments, foodstuff and beverages, pharmaceutical, soap and toilet goods, enamelwares, aluminum wares, and steel products, cement, marble and porcelain wares, rubber goods, leather packing materials, pulp paper and paints, jute carpet, etc. Most of these factories have ample capacity left for the foreign investors to take advantage in the manufacturing sector. Some of these factories need renovation and modernization to enhance their production capacity to the maximum level.

34. Foreign investors are welcome to submit proposals for activities under the Foreign Investment Law, either as joint ventures or wholly owned foreign enterprises. They can also make manufacturing contracts with these factories by providing raw materials and spare parts and taking back the finished products after payment of processing charges in foreign currency. Foreign investors can also cooperate on a buy-back system, where they need

to supply the machinery and equipment for the new factories or the existing factories on a deferred payment basis and the cost of the machinery and equipment would be paid back in such quantity of finished goods annually at mutually agreed price.

Tourism

35. For the development of Tourism and expedite foreign exchange earnings and to enable to carry out business under Tourism Industry, Myanmar Tourism Law has been enacted in June 1990 with a view to provide security and satisfaction of tourists. Procedures to the said law have been prescribed to apply a licence to operate a Hotel and Lodging house business, Tourist Transport business and Tour Guide business in Myanmar at the Directorate of Hotels and Tourism of the Ministry of Hotel and Tourism. The Myanma Tourism Commission has also been formed to lay down policy guidelines and for the systematic operation of Tourism Industry.

Labour Force

36. Myanmar's labour force constitutes one of the primary resources of the country. Estimated active labour force is about 16.5 million in 1992/93. Fairly well trained manpower and skilled labour is available for most industrial activities. Annual average of about 30,000 students graduated from Universities, Institutes, Colleges and about 8,000 trainees are trained from Agricultural, Technical and Vocational training schools, and all of them are bilingual.

III. SPECIFIC ASPECTS OF MYANMAR'S FOREIGN INVESTMENT.

Foreign Investment Law

37. Myanmar could be classified as a country rich in natural and human resources because of her vast cultivable land, and a long coastline, navigable river systems, lush forests, abundant minerals, gems and literate population. What she really needs to reap the benefits of such endowment is capital for exploiting the same to her advantage and the state of the art technology accompanying it. In this regard it is evident that foreign direct investment can play a significant role. Keeping that in view the Government has taken a significant step by promulgating the Union of Myanmar Foreign Investment Law in November 1988 followed by the procedures of the said Law in the following month. In exercise of the powers conferred under section 7 of the Foreign Investment Law, the Government formed the Foreign Investment Commission (F I C) by Notification 12/88 dated December 7, 1988.

38. The Foreign Investment Commission (F I C) was formed for the management of the Foreign Investment Law and to act as initial approving authority. The Foreign Investment Commission (F I C) is chaired by the Deputy Prime Minister and The Minister for National

Planning and Economic Development acts as the Secretary of the Commission. There are 14 Ministers in the Commission as members and the appointed Joint Secretary carries out administrative matters of the Commission. The duties and power of the Commission are to accept proposals which will promote the development activities and which is in line with the rules and regulations laid down by the State, to scrutinise the proposal with regard to the financial credibility, economic justification and appropriateness of technology. The Commission can also grant terms and conditions on issuance of permit, to monitor and evaluate foreign investment situation, relax and amend the terms and conditions previously defined, to give suggestions and recommendations to facilitate and promote foreign investment and to take necessary and prompt action in respect of issues regarding foreign investment.

Foreign Direct Investment Policy

39. Myanmar's policy on foreign investment is an important component of the overall restructuring and development policy of the Government. The main components of the policy are: ---

- (a) adoption of market oriented system for the allocation of resources.
- (b) encouragement of private investment and entrepreneurial activity.
- (c) opening of the economy for foreign trade and investment.

40. The policy objectives of the Foreign Investment Law are :-

- (a) promotion and expansion of exports.
- (b) exploitation of natural resources which require heavy investment.
- (c) acquisition of high technology.
- (d) supporting and assisting production and services involving large capital.
- (e) opening up of more employment opportunities.
- (f) development of works which would save energy consumption.
- (g) regional development.

41. To give more specific guidance to foreign investors the Foreign Investment Commission (F I C) issued a notification in May 1989 giving in detail the type of activities, covering almost all the economic activities except those reserved to be solely carried out by the State according to the State-owned Economic Enterprises Law. These activities are extraction and sale of teak, exploration and sale of petroleum, natural gas, pearls, jade and precious stones, breeding and production of fish and prawns in fisheries which have been reserved for research by the State, conservation of forest and plantation on commercial scale, postal and telecommunication services, air and railways transport, banking and insurance, broadcasting and television, electricity generating services and manufacture of product relating to security and defence. However Section 4 of the said law relaxes the reservation by providing that the Government may waive the reservation whenever

necessary. These activities can be carried out by forming Joint Ventures between the State Economic Enterprises and Local or Foreign Entrepreneurs or organizations. Accordingly Foreign Investment Commission has permitted the exploration of oil and gas and minerals with the approval of the government. The investors wishing to invest in activities not included in the list issued by Foreign Investment Commission may nevertheless make proposals for investment. Such proposals are being considered individually by the Commission.

Incorporation and Ownership

42. Foreign investors can incorporate their enterprises on a wholly-owned basis. For the purpose of the F I L a foreign investor who is joining with local investors must contribute at least 35 per cent of equity capital. The regulation related to the F I L further requires that a minimum of \$ 100,000 is to be brought into the country as investment. Form of incorporation can be sole proprietorship, partnership, or limited company. Incorporation of enterprises not involving state enterprises is to be made under the Myanmar Companies Act. If the investment involves a state enterprise, incorporation must be made under the Special Companies Act.

43. As the private sector in Myanmar is still at an early stage of development, it may not be easy for foreign investors to find suitable local private business partners. To mitigate this problem, and also to assist Myanmar businessmen to familiarize themselves with various economic activities, the government has established a number of joint-venture corporations (J V Cs) with the private sector. A holding company (The Union of Myanmar Economic Holdings Limited) formed with the present and veteran members of the defence forces has also been set up. Foreign investors can thus enter into joint-ventures with these organizations. They can also enter into joint-ventures with existing state enterprises or co-operative societies or local private business partners, or establish their business on a wholly-owned basis.

Guarantee

44. The Law guarantees that foreign investments undertaken under the F I L shall not be nationalized. It also guarantees the repatriation in foreign currency the rightful entitlement of the foreign investor after the termination of the business. The repatriation of savings of the foreign employees engaged by the foreign investor is also allowed.

Policy regarding labour

45. Foreign investors may hire Myanmar labour without restriction according to the existing law. Employment of foreign technical staff are not restricted. Foreign personnel may also be engaged if necessary, with the approval of the Foreign Investment Commission. Social Security Programmes as laid down by the Social Welfare Department are to be observed.

Policy regarding ownership of land

46. Foreign organizations and persons are not allowed to own land in Myanmar. However, land may be acquired on long renewable lease (up to 30 years) and extendable on individual case basis, generally every 10 years.

IV. INCENTIVES FOR FOREIGN INVESTMENT

47. The Foreign Investment Law provides special tax incentives for foreign investors in Myanmar. These incentives are presented below:-

- (a) in respect of any enterprise for the production of goods or services, exemption from income-tax for a period extending to 3 consecutive years, inclusive of the year of commencement of production of goods or services; in case where necessary, exemption or relief from income-tax for a further reasonable period depending upon each case may be granted;
- (b) exemption or relief from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within 1 year after the reserve is made;
- (c) right to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business, at the rate approved by the Commission;
- (d) if the goods produced by any enterprise are exported, relief from income-tax up to 50 per cent on the profits accrued from the said export;
- (e) right of an investor to pay income-tax on behalf of foreign employees and the right to deduct such payment from the assessable income;
- (f) right to pay income-tax on the income of the foreign employees at the rates applicable to the citizens residing within the country;
- (g) right to deduct from the assessable income, such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State;
- (h) right to carry forward and set-off losses up to 3 consecutive years from the year the loss is sustained;
- (i) exemption or relief from customs duty or other internal taxes or both on machinery equipment, instruments, machinery components, spare parts and materials used in

- the business, which are imported as they are actually required for use during the period of construction;
- (j) exemption or relief from customs duty or other internal taxes or both on such raw materials imported for the first 3 years' commercial production following the completion of construction.

In case of export oriented commodities, Commercial tax levied on these commodities may be exempted on application.

48. In addition to these incentives foreign investors will be able to lease land and immovable property at reasonable rates from the government. As Myanmar is classified as a least developed country it is also entitled to tariff privileges such as the generalized system of preferences. The incentives provided are reviewed and adjusted to be inductive and competitive with other countries.

V. APPLICATION / APPROVAL PROCEDURES.

49. The application and approval procedures in practice at present are as follows:-

- (i) A promoter for foreign investment shall submit a proposal in prescribed form to the Foreign Investment Commission. The proposal has to be supported by the following documents.
 - (a) Business profile and documents supporting financial credibility (audited final accounts of a most recent year of the person or the firm that intends to make investment).
 - (b) Bank recommendation regarding the business standing.
 - (c) Detailed calculation relating to the economic justification of the proposed project indicating:
 - estimated annual net profit
 - estimated annual foreign exchange earnings or savings and the foreign exchange requirement for the operation
 - recoupment period
 - prospects of creating employment
 - prospects of increase in national income
 - local and foreign market conditions.
 - (d) If it is a hundred per cent foreign investment, a draft contract to be executed with a State organization that is responsible for the smooth operation of enterprise in the respective field.
 - (e) If it is a joint-venture, a draft contract to be entered into between the foreign investor and local counterpart.
 - (f) If it is a joint-venture in the form of a limited company, draft Memorandum and Articles of Association and also a draft contract between the foreign and local investors.
- (ii) The Commission issues a permit if the proposal is approved.

(iii) Limited company whether a branch of foreign principal or engaged in local joint venture, being a foreign company has to apply for permit to trade to the Ministry of National Planning and Economic Development through the Companies Registration Office.

(iv) For being granted a permit to trade the company has to be registered with Companies Registration Office under the Ministry of National Planning and Economic Development.

(v) Enterprises whose operation involve foreign trade have to apply for registration as an exporter or importer with the Export Import Registration Office under the Ministry of Trade.

VI. FOREIGN INVESTMENT INDUCEMENT.

50. The promulgation of Foreign Investment Law has been effective in inducing foreign capital inflow and up to the end of August 1993, the commission has permitted 75 enterprises from 16 countries. The total foreign capital participated is estimated to be US \$ 909 million.

VII. CONCLUDING REMARKS.

51. Myanmar provides a rich venue for investment with her vast forest, river system with broad delta, a long coastline, mountain ranges, cultivable plains and highlands on geographical surface. Myanmar's natural resources here are still unexploited as the area of investment had been mostly in the primary sector. The emphasis now is to enhance development to the primary sector and to give priority to those investment that will develop primary product-based industries, or industries with higher value added and particularly export oriented industries. Foreign capital plays an important issue to the development process and foreign investments meeting the basic criteria of export promotion, effective and efficient mobilization of natural resources, acquisition of high technology and regional development are warmly welcome.

Table 1

Foreign Investment in Myanmar by Sector
(as of August 31, 1993)

	Nos.	Foreign Capital (US \$ in million)
(1) Agriculture	1	3
(2) Manufacturing	21	79
(3) Fisheries	9	88
(4) Oil and Gas	20	381
(5) Mining	9	142
(6) Hotel and Tourism	14	215
(7) Transport	1	1
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Total	75	909
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Table 2

Foreign Investment by Country of Origin
(as of August 31, 1993)

	Nos.	Foreign Capital (US \$ in million)
(1) Australia	2	27
(2) Austria	1	72
(3) Bangladesh	2	31
(4) Canada	1	22
(5) China	1	*
(6) France	1	10
(7) Hong Kong	11	57
(8) Japan	5	101
(9) Korea	6	59
(10) Macau	1	2
(11) Malaysia	1	9
(12) Singapore	11	45
(13) Thailand	14	176
(14) The Netherlands	1	80
(15) U.K	7	43
(16) U.S.A	10	203
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Total	75	909
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* less than \$ 1 million.