

# Myanmar Matters™

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## RAISING THE BAR FOR INDO-MYANMAR TIES

A bridge between South Asia and Southeast Asia, Myanmar has loomed large on India's diplomatic horizon. Blending business, culture and diplomacy, there is a strong connect between the two countries. Buddhism, Business, Bollywood, Bharatanatyam and Burmese Teak are the five Bs that frame India-Myanmar relations in popular imagination. Moving beyond this rich configuration, the relations are now acquiring greater economic weight and strategic orientation.

External Affairs Minister Sushma Swaraj's visit to Myanmar comes days after the foreign office consultations between the two countries in New Delhi that saw the two sides discussing an entire gamut of bilateral issues, including trade and investment, energy and development cooperation. The talks in Nay Pi Taw, the new capital of Myanmar, will set the stage for Prime Minister Modi's visit to the Southeast Asian country in November for the India-ASEAN summit and East Asia Summit. The importance of Myanmar for India is all-too-obvious: India and Myanmar share a long land border of over 1600 km and a maritime boundary in the Bay of Bengal. Nurturing all-round relations with Myanmar is crucial to the economic transformation of India's north-eastern states. Myanmar is also critical to India's national security. The two countries have sealed a pact to share real time intelligence to combat Indian insurgents operating out of the border region. The pact envisages the conduct of coordinated patrols on each side of the border and maritime boundary and entails exchange of information to jointly combat insurgency, arms smuggling and drug, human and wildlife trafficking.

The bilateral relations, underpinned by the 1951 Treaty of Friendship, have stood the test of time and shown a rare dynamism and resilience.



**INDIA INVESTS IN MYANMAR**



*SHWEZIGON PAYA NEAR BAGAN, MYANMAR*

## A SPIRITUAL JOURNEY TO MYANMAR

Myanmar is known as a very spiritual country. More than 90 percent of the Burmese practice Theravada Buddhism, a fact common in this region of the world since Thailand, Cambodia, Laos and Sri Lanka report similarly high percentages of Buddhism. Burmese society differs a bit though because they embrace the merit-making tenant of Buddhism. Meaning the religious engage in good deeds, offerings, and charity work to build merit on their path toward enlightenment, a task is not undertaken lightly.

Many Burmese practice meditation. Insight Meditation or Vipissana, "to see things as they really are," is the most common form in Myanmar.

Buddhism and spirituality is a consistent and daily part of Burmese life. In fact, in terms of ceremonies, merit-making activities, and donations, Myanmar ranks as the most religious Buddhist country in the world according to scholars. Myths, animism, and spirituality form the religious core of Myanmar and none of my pre-traveling research prepared me for the deeply spiritual side of daily life in Myanmar and their faithful fastidiousness.

Devotion of religion suffuses the country and is the most obvious layer of spirituality in Myanmar. But when I looked closer at the temples and shrines, Buddha is but one part to their spirituality. Spirit worship and beliefs that pre-date Buddhism are still alive and fully integrated into modern Buddhist worship, as evidenced by the mythical figures and twisted faces of part-animal creatures standing guard on every temple, in street-side shrines, and throughout the countryside.

Visitors to Myanmar from any faith cannot help but appreciate Myanmar's beautiful temples, pagodas, statues and monasteries, the reminders of Buddhism's influence throughout the country since ancient times.

- *Ranjit Barthakur, Founding Chairman, Myanmar Matters*





## MYANMAR'S CAPITAL AND LABOUR MARKET CHALLENGES

Just a little more than a generation ago, many countries in Asia, with the exception of Japan, were associated with endemic poverty, hardline ideological regimes, and state-controlled economies that barely met the needs of the people. The people power uprising in Myanmar, in 1988 was quickly crushed by military regimes intolerant of political change as was the movement pushing for democracy which occurred in China's Tiananmen Square in 1989.

One of the major reasons for Myanmar's reversal of fortunes has been the opening of markets in this region and the associated massive flow of capital that followed. Financial consultants, business executive and central bankers have come a-calling preaching the gospel of the market economy with pockets full of money for foreign investment that may create business and employment opportunities or exploit a country's resources for the benefit of a few.

For a country like Myanmar the benefits and cost to these new developments are far from certain. Economics by nature is not a generous science. The best of all world scenarios are usually exceptions to the rule, with a number of trade-offs being the norm. Growth often is accompanied by the negative effect of income equality, inflation and environmental degradation. The adage that economic growth is an essential condition for economic development it is not necessarily sufficient. And there is no guarantee the opening of the market will improve human rights, though proponents at least give lip service to this goal.

## CAPITAL MARKET

While Myanmar has become a population destination of choice for foreign investment, investors face both substantial opportunities and threats. Myanmar's challenge is to ensure the investment benefits the nation. The inflow of capital provides less developed countries with much needed funds for development that cannot be generated in the domestic market due to a lack of savings. Foreign investment, for example, serves to foster the creation of the infrastructure and industrial base deemed necessary for a market economy to develop. This capital can also fund local entrepreneurs willing to take the risk of starting business ventures. As growth begins, the allure of profits and the desire of firms and individuals to improve their economic standing provide the catalyst for even further investment. This puts the country on the development path and, theoretically, these benefits of the market should significantly contribute to economic growth and in the long-run spread to all sectors of the economy.

At the same time, however, forces are at work that may negate some of the investment benefits. Foreign investment, for example, may mainly drive out local producers. Although the argument can be made that foreign investment creates efficiency in the market due to increased competition, the long-run result may simply be the monopolization of the market by the foreign investor due to deep financial resources. If most of the profits of the foreign investor are repatriated, the positive effects on the domestic market may be negligible and generate fear of exploitation of a country's resources.

In addition, the foreign investments, which tend to flow to those areas with the highest expected rate of return, are often not necessarily the types of investment the population at large needs most. The construction of five-star hotels, office space and golf courses receive investment priority and tend to continue even if a glut occurs. Overseas development aid has too often placed emphasis on providing opportunities for companies associated with the aid-provider rather than the recipient with the end result harmful real estate speculative bubbles. The phenomenon can be found particularly in Myanmar which has become the new gem of both donors and foreign investors despite significant human right violations against ethnic and religious minorities. Although criticism of this opening up has come from some sources, perhaps the best way of understanding the change in philosophy is to quote British economist Joan Robinson, who postulated that “The misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all.”

International organisations such as the World Bank and the International Finance Corporation, for example, still subscribe to the belief that increasing profits of the private sector (and mainly the high income sector) will in the long run benefit the poor. This is just a version of the controversial and frequently discredited trickle-down economic policy of free-market economists. Yes, the benefits may trickle down, but often the amount is a drop of water to the poor for every bucket of water given to the rich. Yes, the luxury hotel will have to hire staff which one can argue benefits the lower income groups.

Granted, over the long run, the growth of the country's economy may have positive effects for the nation as a whole, while the poor (mostly rural sector) may see marginal improvement in their standard of living. However, quite often their relative position declines as prices rise and environment degradation of these areas occurs due to an attitude of “develop at all costs”.



*MYANMAR'S LABOUR DURING CONSTRUCTION OF A ROAD*

## LABOUR MARKET

The opening of the Burmese economy will no doubt benefit the labour market. The market economy will provide the incentive for workers to improve their productive capacity in order to receive higher wages. Higher wages, or the ability to purchase more goods, should in turn foster business and job creation and economic growth. Observing the economy standing of most workers in newly developed economies makes it hard to dispute the advantages of the market economy.

However, in many less developed countries, Myanmar as a good example, the influx of foreign firms also serves to exploit the excess supply of unskilled workers. These firms, relying on the low-cost worker for labour-intensive production, have no incentive to teach these workers more than the rudimentary skills necessary to work on a crude production line. This translates into a long-run situation where the productive ability of the workers does not improve, thus placing the country in a low wage equilibrium trap. Cheap labour – the comparative advantage of a nation – turns out to be its worst enemy.

The benefits of opening the economy of Myanmar will depend on the extent to which market failures are recognized. Addressing the many issues that come up will take time and investors, international agencies, and the Burmese government must be cognizant of the often opposing factors which are unleashed. Political-economic skills must be fully harnessed to avoid instability, disruption, and a return to the violent past. It would be naive in the extreme to assume that historically massive capital inflows and changing labour markets will not create a mixed bag of cost and benefits. The challenge of Myanmar is to create a framework which benefits the economy and society.





NOBEL LAUREATE AUNG SAN SUU KYI GIVES SPEECH TO THE SUPPORTERS IN A 2012 BY-ELECTION CAMPAIGN

## IS SUU KYI'S POLITICAL INFLUENCE BEING SIDELINED?

Myanmar's military rulers have wised up since 1990. After Aung San Suu Kyi was elected in a landslide victory, the military rulers quickly discovered that Democracy threatened control over their self-interests. They promptly placed Suu Kyi under house arrest and returned to their business as usual. Prior to Suu Kyi's release in 2010 Myanmar's dictatorship announced its new Constitution.

Myanmar, with its promised time as the ASEAN Chair, now looks at the 2015 national elections with a sentimental eye on the past and one worried eye on the future. With political scrutiny at an all-time high, the government rule is softly moving into a nebulous conditional domain described by key government officials and military leaders as a “Disciplined Democracy.”

A new constitutional law was written recently by Myanmar's rulers, pre-empting Suu Kyi's release, to prohibit her from running for President. Responding to the law, Aung San Suu Kyi protested at campaign events with massive crowds, reminding some of the famous 1988 uprisings. The opposition seemed to have no way to counter the support for the one person in Myanmar capable of effectively opposing them for years on end simply by remaining in her own home.

Aung San Suu Kyi, National League for Democracy (NLD) followers and like-minded supporters recently made brisk progress, using basic principles of democratic freedom, by gathering millions of signatures to petition the government to amend the law barring her from the Presidency.



*AUNG SAN SUU KYI WELCOMES BARACK OBAMA AT HER RESIDENCE IN MYANMAR*

Will Myanmar's current rulers listen to Myanmar's citizens? Or, will they listen to the Chinese investors, IMF, and other foreign investors currently planning to convert greater Yangon and Mandalay into enormous enterprise zones?

In the past, when Suu Kyi said something, world leaders listened. Their policy reflected well on her words. But now, the situation is different. These days, Washington and other governments seem to need Thein Sein more, while Suu Kyi is becoming a mere symbol for the international community. Foreign diplomats aren't missing meetings with the Nobel Peace Prize laureate, but their meetings are more and more appearing as courtesy calls.

The recent reforms rolled out in 2012 by a former general, President Thein Sien, was touted as amazing progress by governments, institutions and people across the globe itching to get their hands on a piece of Myanmar's vast resources and access to its low wage manufacturing workforce.

With Suu Kyi being nudged out of the top political sphere, her influence on national and regional issues may equally vanish. As Suu Kyi ages and with no national leader remotely as popular in opposition to the military rulers, the NLD may be in danger of permanent collapse. The reality is that while Suu Kyi remains the most influential opposition leader to the current government, she is not the leader of the government. Neither is Suu Kyi just a symbolic figure.

However, until the current rulers stop imprisoning journalists, land rights activists and protestors while ignoring the near-genocidal treatment of the Royhinga people in Arakan State, as well as other ethnic people on the border regions of Myanmar, it's doubtful that Suu Kyi will just give in and consign her supporters to sweat shops and shopping malls.

Myanmar needs solutions to solve issues of basic human rights, to end the misery and suffering of the poor, the uneducated, the hungry, the homeless, and to set free its child soldiers.





**BAMBOO PLANTATION IN MYANMAR**

## MYANMAR EXPORTS: LACK OF MARKET KNOWLEDGE AND POOR QUALITY

Despite the generalised system of preferences given by the European Union, Myanmar exports have not matched expectations after the last fiscal year – lack of familiarity with markets and poor export quality are the main problems, the Commerce Ministry has said.

Dr Maung Aung, an adviser at the ministry, said: “We previously expected US\$100 million worth in exports. But in reality, merely half of that amount was exported last year. After studies, it was found that most local business owners didn't know the market demand there. For example, jade merchants failed to create designs that meet the market taste”. Likewise, the quality of some products was too low to compete in foreign markets.

Myanmar also has access to major foreign markets. In the last fiscal year, peas and beans, fisheries, rice and a small amount of wood and garments were exported to Europe. Currently, Russia also grants GSP on rice, foodstuffs and industrial finished products. Any foreign investor can enjoy GSP privileges if they utilise the resources of Myanmar – including workers – in their businesses. An official at the ministry said “The main point is to use manpower and resources of Myanmar in production for at least 25 per cent to get benefits under the GSP preferential country of origin. This attracts international tycoons to come and operate businesses in Myanmar.”

Last fiscal year, total national trade value hit \$24.9 billion. And this year the figure could top \$30 billion, as trade has reached \$13 billion so far, which is \$2 billion more than the same period last year.

## BAMBOO: MYANMAR'S NEXT BIG POTENTIAL EXPORT

Myanmar's vast bamboo forests have great potential to produce a sustainable crop that could be sold worldwide, according to a group of environmentalists. The country has the third-largest reserve of bamboo forests in the world, and domestically it is an important raw material. Bamboo is used in everyday life for construction and housing, as well as for mats, hats, toys, tools, and food.

With a little technical help, Myanmar's bamboo is good enough to be the country's next major export. However, Myanmar's bamboo forests have been mostly uncared for and poorly protected. Officials collect taxes from the private sector for cutting the shoots down and have limited conservation efforts. Training and teaching of advanced growing and production techniques, to bamboo growers and farmers in Myanmar, would help to cultivate sustainable bamboo plantations. Sustainable management of the forests is key to producing high-quality bamboo products and could be the gateway for a huge export opportunity. Myanmar currently exports finished bamboo products to other countries in the region, but not on a large-scale.

## UPS ENTERS MYANMAR WITH FREIGHT FORWARD SERVICES

United States-based logistics and shipping firm UPS announced the introduction of its freight forwarding services to and from Myanmar. The firm highlighted Myanmar's rapidly growing economy and aims to becoming a manufacturing market as reasons for entering and adding demand for freight services is expected to skyrocket, according a release marking the announcement.



## SAMSUNG PLANS LAUNCH OF SMART PHONES FOR MYANMAR

Samsung's market research team has found that nearly half of the country's internet users are accessing the internet through devices that are not PCs or laptops, highlighting the potential in Myanmar's smart phone industry.

The company plans to release a smartphone in the country that can recognise Myanmar script, but like many phone developers in the country, issues have been faced relating to Unicode and Zawgyi fonts. Speaking at a technology event in Yangon, U Zarni Win Htet, head of handheld devices, also revealed that the South Korean conglomerate is launching a smartphone aimed at the local market, which will be available for less than US\$ 100.

## HELICOPTER RENTALS FOR MYANMAR'S TOURISTS

Airbus Helicopters, one of the world's leading helicopter manufacturing and support companies, plans to introduce helicopter rentals to tourists in Myanmar by the end of the year. Lionel Sinai-Sinelnikoff, vice president of the company's Southeast Asia arm, said that the company's initial aim was to import helicopters for Myanmar's oil and gas industry, but it has also seen potential in using helicopters for the tourism industry. He cited the difficulty in getting to remote areas of the country as being of potential interest to clients, adding that an official announcement will be made on the move in the future.



## FOREIGN INVESTORS PERMITTED FULL OWNERSHIP

The Myanmar Investment Commission (MIC) has expanded the list of businesses that can be owned 100 per cent by foreign investors, as the country aims to attract more foreign investment.

In an August 2014 directive, replacing the January 2013 directive, the MIC – which oversees foreign investment in the country – said that foreign investors with joint ventures in 30 industries, including beverage and small and medium-sized power generating, can boost their ownership to 100 per cent.

Full foreign ownership can be granted to 43 joint venture businesses with endorsement from relevant ministries.

Aside, it defines 21 industries that must be operated under special terms and conditions. For instance, cigarette production is permitted on the condition that the investors must use at least 50 per cent of local content and 90 per cent of the output must be exported. Full ownership is now granted in several areas, including mining, construction, construction material production, jewellery products, coal exports, hydro power and coal-fired power generation.

The oil and gas sector will remain a restricted area: all foreign investors must operate the business in Myanmar only through joint ventures with the Energy Ministry.

Under the Foreign Investment Law, the ministry must hold partial control on the construction of containers, ports, pipelines and related developments to facilitate the export/import, transportation, warehousing, and distribution of oil and gas. Oil exploration also falls into this category, requiring the ministry to hold a stake in offshore oil rigs and chemical factories.





**BURMESE CUSTOMER SEEN BROWSING THROUGH NESTLÉ PRODUCTS IN A YANGON SHOPPING CENTRE**

## NESTLÉ LOOKS TO COMMIT TO MYANMAR MARKET

Swiss food giant Nestlé has confirmed that it is preparing to invest around US\$50 million in Myanmar's food and beverage industry over the next six years, in the latest sign of the Myanmar consumer market's attractiveness to international firms.

A statement from the President's Office said that the investment will be focused on “coffee, milk and dairy products, drinking water and beverages”. The deal is pending approval from the Myanmar Investment Commission, which met with Nestlé representatives in Yangon early last month. A spokesperson for Nestlé confirmed the statement but declined to comment further on the nature of the company's investment.

The statement came following President U Thein Sein's September tour of a Nestlé factory near Bern, Switzerland. Nestlé, the world's largest food company, formed a Myanmar-based subsidiary in September 2013 to explore opportunities in the country. The Vevey-headquartered company already exports a number of its products to Myanmar.

Consumer goods manufacturers have been eager to enter Myanmar's market of 51.4 million people since reforms were initiated three years ago and a new foreign investment law enacted in 2012. Nestlé competitor Unilever opened a production facility in May 2013. In June 2013, soft-drink manufacturer Coca-Cola opened a bottling factory outside Yangon. Rival PepsiCo followed suit in March, opening its own bottling facility. All major projects to date have been joint ventures with a Myanmar partner.

## SUGAR TO SWEETEN THE DEAL IN MYANMAR'S THILAWA SEZ

Myanmar Sugar Development Public Company is planning another share sale to invest in Thilawa SEZ and also finance a sugar processing factory, according to company directors.

Myanmar Sugar will put about K2.95 billion (US\$3 million) of the total K5.5 billion it plans to raise into Thilawa SEZ shares.

Myanmar Sugar is one of nine founding companies which together are to own at least 45 percent of Myanmar Thilawa SEZ Holdings Public Limited (MTSH), which in turn owns 41pc of Thilawa SEZ project, according to MTSH's website and prospectus.

Another 30pc of the capital to be raised is scheduled for a multi-purpose sugar mill in Sagaing Region's Katha township.

The Katha mill will be run under the name Kamdhenu Ventures Myanmar in a joint venture, with the Singaporean partner owning 70pc and Myanmar Sugar owning the rest.

It will refine sugar as well as process ethanol, power electricity and fertilizer, officials said. The rest of the capital is to be allocated to sugar field irrigation.



**SMALL RURAL SUGAR FACTORY, A WOMAN CONCENTRATING SQUEEZED SUGAR CANE JUICE, KAUNGDAING, INLE**



## CHINA UNIONPAY INTERNATIONAL CARD TO BE INTRODUCED

China UnionPay International (China UPI) has announced that it is working in cooperation with Myanmar's Cooperative Bank (CB Bank) to introduce its EASi Travel UnionPay card in Myanmar for the first time, which will allow Myanmar citizens to make domestic and international payments. The card, which CB Bank says will be available from September, is deposited with Myanmar kyats and is accepted in more than 140 countries nationwide. China UPI signed a joint-venture agreement with CB Bank related to ATM machines in December 2012, and has also reached an agreement with Myanmar Payment Union regarding points-of-sale terminals. Myanmar's banking industry is slowly opening up after years of isolation and ATM machines were introduced for the first time in late 2012, as were payments via MasterCard and Visa.

## BANKERS URGE GOVERNMENT TO SET UP CREDIT BUREAUS

Myanmar's nascent banking industry has urged the government to set up "credit bureaus" whereby banks could learn borrowers' credit histories, giving a better insight into a customer's background before granting loans. A borrower's ability to pay back a loan is an important factor when evaluating their suitability for loans and credit bureaus would be useful for banks to assess the risks associated with lending.

As part of the current banking system, which is undergoing rapid reforms as the country attracts a surge in investment from abroad, a borrower must provide collateral as part of any borrowing, a hindrance to many businesses that do not have sufficient capital.



## GOVERNMENT HOPES TO START INSURANCE SCHEME IN 2015

A ground-breaking scheme is being launched that will enable Myanmar citizens to take out insurance covering health, insurance and the effects of bad weather in the next few months says U Maung Maung Thein, Deputy Minister for Finance and Revenue.

The comprehensive "Policy Insurance" would be a major step forward for the industry, with health insurance already available. Education insurance would cover tuition costs for a student in the event of the death of the parent or guardian. "The premium will be lower if all parents buy education insurance," said U Maung Maung Thein, adding that he was in discussion with the Education Ministry over making the insurance compulsory.

Some insurance companies had planned to launch weather index insurance in 2015 on the basis research conducted by experts on weather conditions, rainfall and temperature.

"This insurance covers weather condition in a region. It doesn't take into account how much damage is caused because of the weather. The company sells the insurance according to the rainfall of a given region, and the company will compensate policy holders if rainfall exceeds the average," he said.

Myanmar Insurance formerly offered a crop insurance policy that compensated for the destruction of a harvest, but farmers reportedly found it poorly managed and slow. The new policy is being introduced to reduce the government's responsibility for hardships caused by unpredictable events. The deputy minister confirmed that the special travel insurance launched last May was attracting more attention following the YarZar Min bus accident, despite initial criticism over the K300 it added to the ticket price.



**THE SERVICE, PLYING ON THE COLOMBO-CHENNAI-KRISHNA PATNAM-YANGON ROUTE, WILL CALL ON CHENNAI PORT EVERY FORTNIGHT.**

## US\$ 45 MILLION IN LUXURY HOTEL: NAYPYIDAW

The country's capital, Naypyidaw, has a reputation of being somewhat of a ghost town, but international hotel group Kempinski is confident about its prospects as it prepares to open a new luxury five-star hotel there in November.

Local conglomerate Kanbawza (KBZ) Group and Jewellery Luck Company have invested US\$45 million total, taking 50 percent shares each, in what will be the city's most expensive luxury hotel, Kempinski Hotel Nay Pyi Taw, managed by Europe-based Kempinski.

The hotel will be the second hotel in Naypyidaw to be managed by an international chain. It will be built in Hotel Zone 1, where the most expensive local and international hotels are located, near the summit venue for the Association of Southeast Asian Nations (ASEAN). Kempinski acquired the 50 acre compound for the 141-room hotel in late 2012, the construction of which would be finished before the ASEAN Summit in November. Room prices will be the most expensive in the city, ranging from US\$220 to \$4,000.

But some are questioning whether Naypyidaw—a city that seems mostly empty of people for much of the year—needs more hotels, when many rooms have remained empty during previous ASEAN meetings. “I don't think hotels in Naypyidaw can survive after the ASEAN Summit this year. Many international delegations come due to meetings, but in terms of regular guests, there won't be enough beyond the summit,” said Kyaw Lin Oo, executive director of the Myanmar People Forum Working Group, which organize forums for the public in the capital.

## CHENNAI-YANGON CARGO FERRY LAUNCHED

The state-run Shipping Corporation of India (SCI) launched a cargo ferry service, connecting Chennai port with Yangon in Myanmar. Flagged off by Union shipping secretary Vishwapati Trivedi, SCI Kamal has a capacity of 1,200 TEU (20 feet equivalent unit). The service, plying on the Colombo-Chennai-Krishnapatnam-Yangon route, will call on Chennai port every fortnight. “This is the first venture of SCI's to Myanmar. This standalone ship service was launched as part of the Union government's 'Look East' policy and to re-ignite our historical trade ties with Myanmar,” said an SCI official. This service was launched with the aim to strengthen economic ties between the two countries.

## MEAGRE PROPERTY TRANSFER RULES: HAMPERING DEVELOPMENT

Members of the real estate industry in Myanmar are protesting against property transfer rules such as allowing property buyers to avoid declaring the source of their income by paying a 30 percent tax. They believe it has led to encouragement of money laundering, property speculation and increasing land costs, especially in industrial zones.

U KyawKyaw, the vice chairman of ShwePyitha industrial zone management committee, said speculation was hampering development. “Many of those buying land are not real industrialists,” said U KyawKyaw. “They are buying with the sole intention of re-selling at a higher price and the real industrialists are being priced out of the market,” he said



## OOREDOO BEGINS INITIAL TELECOM SERVICES

Affordable mobile phones have finally been made available in Myanmar after Ooredoo began offering limited services at the beginning of August 2014. A total of 68 towns and cities will have access to Ooredoo services and the company plans to reach 25 million people in 450 cities by the end of the year. Ross Cormack, CEO of Ooredoo Myanmar, said that the company's services provide high-definition voice services and fast internet in all the areas where coverage is available. Affordable SIM cards have been highly anticipated since Ooredoo and Norwegian firm Telenor were announced as the winners of an international tender to operate telecoms services in Myanmar in June 2013. No official announcement has been made by Telenor regarding their services, but they are expected to go live within the next few months.

## FISHING FOR EXPORTS: FARMERS TO TRY DIFFERENT SPECIES

With a recent decline in farmed and caught fish exports, over the last two years, Myanmar fishers are looking to new ideas in a bid to stem the tide in declining exports, including switching to new species.

Fish farmers in Myanmar are looking to switch to the tilapia freshwater fish species as they take less time to reach maturity. However, transitioning to tilapia species will require new technologies and methods and possibly also government support.

International farmers are also developing technology and methods for their own farmed tilapia, which can be imported into Myanmar to improve the industry.



**H.E. THEIN SEIN, PRESIDENT OF THE REPUBLIC OF THE UNION OF MYANMAR**

## PRESIDENT THEIN SEIN CALLS FOR CONTINUED REFORM

Myanmar President U Thein Sein has called for continued reform efforts at the 4-Monthly Meeting of Union Government, underlining that three years of the five-year term of the Union Government have already ended. Addressing a meeting, U Thein Sein said the government is determined to move forward without backtracking.

During the three years, much progress has been made to end the armed conflicts that have been going on for over 60 years, he said. There is almost no fighting in the country and a ceasefire agreement is going to be signed in the days to come, he said while emphasising that a political dialogue is to be held after an agreement is signed.

He said the rule of law is to be maintained with continuous efforts, adding that crimes are to be reduced through different ways and means in addition to legal actions. Regarding drugs eradication, he said it is one of the biggest challenges the country is facing and it is necessary to combat it by forming groups with public participation.

To boost employment, the people should be provided with land and water, U Thein Sein said. Regions and states are required to attract and invite foreign investment that will not undermine the interests of the people and to encourage joint ventures with foreign firms and public-private partnership, U Thein Sein added.



**MYANMAR MJETS BUSINESS AVIATION CENTRE (MBAC)  
AT THE YANGON INTERNATIONAL AIRPORT**

## JET SET GO: MYANMAR'S FIRST PRIVATE OPERATING BASE

Myanmar has received its first fixed-base operator (FBO), after the Myanmar MJets Business Aviation Centre (MBAC) opened at the Yangon International Airport.

An FBO involves a commercial company being given the right by an airport to operate on the airport and provide aeronautical services including fuelling, aircraft rental and maintenance and flight instructions, among other roles.

The new centre is part of a collaboration between Thai FBO operator Mjets, local aircraft handling firm the WahWah Group and Myanma Airways, the national carrier of Myanmar and Myanmar's Department of Civil Aviation.

The Myanmar MJets Business Aviation Center (MMBAC) includes an executive lounge, four crew day rooms and a flight planning office. The facility has dedicated on-site customs and immigration clearance and a security checkpoint.

The facility will be able to handle 300 business aircraft flights this year. The two-storey building also has direct access to the Myanmar Airways hangar, where visiting private jets can park. Ramp services will be provided by Myanmar Airways under an operational support agreement with MMBAC.

The inauguration of the new facility comes as Myanmar's economy strengthens. "There have been many wealthy and discerning aircraft owners requesting VIP treatment at Myanmar airports which I could not provide because facilities like what MMBAC has built simply did not exist," said founder and chief executive officer of WahWah Ohn Myint

## MYANMAR TO OPEN EIGHT ONE-STOP DRUG REHAB CLINICS

Myanmar is the world's second largest opium producer after Afghanistan and is Southeast Asia's biggest synthetic drug maker, says the United Nations Office on Drugs and Crime (UNDOC).

Myanmar has 300,000 drug users, according to the UNDOC. Drug production in the country's war-ravaged borderlands has surged in recent years, particularly the manufacture of methamphetamine tablets in jungle laboratories.

Myanmar's health ministry plans to set up eight one-stop rehabilitation centers to provide treatment and counseling services to drug addicts as the country wages an uphill battle against surging opium production.

The new facilities offering a full range of services at one location will open soon, Hla Htay, program manager of the National Drug Abuse Control Program, said at a press conference at Yangon's Thingangyun Sanpya General Hospital.

## ELEVENTH PARLIAMENTARY SESSION BEGINS

Myanmar's parliament began the 11th session of the AmyothaHluttaw (Upper House) and the PyithuHluttaw (Lower House). In his opening address to the Lower House, speaker Thura U Shwe Mann said that issues discussed during this session included possible amendments to the 2008 constitution, the state budget and other important laws that need to be rectified a little over a year before the country's General Election. It is also expected that the government will decide on which foreign banks will be permitted licenses to operate within the country.



## SEVENTH ANNIVERSARY OF SAFFRON REVOLUTION OBSERVED

A ceremony to commemorate the seventh Anniversary of the historic Saffron Revolution was held at Dhamapiya Monastery in Yangon's Thingangyun Township drawing Buddhist, Islamic, Christian and Hindu religious leaders. The ceremony called for full, fundamental democratic rights, free and fair elections, a united effort to end insurgencies, and an end to religious and racial conflict in the country.

The event was organised by Buddhist monks who had been participated in the revolution with political groups. The Saffron Revolution began in early September 2007. Members of the public began protests calling for lower fuel and commodity prices. Later, thousands of Buddhist monks joined the protests, which spread from Yangon to other states and regions.

## SUU KYI REITERATES CALL FOR NATIONAL RECONCILIATION

National League for Democracy (NLD) Chairperson, Aung San Suu Kyi, has called on the ethnic minority people of Myanmar to keep alive the spirit of national reconciliation.

Speaking in Naypyidaw to NLD members who had travelled in from Karen State, she said, "I would like to urge you to keep alive the spirit of national reconciliation, which brings about mutual understanding and mutual respect, and allows us to help each other, whether it be among our own ethnic people or among all [Burmese] citizens – all the people of the union, regardless of race, religion, language or place of birth."



*A REGULAR SESSION OF MYANMAR UPPER HOUSE AT PARLIAMENT IN NAYPYITAW, MYANMAR*

## MYANMAR'S BY-ELECTIONS CANCELLED

The decision to scrap Myanmar by-elections at the end of this year came as a surprise to the country's political parties, who had been gearing up to contest the 35 empty seats in Parliament.

While abrupt, the UEC, which was formed in 2010, says its decision to cancel Myanmar's by-elections is not without grounds. The body announced in a statement that it had only made the decision after consulting with "concerned individuals and organisations".

The UEC explained that Myanmar, as ASEAN Chair, needs to focus its efforts on organising upcoming high-profile ASEAN meetings such as the 25th ASEAN Summit and the 9th East Asia Summit that will be held in Nay Pyi Taw.

The commission also cited the high costs of holding by-elections, estimated at 2 billion kyat (\$2.53 million), as a reason for cancelling the vote. With only a year left leading up to the 2015 general elections, this would constitute a waste of time, effort and money, not only for Myanmar, but also the country's nearly 70 political parties.

But questions have risen about whether the Union Election Commission (UEC) is truly independent from Myanmar's ruling party. Opposition parties, especially those from the violence-prone Rakhine State and Kachin State, have also raised the need to re-examine the UEC's decision-making process, to ensure that Myanmar will have a free and fair general election in 2015.



*RUINED TEMPLE, BAGAN, MYANMAR*

## ANCIENT TEMPLES OF BAGAN – ONE OF ASIA'S RICHEST ARCHAEOLOGICAL SITES

Bagan, located on the banks of the Ayeyarwady River, is home to the largest and densest concentration of Buddhist temples, pagodas, stupas and ruins in the world with many dating from the 11th to 13th centuries A.D., when Bagan was the seat of the Myanmar dynasty. The shape and construction of each building is highly significant in Buddhism with each component part taking on spiritual meaning.

Bagan became a central powerbase in the mid-9th century under King Anawratha, who unified Burma under Theravada Buddhism. In 1057 Anawrahta conquered Thaton and brought back to his capital the Theravada scriptures in Pali, a large number of Buddhist monks, and artists and craftsmen of every description. From the Mon monks the Bagan people received their alphabet, religion and scriptures.

It was from this momentous date that there began the extraordinary architectural and artistic activity which, in a little more than two centuries, covered the city and its environs with thousands of splendid monuments of every shape and size, the inner walls of most of which are decorated with incredible frescoes. It is estimated that as many as 13,000 temples and stupas once stood on this 42 sq km plain in central Myanmar, and Marco Polo once described Bagan as a "gilded city alive with tinkling bells and the swishing sounds of monks' robes".

Bagan's golden age ended in 1287 when the Kingdom and its capital city was invaded and sacked by the Mongols. Its population was reduced to a village that remained amongst the ruins of the once larger city. Thousands of pagodas were despoiled by the invaders and vandals, left to decay and ruin.





## BAGAN, MYANMAR

The monuments seem to overwhelm the landscape with approximately about 2,000 remaining today, in various states of disrepair. Some are large and well maintained, such as the AnandaPahto, others are small tumbledown relics in the middle of overgrown grass. All sites are considered sacred, so when visiting, be respectful including removing shoes as well as socks before entering or stepping onto them.

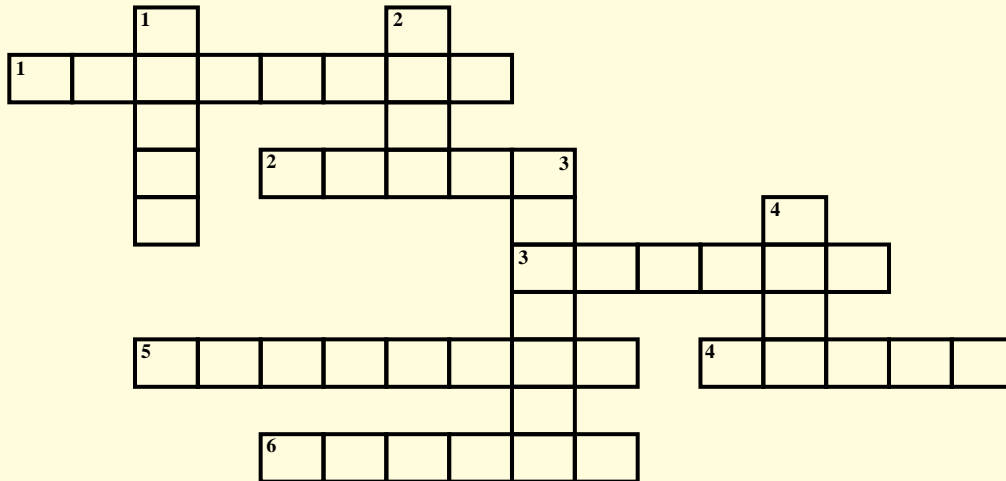
What makes the temples look romantic is the process of graceful aging, with the peeled off stucco coating of the temples, to reveal the brick structural blocks with its rusty, reddish, and sometimes golden brown-like patina when hit by the sun's rays.

Other images of Bagan which make a lasting impression to tourists aside from the spire-fringed skyline are the ubiquitous pair of ferocious stone lions flanking a temple's door, the



spiky and lacy eave fascia woodcarvings lining a monastery's ascending tiers of roofs, bougainvilleas, exotic cotton trees, and the likes bringing life to the arid landscape and abandoned ruins, horse drawn carriages lazily carrying drop-jawed tourists; sleepy moving grandfather's bullock carts grinding on a dust-choked

trail; not to mention the stray dogs loitering and longyi clad men spitting betel chews in copious amounts everywhere, overgrown weeds and the pestering dust.



## ACROSS

1. Myanmar is home to one of three largest World War II cemeteries
2. The United States officially still calls the country by its former name
3. In May 2008 Cyclone hit Myanmar
4. Burmese love to chew on this nut
5. 90% of the Burmese are followers of this religion
6. A popular violent game across Myanmar

## DOWN

1. This is the gateway to the Myanmar's Himalayas
2. There is a widespread superstition around cutting in this country
3. In July 194, this AFPFL Leader was assassinated
4. It is a little known fact that this alcohol is made in Myanmar

## WILD MAHSEER

Wild Mahseer, nestled in a lush green tea garden in Balipara, Assam, India spreads across colonial bungalows, 23 acres of organic land and a bio-diversity park. Experience a little piece of "Old England" in the British heritage bungalow, learn the nuances of tea tasting or just unwind in the organic farmland. The name Wild Mahseer was inspired from the famous gaming fish Golden Mahseer in the Jia Bhorelli River nearby. Undertake raftings and birdwatching in the icy blue waters of the river and trekkings in adjoining Nameri National Park.



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## MYANMAR'S BEACH PARADISE: UNDISCOVERED

Two thousand kilometers of coastline, much of it long stretches of white sand, put Myanmar in the running to be Asia's next super-popular beach destination. Many of Myanmar's beaches are unspoiled and undiscovered, reminiscent of Thailand's beaches 20 years ago.

The best ones are along the shores of the Bay of Bengal and the Andaman Sea, these beaches face west, virtually guaranteeing great sunsets. A glimpse of the four of the best Myanmar beaches to visit:

### *Ngapali*

This is a dream beach with seven kilometers of white sand fringed with palm trees. The turquoise sea is crystal clear. The beach is named after the Italian city of Naples -- a homesick Italian bestowed the name, so the story goes. The tourist industry is well developed and there's plenty to do from sea sports -- snorkeling, scuba diving, kayaking -- to cycling and golf.

### *NgweSaung (Silver Beach)*

South of Ngapali and closer to Yangon, the resorts on this stretch of coast arrived a little more than a decade ago. The sea is as clear as it is in Ngapali, but the area isn't as developed, making it a seriously laid back spot and a great place to do nothing after exploring the country.

### *Chuang Tha*

Buddhist novices collect morning alms in Chuang Tha, about 240 kilometers west of Yangon. It's not as beautiful as Ngapali or NgweSaung beaches as the sand isn't as white and the beachfront is a jumble of hotels, but it's hugely popular, especially on weekends and holidays.

### *Kanthaya Beach*

This is the Myanmar beach to hit if you really want to get away from development. Kanthaya Beach is unspoiled and undeveloped. There are no beachside sports and shops, and that's the attraction. The beach is shallow and 4.5-kilometres long. Unlike the white sandy beach of Ngapali, 100 kilometers north, the sand here is golden and a little gritty.

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*EXTERNAL AFFAIRS MINISTER SMT SUSHMA SWARAJ WITH PRESIDENT U THEIN SEIN AT NAYPYITAW (11 AUGUST, 2014)*

## SUSHMA SWARAJ ON MISSION MYANMAR

Describing her four-day Myanmar visit as "very successful", External Affairs Minister Sushma Swaraj said she forcefully articulated India's position in meetings of ASEAN, ARF and East Asia Summit besides having bilateral engagements with her counterparts from 11 countries.

Wrapping up her visit, Ms. Swaraj said Prime Minister Narendra Modi's vision has significantly increased India's stature among foreign governments in the last two-and-half months as they felt the new government can deliver on its promises and boost trade and investment.

Ms. Swaraj, who attended the ASEAN Foreign Ministers Meeting, ASEAN Regional Forum Meeting and East Asia Summit Foreign Ministers' Meeting - her first multilateral engagement as External Affairs Minister - said the leaders she met were quite excited about the new government in India and some of them were of the view that it will function without any "pressure or blackmail" as it came with a clear majority.

"Everybody was impressed by Modi's vision. They feel that investment opportunities have increased in India as the government has an ambitious agenda and they wanted to be part of it," she told reporters before leaving for New Delhi.

The ASEAN, ARF and EAS meetings were dominated by a fresh standoff in the South China Sea where India strongly favoured freedom of navigation and access to resources in the resource-rich area and said the dispute must be resolved as per international law.





**EXTERNAL AFFAIRS MINISTER OF INDIA SMT. NIRMALA SITHARAMAN WITH FOREIGN AFFAIRS MINISTER U WUNNA MAUNG LWIN (NAYPYITAW, 11 AUGUST, 2014)**

Addressing the issue of China's increasing presence in Myanmar, Swaraj said, "We have very good relations with Myanmar. I have discussed matters relating to PIOs here as well as visas issued between the two countries. We don't need to compare ourselves with China." Implied that India's position on the South China Sea has been firm, she said that "no such issue should be resolved through conflict and war" but through peaceful dialogue. "This is my first such event and I have placed India's stand firmly before the various forums," she said. Ms. Swaraj also had bilateral meetings with foreign ministers of 11 countries including Japan, Australia, South Korea, Indonesia and Thailand.

In her meetings with President of Myanmar U Thein Sein and Foreign Minister U Wunna Maung, Swaraj raised India's serious concern over certain militant outfits of north eastern region having bases inside its territory and asked the country to take action against them. "Though political leadership of Myanmar has been maintaining that Myanmar does not and will never allow groups whose interests pose a threat to India to operate, the ground reality is very different. I have told the foreign minister that these groups pose a threat not only to India but to Myanmar as well and that they need to be handled sternly".

Both foreign ministers discussed connectivity projects, including land, maritime and air connectivity and the much awaited trilateral highway which will connect India-Myanmar-Thailand to facilitate people-to-people contact and trade. "I have suggested that a direct flight be started from Delhi-Bodhgaya-Yangon. Right now, flights to Myanmar are all through Bangkok. We need to rectify this", she said.



**TIMBER TRAILS MYANMAR**

## US TO WAIVE TIMBER SANCTIONS FOR ONE YEAR

The United States Treasury Department have granted a special one year licence for certain US companies to trade with Myanmar Timber Enterprise and other members of the timber industry currently under sanction by the United States.

The announcement has drawn both praise and concern from forestry experts; with some applauding the hands-on approach to reform and others warning that the scheme could end up reinforcing the corruption that has defined the timber industry for decades.

The licence specifically allows members of United States-based timber group International Wood Products Association (IWPA) to import Myanmar Timber Enterprise's products.

The Myanmar Timber Enterprise is a state-related outfit dedicated to extracting timber. As an industry leader, it has been targeted by environmental groups claiming a broad range of corruption, unsustainable production and human rights abuses. Instead of promoting good governance and inclusive participation, the status quo of corruption and environmental crime that has long plagued the forest sector in the country is unfortunately being further buttressed by international lobbying interests.

Reports from numerous environmental groups indicate that deforestation had increased at an alarming rate in the last decade, driving some species of trees to near extinction. Given this dire situation, U Win Myo Thu said a temporary ban on exports may give the industry time to develop best practices.

## TTW TO INVEST IN TAP WATER SYSTEMS FOR MYANMAR

Thai Tap Water (TTW) Public Company has announced its first overseas project by investing an initial US\$ 10 million in a tap-water system in Mawlamyine, Myanmar. The company is in talks with a local investor in Myanmar to develop the system with an estimated initial daily production capacity of 30,000 cubic metres.

The investment will be made through the company's subsidiary Thai Water Operations, holding a 70 percent stake in the joint-venture, with the remaining 30 percent held by the local Myanmar partner.

Managing Director Chaiwat Utaiwan has admitted that the company does not expect to make profit from the venture, but aims to use it as a Pilot Project to show the Myanmar government of its potential to provide further services such as waste-water treatment.

## \$105M LOAN FROM JAPAN FOR COMMUNICATION NETWORK

Japan has pledged to provide Myanmar with 10.5 billion yens (\$105 million) in loan to help the country improve communication network linking major cities of Yangon, Mandalay and Nay Pyi Taw. The low-interest loan, aimed at meeting the growing demand for mobile phones and internet in the country, was offered by Japanese Foreign Minister - Fumio Kishida, during talks with his Myanmar counterpart - U Wunna Maung Lwin, on the sidelines of ASEAN-related meetings in Nay Pyi Taw. Japan is also helping Myanmar in development of postal sector by providing technical support to the latter in postal services.



## MYANMAR - S.KOREA: BILATERAL RELATIONS IN SME SECTOR

Myanmar and South Korea will promote bilateral relations in the country's small and medium enterprise sectors of agriculture, energy, manufacturing, construction, transport and trading, according to the Union of Myanmar Chambers of Commerce and Industry (UMFCCI). The 29-member trade delegation from nearly 33 firms from South Korea visited Myanmar on a three-day trade mission to explore business opportunities in SME sector.

During the visit, the Trade Promotion Committee of the UMFCCI and the Kangnamgu trade delegation signed the Memorandum of Understanding (MoU) to boost trade and investment and exchange market and business information between the two private sectors.

## NEW ZEALAND-MYANMAR TRADE PROSPECTS STRONG

Bilateral trade with New Zealand is set to grow after Myanmar's 2015 election, the antipodean nation's minister for economic development has predicted. Steven Joyce has stated that his country's government was looking to improve trade relations with the fast-growing ASEAN region, which would also see the prospects for business between Myanmar and New Zealand improve. New Zealand is definitely showing interest in Myanmar as a growing market for its dairy products, which make up more than a fifth of the country's total exports, as well as for its potential for agribusiness, consultancy services and telecommunications.



**SOUTH KOREAN PRESIDENT LEE MYUNG-BAK SHAKES HANDS WITH HIS MYANMAR COUNTERPART THEIN SEIN**

## RUSSIA LOOKS EAST TOWARDS MYANMAR

Russia has proposed a significant increase in bilateral trade with Myanmar, expecting to reach US\$500 million and establish itself as a prominent trade partner. An agreement was signed between Russian Economic Development Minister Alexei Ulyukayev and his Burmese counterpart in Naypyidaw.

The increase in trade has been predicted to rise from US\$114 million to US\$500 million a year by 2017 and is expected to boost development across sectors such as energy, industrial development, information technology and aviation, among others.

With the increasing severity of proposed trade sanctions against Russia by US and European Union, the possibility of Russia strengthening diplomatic relations with Asian countries seems to be a feasible option.

Russia has long fostered good diplomatic relations with Myanmar, being the only other UNSC member along with China to veto interference in the country's internal affairs in 2007. Hence, the bilateral agreement may come as no surprise to observers considering the long-standing political and economic influence that Russia has enjoyed in Myanmar during the course of decades-long Western sanctions.

Another precedent of the bilateral agreement would be the investment in Myanmar by Russian oil company Bashneft. Earlier in August, Bashneft signed a production sharing contract with Myanmar Oil and Gas Co and Sun Apex holdings. With an investment reported to be around US\$38.3 million, Bashneft will own 90 percent of the operation.



YE YWAR HYDRO POWER DAM, MYANMAR

## HYDROPOWER: CLEAN ENERGY PROPOSAL FOR MYANMAR

Only about 30 percent of Myanmar's population has reliable access to electricity, with about 70 percent of this being produced by hydropower, considered the cheapest and least-polluting source.

The Government of Myanmar thus plans to build 32 hydropower projects as joint ventures with foreign companies, most of which are Chinese firms, according to a report from the Ministry of Electric Power.

The government has already signed joint venture agreements with foreign companies to build four hydropower projects and memorandum of understanding for another 19, the ministry said, adding that nine other projects were on the table. The joint venture agreements will allow the companies to build and operate power plant for up to 40 years before transferring them to the Union government.

At Myanmar Global Investment Forum, Vikran Kumar, International Finance Corp (IFC)'s resident representative for Myanmar, said "Hydropower sector is more suitable for Myanmar. Organisations such as IFC and the World Bank don't want to provide technical and financial assistance when power generation methods are not based on clean energy."

Myanmar has focused on generating electricity through gas-fired power plants, amounting to 20 percent of the total; however a gas-fired power plant needs a natural gas depot, which takes 3-5 years for construction and the investment of over Ks 1 billion.

## POTENTIAL FOR GREEN ENERGY BUT BARRIERS REMAIN

Energy experts from around the world travelled to Myanmar for the Green Energy Summit to discuss the potential presented by renewable green energies. Dr Abdul Aziz SA Kadir, chairman of Confexhub Group, who organised the summit, said that since the central electricity grid will not reach remote areas for at least ten years, green energy is the most suitable solution to providing energy to those living in Myanmar's rural areas. He added that green energy could also help cut carbon emissions and reduce poverty among people in Myanmar. A stable policy environment must be developed by Myanmar, as constant adjustments to renewable energy policies would not encourage investments.

## LESS COAL IN ENERGY STRATEGY: ANALYSTS ADVISE MYANMAR

The Government of Myanmar has been advised to avoid coal to solve its energy shortage and opt for mid- and small-scale hydropower plants that could be built in ways that did not destroy the environment. "Myanmar needs more electricity, but the energy needs to come from clean sources," Parami Energy Group CEO PyaeWaTun said.

An official from International Finance Corporation said power generation plants should not damage the environment and that local communities must be engaged. The problems associated with coal-fired power plants include heavy reliance on importation of coal from Indonesia and Australia. Moreover, international development banks that provide funding to develop infrastructure for energy production also refuse to fund coal-fired plants, analysts said.



## HIGH INTEREST IN LPG JOINT-VENTURE

Some 22 domestic and foreign companies have shown interest in forming a joint venture for Nyaungdone Liquefied Petroleum Gas plant, according to the Ministry of Energy. The plant, to locate near Yoegyi village, Nyaungdone Township, Ayeyarwady Region, is expected to produce 30 tons of LPG per day. Foreign companies interested in the project include Mitsui, JGC, and Sojitz from Japan; PTT from Thailand; NK from South Korea; PUMA Energy (Singapore); Langfan CNPC Huaya Petrochemical Engineering, Shanghai Sino-Myanmar Investment Management, GDZR, China Huanqui Contracting and Engineering from China; and other companies from the US, Spain, UAE and Indonesia. Myanmar companies in the race are SeinKaung Gem Trading and Parami Energy Services. The ministry's Myanmar Petrochemical Enterprise operates three LPG plants in Minbu, KyauChaung and Nyaungdone.

## PTTEP SIGN MYANMAR OIL DEAL

PTTEP SA, a subsidiary of the Thai energy company PTTEP, has signed a Production Sharing Contract (PSC) with the Myanma Oil and Gas Enterprise (MOGE) for the exploration and production of an onshore block in central Myanmar. PTTEP was granted the block as part of the 2013 Myanmar Onshore Blocks Second Bidding Round, and the company has said that it will invest a minimum of US\$ 72 million in the project.



*SOLAR POWER PANELS BEING FITTED IN MYANMAR*

## SOLAR ENERGY DEVELOPMENT IN MANDALAY

US-based ACO Investment Group has entered into an agreement with the Ministry of Electric Power for the construction of two 150-megawatt solar power plants in Mandalay Division. The project, which reports say, is likely to see the plants located in Myingyan and Meiktila districts, is valued at \$480 million, according to a release from the Office of the U.S. Trade Representative. The plants are expected to account for 10 percent to 12 percent of Myanmar's power generation when completed in 2016, the release said.

Hari Achuthan, managing director of ACO, said that the company has secured investment of about US\$ 150 million in the deal and the project is expected to provide 400 construction jobs and 100 permanent jobs. US Trade Representative Michael Froman said that the project marks one of the most significant investments from a US company in Myanmar, which have reached more than US\$ 600 million since sanctions were lifted.

Myanmar will expand its sources of clean energy through an agreement with ACO Investment Group, focusing on Asian emerging markets, as the country begins to put a policy structure in place to encourage renewable energy. ACO's project is the first-ever solar energy development in the Mandalay region. It will help Myanmar provide stable energy because the country depends heavily on hydropower, which decreases in output during the dry season, the release said.



*WHITE ELEPHANTS IN MYANMAR*

## WHITE ELEPHANTS: REVERED SYMBOLS OF POWER AND GOOD FORTUNE

Kings and leaders in the predominantly Buddhist nation have traditionally treasured white elephants, whose rare appearances in the country are believed to herald good fortune, including power and political change. To the faithful, the existence of white elephants is a positive sign from above; others speculate it is the product of rampant deforestation.

Uppatasanti Pagoda, “the Abode of Kings” in Naypyidaw, guarded by a high steel fence and an assault rifle-wielding police officer, is home to four perfectly pink adult pachyderms who munch on sugar cane and bamboo, pacing as far as the chains tethered to their right forelegs allow them, while a fifth, still a calf, frolics in a pen under its chained mother's gaze. For centuries, Southeast Asian monarchs have coveted white elephants as embodiments of a divinely sanctified rule. “The white elephants represent peace and wealth,” elderly Buddhist monk U Ottama says in Yangon. “(They) are a sign of the good future awaiting our country.”

According to Dr. David Steinberg, professor of Asian Studies at Georgetown University, “governments have used them as portents of good things and they are regarded as signs of political legitimacy.” These animals' lofty status originates in the ancient texts of Indic religions. Indra, lord of Hinduism's diverse pantheon, rides a mighty multi-tusked white elephant in the 9th century BCE Mahabharata.

In the 1st century CE Buddhacharita, the Buddha's mother dreams of a white elephant entering her womb on the eve of her son's conception. In the 4th century BCE Jatakas, the Buddha appears as a supernatural white elephant in two of his past lives.





*WHITE ELEPHANTS IN NAY PYI DAW, MYANMAR*

In the West, the term “white elephant” denotes a burdensome possession whose cost of maintenance exceeds its value. With their pinkish skin, white hairs and pale eyes, white elephants are likely albinos or leucistic, meaning they exhibit a uniform reduction of all pigmentation, rather than a complete absence of it. Incredibly rare, Southeast Asian kings seldom possessed more than one or two of the animals at a time. Some monarchs even waged wars to acquire them. Today, the Thai royal family possesses 10 white elephants — more than any in the kingdom's history.

With Laos' last white elephant dying in the ramshackle Ban Keun Zoo in 2010, Burma is now the only place where one can see these sacred animals. To the faithful, the existence of so many white elephants is a positive sign from above; others speculate it is the product of

rampant deforestation in the region.

Since Thein Sein came to power, two more white elephants have been found and one was born in captivity. Grand ceremonies marked each of these animals' arrival to the capital, with officials declaring that they are “a good omen when the state is endeavoring to build a peaceful,



modern and developed nation” and that their discovery has led to an “improvement in the country's foreign relations.”



## ADVERTISEMENT



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### AWARDS 2014

The fragmentation of wildlife habitats resulting in the disappearance of wildlife corridors that connect these habitats is widely acknowledged as a major roadblock to biodiversity conservation. The second edition of the Balipara Foundation Awards seeks to bring this critical issue to the forefront by throwing light on inspiring conservation stories and serving as a platform for like-minded people to raise awareness on some of the critical environmental issues in the Eastern Himalayan region.

The Balipara Foundation invites nominations and entries for the Balipara Foundation Awards 2014, which should be sent no later than August 30, 2014. Send entries to: Balipara Foundation Awards 2014, Balipara Tract & Frontier Foundation, House No. 5, B. P. Baruah Road, 1st Bye Lane, Narikaibari, Guwahati – 781024, Assam, India or email them to [sanjiddutta@gmail.com](mailto:sanjiddutta@gmail.com) / [robineastment@gmail.com](mailto:robineastment@gmail.com) along with the nomination form. Visit: [www.baliparafoundation.com/](http://www.baliparafoundation.com/) [www.facebook.com/baliparafoundation](https://www.facebook.com/baliparafoundation)

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**1. Balipara Foundation Wildlife Conservation Award:** Diversity is the soul of planet Earth. This award will be presented to an individual or organisation that has helped in enhancing biodiversity and/or ecosystem functioning e.g. projects that deliver significant enhancement or creation of biodiversity assets by going 'above and beyond' what is required.

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**5. Balipara Foundation Naturenomics™ Award:** The Naturenomics™ Award will be offered to an individual that practically epitomises the spirit of Naturenomics™ thereby creating an example of inter-dependence between nature and economics.

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**6. Balipara Foundation Nature Activist Award:** The award will be presented to an individual that has demanded change and tirelessly campaigned to bring forth issues and raise questions that are deemed critical to biodiversity conservation.

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**7. Balipara Foundation Young Naturalist Award:** The award will be presented to an individual whose curiosity is stimulated by the mysteries of our natural world. Someone between the age group of 18-30 with particular interest in documenting the biodiversity of a particular region.

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**8. Balipara Foundation Innovation Award:** This award will be presented to an individual that exemplifies the spirit of 'innovation as a fuel for change'.

**9. Balipara Foundation Lifetime Service Award:** The Lifetime Service Award is for an individual who has inspired a generation of aspiring conservationists.

?

**10. Balipara Foundation Young Entrepreneur Award:** This award will be presented to an individual who seeks to develop leadership potential through community-based sustainability projects. The candidate will be judged on the basis of his or her work in the area of environmental education.

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**11. Balipara Foundation Special Award – Mark Shand Mahout Award:** Instituted in memory of the late Mark Shand, the award will be presented to an individual who has made an outstanding contribution towards the well-being of Asian elephants.

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*46TH ASEAN ECONOMIC MINISTERS MEETING HELD IN NAYPYITAW, MYANMAR*

## ASEAN ECONOMIC MEETING OPENS IN MYANMAR

The 46th ASEAN Economic Ministers' Meeting kicked off on August 25 in the capital Nay Pyi Taw of Myanmar, which is ASEAN rotating chair this year. Addressing the opening ceremony, Myanmar President U Thein Sein called on the member states to exert collective efforts for the regional economic integration through creating free flows of goods, services, investment, skilled labour and capital as envisaged in the ASEAN Economic Community (AEC) blueprint.

Myanmar is giving priority to small and medium-sized enterprises (SME) development, he said, adding that his country will continue to step up the implementation of the capacity building programmes for the four ASEAN member states - Cambodia, Laos, Myanmar and Vietnam.

Regarding ASEAN's links with its partners, U Thein Sein applauded negotiations for the establishment of an ASEAN-Hong Kong Free Trade Area (FTA) as well as those on the Regional Comprehensive Economic Partnership (RCEP) so as to deepen and broaden the economic relations between ASEAN and its existing FTA partners in the future.

The four day meeting discussed the issues related to the AEC and review of the operation of sectoral working groups and the implementation of FTA agreements between ASEAN and its dialogue partners. The ministers also discussed a roadmap to their economic cooperation, focusing on the ASEAN's service liberalisation, talks on the RCEP and the elimination of non-tariff barriers once the ASEAN Community comes into effect in 2015.

Issues concerning service and investment liberalisation with Japan, as well as the upgrading of ASEAN's existing free-trade pacts with China and the Republic of Korea were finalised at the meeting. ASEAN plans to sign four agreements on the liberalisation of services and amend FTAs with Australia and New Zealand. It will ink a FTA with India and a document on the acceptance of accounting professionals among its members.



**RIBBON CUTTING WITH DIGNITARIES (FROM L-R) CHIEF MINISTER YANGON - H.E. U MYINT SWE, INDIAN AMBASSADOR TO MYANMAR – H.E. GAUTAM MUKHOPADHAYA, ECONOMIC ADVISER TO PRESIDENT - PROFESSOR AUNG TUN THET, UNION MINISTER FOR INDUSTRIES - U MAUNG MYINT, CHAIRMAN OF FICCI NE COUNCIL - SHRI RANJIT BARTHAUR. PRESIDENT UMFCCI - U WIN AUNG**

## INDIA - MYANMAR TRADE AND INVESTMENT SHOW

Under the initiative of Federation of India Chambers of Commerce and Industry (FICCI), an India –Myanmar Trade and Investment Show was organized at Tatmadaw Exhibition Hall, Yangon, Myanmar between 24<sup>th</sup> and 27<sup>th</sup> September 2014. The event was held for Indian companies to exhibit their products to explore business and partnership opportunities in Myanmar. The India prospective is not only to invest in Myanmar for trade and industries but also to utilize the 1600 km long land border to connect China and South-East Asia by developing rail and road links to connect the entire South East Asian countries. FICCI and Ministries of Commerce and Industry, Shipping etc. are planning to work together to develop a strategy for investment in Industrial corridors along the Kaladan and Assam – Mandalay region and hubs at places like Tamuh – Kaley, Shwebo – Monwa – Mingyan – Mandalay - Pakokku near Mandalay, Magwaey, Kyaukphyu – Sittwe - Ponnugyan and Pathein areas.

India's trade with Myanmar has doubled in the recent years and has crossed \$2 billion. Of Myanmar's total imports only 3 percent comes from India, which is negligible compared to its engagement with China, Thailand, Malaysia, Vietnam and other ASEAN countries. Therefore, there is a huge opportunity to gap the trade deficit with potential export items from India as has been identified by EXIM bank.

The Trade and Commerce fair was therefore, held by identifying areas of interest such as Tourism, Hospitality, Information and Communication Technology, Agriculture and Agricultural Based Food Industries, Pharmaceuticals, Skill Development, Industrial Hubs And SEZs , Industries Based on Natural Resources, Power Generation and Automobile Factories etc.





*PRIME MINISTER NARENDRA MODI LAUNCHES THE 'MAKE IN INDIA' PROJECT*

## MAKE IN INDIA CAMPAIGN

The Make in India event was organized by the Indian Embassy in Tatmadaw hall in collaboration with FICCI during the India Trade and Investment Show. It presented a live webcast of the Make in India campaign launched by the Indian Prime Minister in Delhi to an audience of Officials, Businessmen and Exhibitors of India –Myanmar Trade and Investment Show, 2014.

The show was attended by H.E. Gautam Mukhopadhaya, Indian Ambassador to Myanmar, U MyintSwe - Yangon Regional Chief Minister, Dr. Pwint Hsan - Dy Minister for Commerce and U Win Aung - President, UMFCFI.

The Make in India initiative was launched with the idea of making India a global manufacturing hub, creating jobs and boosting economic growth. Mr Ranjit Barthakur in his introductory speech focused upon the North East India – Myanmar Industrial Corridor which would establish connectivity projects in Myanmar with India. He also emphasized the initiatives taken by the Government of India to enhance connectivity and development in North East India and the scope of cooperation in Health-Care facilities, Information Technology, Education Services between India and Myanmar.

H.E GautamMukhopadhaya gave an insight of the potential of Indian investment in Myanmar, with present participation being only about 1 % of the FDI in the country. He also mentioned that it is the right time for India investors to come to Myanmar as the Government of India has initiated projects such as Road Connectivity, Hydel Projects, SEZs, River Projects, etc focused on the development of connectivity with Myanmar which would enable Indian companies to put up labour - intensive projects, which would be encouraged by the Myanmar Government.

# WELCOME TO THE MM ADVISORY BOARD

**Mr. Nicholas Claxton, Director - WOW Media Company**



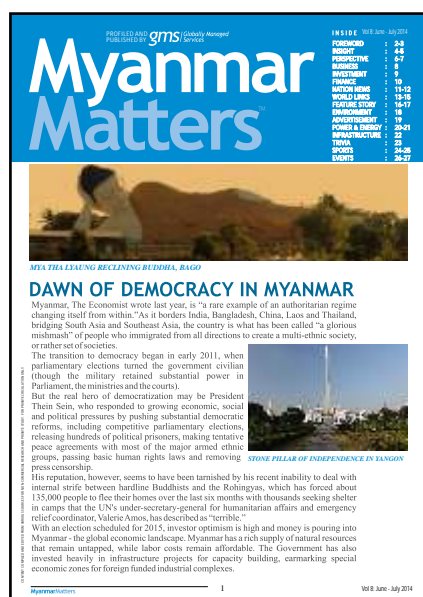
Myanmar Matters (MM) is honored to have Mr. Nicholas Claxton, Director – WOW Media Company, become a part of its Editorial Advisory Board. A visionary and entrepreneurial business leader offering over 25 years' international experience in broadcasting, communications and digital media at many levels across both middle and upper management. We are privileged to interact with Mr. Claxton over the last few years, especially since Myanmar Matters was launched in April 2013. His insights will be of immense value to our publication and the organization.



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**Founding Chairman and  
 Editor-in-Chief: Ranjit Barthakur**  
**Executive Editor: Alisha Debara**

**For contributions, feedback & inquiries  
 on advertising opportunities in Myanmar  
 Matters, please contact :**  
**Alisha Debara - [alisha@gms.net.in](mailto:alisha@gms.net.in)**

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**[www.myanmar-matters.com](http://www.myanmar-matters.com)**



## FOR MORE INFORMATION ABOUT INVESTING IN MYANMAR, CONTACT:

### INDIA:

New Delhi: Alisha Debara  
 E: [alisha@gms.net.in](mailto:alisha@gms.net.in)  
 T: +91 11 2372 1234; M: +91 9910122458

Mumbai: Sangeeta Menezes  
 E: [sangeeta.menezes@agilisys.co.uk](mailto:sangeeta.menezes@agilisys.co.uk)  
 T: (+91)22-67060881; M: +919819941600

Kolkata: Prabudha Barua  
 E: [prabudha.barua@gmail.com](mailto:prabudha.barua@gmail.com)  
 M: +919831100656

MYANMAR:  
 Akash Chandra  
 E: [dpulsace@gmail.com](mailto:dpulsace@gmail.com)  
 T: (+95)0195113770

THAILAND:  
 Kalpesh Popat  
 E: [kalpeshp@lotusartsdevivre.com](mailto:kalpeshp@lotusartsdevivre.com)  
 T: (+66)0896696699

EMBASSIES  
 The Republic of the Union of Myanmar  
 3/50 F, Nyaya Marg, Chanakyapuri,  
 New Delhi 110021, India  
 T: +91 11 2467 8822

Myanmar Consulate-General  
 No. 57K, Ballygunge Circular Road  
 Par Matesh Barua Sarani Road  
 Kolkata 700019  
 T: (+91) 33 2485 1658

The Republic of India, Yangon, Myanmar  
 545-547 Merchant St, Kyauktada Township,  
 Post Box No. 751, Yangon  
 T: 00-95-1-391219, 00-95-1-243972,

GOVERNMENT OF INDIA  
 Ministry of External Affairs  
 New Delhi  
 T: +91 11 23012591

GOVERNMENT OF MYANMAR  
 Ministry Of Commerce  
 Building 3, Nay Pyi Taw,  
 The Republic of Union of Myanmar  
 E: [mochmo@moc.gov.mm](mailto:mochmo@moc.gov.mm),  
[mocdhmo@moc.gov.mm](mailto:mocdhmo@moc.gov.mm)  
 T: 067 - 408002