

Myanmar Matters™

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Best Wishes for 2015

IS MYANMAR A GLOBAL LEADER OF CORPORATE TRANSPARENCY?

Transparency watchdog Global Witness recently published a 30-page breakdown of 25 foreign and domestic oil and gas companies operating in Myanmar that have—upon being solicited by the group—published full or partial information about their “ultimate beneficial ownership,” which has been defined as the individual person or persons “right at the very top of the chain.” This newly disclosed corporate ownership data has prompted one international advocacy group to label Myanmar as a “world leader” in transparency and urge the government to maintain pressure on industry stakeholders as the country moves toward achieving global standards.

“This is a global first in one of the places you might least expect it,” Global Witness analyst Juman Kubba said in a statement. All over the world, corrupt politicians and crooked businessmen hide behind secret companies to steal oil, gas and mineral wealth. If Myanmar is to turn the page on a history of cronyism and corruption linked to natural resources, it has to crack this problem. While the disclosure is viewed by most stakeholders as a step in the right direction, some analysts argue that proclaiming the nation as a success story and a potential precedent may be premature, speaking more to the inadequate state of global transparency than to Myanmar's accomplishments.

The Global Witness report focused specifically on gas and oil companies freshly permitted to work in Myanmar, and does not yet examine the transparency of any other sector, which some suggest could offer misleading conclusions about investment and industry in Myanmar on the whole.



**PAYA SHWÉDAGON PAGODA, TAZAUNG
PAVILLON, YANGON**



CHERAW DANCE IS PERFORMED IN MIZORAM STATE OF INDIA.

WITH THE WILL TO SURVIVE: NE INDIA & MYANMAR

Walking around the Bagyoke Aung San Market in Yangon gives one a personal sense of the cultural affinity between Myanmar and Northeast India. Every now and then one can hear people speaking in Mizo or some other common language. The traditional Burmese dress is worn just the way it is in Northeast India and the street food and traditional food items of both the regions bear a close resemblance too. The saying that Southeast Asia begins in Northeast India takes credence.

Yet, India and Myanmar have not been able to exploit these close historical and cultural connections. Recent writings and research overflow with expositions on the opportunities that exist in the developing of connectivity infrastructure, but the gap between the purported potential and what has been realised remains enormous. What is also true is that the northeastern part of India and the western part of Myanmar consisting of Chin, Sagaing and Kachin states are both underdeveloped. The neglect leading to low economic and social development in the region has often been cited as one of the causes for the insurgencies raging on both sides of the border. Indeed, even as there are shared opportunities, both regions share very similar risks and challenges.

Northeast India and Myanmar also share similar economic and business structures. The economy, which is largely agrarian and dependent on the export of unprocessed primary commodities and in which micro, small and medium enterprises are prevalent, provides for the basis of industrial development.

A Manipuri folklore talks about prosperity that will fill the lands once the “eastern gates are opened.” Perhaps this foretells what is in store in the future.

- *Ranjit Barthakur, Founding Chairman, Myanmar Matters*



MYANMAR'S ELEPHANTS: GENTLE GIANTS OF THE FOREST

The Union of Myanmar, which comprises a total land area of 676 533 sq km situates between 9°53' and 28°25'N latitude and 92°10' and 101°10'E longitude. Myanmar is bordering Bangladesh and India in the West and China, Thailand and Laos in the East. It is rimmed by mountain ranges in the north, east and west forming a giant horseshoe. Enclosed within the mountain barriers are the flat lands of Ayeyarwaddy, Chindwin and Sittaung River valleys with an extensive network of feeder streams, where most of the country's agricultural land and population are concentrated.

Approximately 75 percent of the country lies within the tropics and the remainder lies in the subtropical and temperate zones. The annual rainfall is 900 mm in the dry zone and over 5,000 mm in the coastal region and other parts of the country. The average temperature is below 10°C in the hilly region and over 40°C at the central dry zone in the middle of Myanmar. The great variation in rainfall, temperature, soil and topography result with various forest types, such as evergreen, semi-evergreen and mixed deciduous forests. Bamboo which is a preferred food of elephants is abundant in these forests.

The elephant is not only of great cultural and historical significance in Myanmar, but also of major economic importance in the country's timber industry. Elephant skidding plays a vital role in the timber operations of Myanmar for the foreseeable future, particularly in the many mountainous and swamp areas of Myanmar's forests.

Elephants are legally protected in Myanmar by the Elephant Preservation Act (1879) and Amended Act II of 1883. The killing and capture of wild elephants without license are prohibited. Myanmar is home to almost 10,000 elephants; from the white elephants in Naypyidaw to their wild counterparts roaming Alaungdaw Kathapa National Park; elephants play an important role in the rich history and culture of Myanmar.



For example, if you are lucky enough to be born on a Wednesday, your Myanmar horoscope sign is the elephant? It's the bull tusker if you were born in the morning and the mysterious, tuskless female if you were born in the afternoon.

White elephants are a powerful national symbol in Myanmar. They represent divinely sanctified rule and are highly prized by many, who believe the country will be more peaceful and prosperous in the presence of these special creatures. Currently there are eight white elephants in Naypyidaw and Yangon, including two very vivacious and playful calves born from two White elephant mothers, one born as a white elephant, and another born as an ordinary black calf, a pure example of recessive characteristics of white (albinism) genes carried by white mothers.

Myanmar is one of the few countries in the world to continue to use elephants in the logging industry. This work allows elephants to live in their natural forest habitat, freely interact with wild populations and to bond with their mahouts, known as “sin oozies” or elephant head-riders. In a mahout family, becoming a mahout means knowledge transfer from father to son. Some mahout families have worked with elephants for generations and their traditional knowledge, for example of herbs from the forest to treat wounds, is vital to caring for elephants.

Using elephants rather than machines to remove trees allows the removal of selected logs without damaging the rest of the forest. Elephants have the strength to drag or push heavy logs. They combine this power with remarkable delicacy and sure-footedness as they pad quietly through the forest in the steep terrain of Upper Myanmar. Elephant-assisted logging is a form of ecologically responsible and sustainable forest management, allowing for the preservation of the forests and the valuable biodiversity within them.

A multi-disciplinary research group based at the University of Sheffield has been studying the Myanmar timber elephants since 2012. Their research aims to determine factors affecting health, fertility and mortality rates in the captive population and devising strategies to improve them.



One of the founding scientists of this research group is Khyne U Mar, a Myanmar-born veterinarian with more than 20 years of working experience with timber elephants. She says “I very am proud to study elephants in my native country. Elephants have a long history of interaction with humans in this country and I want to see elephants and humans coexisting peacefully long into the future.” Elephants may appear to be very strong to us, weighing up to 5 tonnes and standing up to 3.2 metres tall, however, they are vulnerable to infectious diseases, illnesses and injuries. Dr Khyne U Mar continues, “My research into elephant diseases including parasites and tuberculosis will improve their health. One of my key aims is to ensure that elephant care is of the best possible standard.”

Whilst the number of Asian elephants in the world is dwindling, Myanmar is focused on maintaining population numbers and promoting its elephant conservation. Dr Khyne U Mar says, “The low rates of survival and reproduction necessitate capture of wild elephants to maintain the working population. The health of the captive population is therefore tightly linked to the endangered wild population. Maintaining a sustainable population of logging elephants is a primary aim of my research. I am establishing a nursing camp to ensure that healthy calves are born and that they survive the difficult first few months of life”.

-Hunnah Mumby And Khyne U Mar

With research, conservation and protection, the future could be bright for Myanmar's giant forest dwellers. For more information about Dr Khyne U Mar's work and the Myanmar Timber Elephant Project see Twitter @MyanmarElephant and the website <http://myanmar-timber-elephant.group.shef.ac.uk>.



PRIME MINISTER NARENDRA MODI ARRIVING IN NAY PYI TAW, MYANMAR

PRIME MINISTER MODI IN MYANMAR

Prime Minister Narendra Modi's talks with President Thein Sein reiterated the importance of building on the natural geographic, cultural and historic cultural links between the two countries.

Modi, however, has his task cut out in bridging the growing gap between the potential and reality of India's partnership with Myanmar. The problem in Delhi is not in the lack of a vision for the future of the relationship, but India's problems in translating that into practical outcomes over the last two decades.

The hosting of the East Asia Summit in the capital of Myanmar marks an end to the prolonged international isolation of the nation that was once among the richest nations of the region and was at the forefront of imagining post-colonial Asia. In an effort to breakout of the Western pressure, Myanmar joined the Association of South East Asian Nations and began tentative economic reforms.

Over the last two decades, India's relationship with Myanmar has steadily expanded. The focus was on restoring high level political exchanges, renewing economic ties, and reviving trans-border links between India's North East and northern Myanmar.

The two sides also launched cooperation between their security forces to counter insurgencies operating on both sides of the restive land frontier that is 1600 km long. India also stepped up military exchanges with the armed forces of Myanmar. As India unveiled its Look East policy in the early 1990s, Myanmar became quite central to Delhi's engagement with South East Asia. After all Myanmar is the natural land bridge between India and East Asia.

Given the vast and shared maritime frontier in the Bay of Bengal and southern Myanmar's location at the nexus between the Indian and Pacific Oceans, the eastern neighbour has also become an important element of India's new maritime calculus.



PRIME MINISTER NARENDRA MODI WITH PRESIDENT THEIN SEIN IN MYANMAR

Despite the recognition of these massive stakes in Myanmar, there is no denying that Delhi's performance there has been less than impressive. Bilateral trade remains at a paltry 2 billion dollars. Trans-border connectivity projects have been slow to get off the ground. Indian companies, private and public, have been reluctant to take up projects in the country. For one, India no longer has a privileged access to the markets in Myanmar. It has to compete with global businesses in the country. At the same time, as Thein Sein told the PM, Myanmar wants to take full advantage of India's prospects for rapid economic growth under Modi. As it diversifies its international relations, India remains an important political partner for Myanmar. The PM's emphasis on expanding of infrastructure in the North East, promoting connectivity to South East Asia, developing the huge tourism potential in the region, especially the Buddhist circuit, and timely implementation of projects do indeed set the stage for a new phase in bilateral relations. Modi has promised President Thein Sein to return to Myanmar on bilateral visit next year. By that time, the PM should have a concrete action plan for a vigorous and sustainable framework for the transformation of the partnership with Nay Pyi Taw.



PRIME MINISTER NARENDRA MODI IN MYANMAR



CENTRAL BUSINESS HUB IN YANGON, MYANMAR

ASIA INC LEADS WEST IN BUSINESS IN MYANMAR

With China, Thailand, Hong Kong and Singapore accounting for nearly half of the firms setting up in the fast-changing country of Myanmar, Asian businesses are gaining a foothold far quicker than those from Europe and North America. Myanmar is in the midst of a shake-up in its fledgling economy, with moves to attract investment making Asian conglomerates like Thailand's Charoen Pokphand Group (CP) and state energy group PTT Pcl, Singapore's Yoma Strategic Holdings and Japan's Mitsubishi Corp and Marubeni Corp among the first movers in Myanmar in setting up local units.

Despite being rich in natural resources, including timber, oil, gas and precious stones, investment during military rule was limited by Western sanctions and concern about doing business in an unstable economy.

Myanmar in September revised its forecast for foreign direct investment to more than US\$5 billion for the fiscal year that began in April, 15 times more than during the final year of military rule in 2009-10. Though the United States and European Union have suspended most sanctions, many firms remain cautious about making commitments, with concern over corruption, legal uncertainty and reputational damage from forming partnerships with individuals on Western blacklists. "It's all about the US sanctions," said Gregory Miller, a partner with Myanmar Capital Partners, a Myanmar-focused investment firm. "The Asian firms are more attuned to the way Myanmar does business than Western companies."

WWF OFFICIALLY OPENS OFFICE IN MYANMAR

WWF opened its new Myanmar office November 1 in an event that highlighted the country's vast natural capital, its efforts to develop a green economy and its diverse species such as tigers, elephants and Irrawaddy dolphins. The event featured representatives of Myanmar's Govt., Ambassadors and diplomats, local and international NGOs, foundations and members of the business community.

The Government of Myanmar has stated its commitment to developing a green economy – one that will serve as a global model of how to improve the economy and livelihoods of a country's citizens while protecting its natural capital. WWF has committed to working closely with the Government and all stakeholders to realize that vision. WWF is also working with government and local partners on conservation initiatives in the Tanintharyi on the border with Thailand -- an area of exceptionally high biodiversity.

HILTON OPENS ITS FIRST HOTEL IN NAY PYI TAW

US hotel giant Hilton Worldwide opened its first Myanmar hotel in Nay Pyi Taw, with four more hotels in Bagan, Inle, Mandalay and Ngapali, planned for the country to be complete by 2017.

The US\$50 million hotel is the first of Hilton's planned five hotels in Myanmar in partnership with local conglomerate Eden Group. "All of the investment has been made by us so it is a local-owned hotel. Hilton provided us the management and the rating," said Than Htut, director of Eden Group.

"I welcome the arrival of the international brand Hilton Hotel to Myanmar." Htay Aung, Minister of Hotels and Tourism, said during the hotel's opening ceremony.

COLGATE ACQUIRES LASER TOOTHPASTE STAKE

America-based multinational Colgate-Palmolive has acquired a local toothpaste maker in Myanmar, becoming the latest large-scale US company to invest in Myanmar's growing economy. According to a report by the Wall Street Journal, the company has bought Laser Brand Toothpaste for around US\$ 100 million, one of the largest by an American company since the country eased economic sanctions against Myanmar in 2012. In a statement, Colgate confirmed that it has bought the Laser brand of toothpaste and other products from Shwe Ayar Nadi Co Ltd, but gave no further information of the deal. As part of the deal, the company will take-over Laser's manufacturing and tube-making facilities, will produce Laser toothpaste and will import Colgate branded products from Thailand. Colgate said it would move domestic production from Thailand to Myanmar in the future.

WOMEN IN MYANMAR LOOK TO COMPETE AS GARMENT MAKERS

Women account for an estimated 90 percent of the 180,000 workers in Myanmar's garment industry, which is expanding again following the easing of international sanctions. News of job prospects in the city is spreading, and thousands of young women from villages and towns across Myanmar are pouring into city factories for their first ever taste of financial independence. Myanmar's Deputy Minister for Trade and Commerce Pwint San is currently in Dhaka trying to promote his country as an effective manufacturer of ready-made garments. Pwint San wants Myanmar to compete with Bangladesh in the lucrative sector. Myanmar's export value of garments rose to US\$1.2 billion in 2013, representing more than 10 percent of the country's total exports.



BIRD'S EYE VIEW OF THE IRRAWADDY RIVER IN MYANMAR

OVER US\$9 BILLION WORTH OF GOODS IMPORTED: 2014 -15

More than US\$9 billion worth of goods has been imported this fiscal year including automobiles and the volume is more than US\$2 billion than last year, according to the Ministry of Commerce.

In the 2014-2015 fiscal year, total volume of imports including cars was \$9295.681 million, \$2210.319 million more than the same period of last year.

Myanmar imports investment products, consumer goods, and raw materials to feed the growing industries every year. Out of the three items, investment products and raw materials topped the imports.

Raw materials for industries include flour, petroleum products, industrial oil, chemical products, paints and polishes, fertilisers, raw plastic, raw materials of rubber, chemical dyes, papers for industries and others, iron and steel products, raw materials for mining, chemical hank and other hanks, galvanised iron sheets, and tyres and tubes.

Investment products imported during that period include cement, fishing nets, railway and related materials, aircraft and related materials, motorcars and its parts, ships and related materials, tractor and other vehicles for agriculture, telephones and communication devices, devices for television, computer and related materials, air-conditioners, engines, machines, and construction products.



RICE PLANTATION IN MYANMAR

BURMESE RICE PRICE SLUMP: CAUSE FOR CONCERN

Until now, China had been buying up more than half of all Myanmar's annual rice export, with much of the low quality paddy produced in the Irrawaddy Delta and central regions flowing across the Myanmar-China border with few border checks and through smuggling routes.

This year, however, China has taken steps to legalize and control its import of Burmese rice, demanding that an trade agreement be signed that guarantees that most rice is milled and meets certain quality and hygienic requirements, so-called sanitary and phytosanitary (SPS) standards.

Following which rice prices and exports have experienced a sharp drop this year, a serious impact on the livelihood of Myanmar's farmers, already among the country's poorest groups. Myanmar Rice Federation Chairman, Chit Khaing, said prices currently stood at about US\$330 per 100 baskets of paddy (about 1,500 kilogram), down from about \$400 per 100 baskets last year.

"At the same time, Thailand is increasing its rice sales on the international market too, that's why paddy prices here keep falling," he said, adding that domestic rice demand had already been met. Chit Khaing also mentioned that Naypyidaw and Beijing are discussing a bilateral agreement on SPS standards that would allow the Myanmar Rice Federation to legally export some 200,000 tons of milled rice to China.

Earlier this month, the federation reached an agreement with Indian rice traders to supply two states in Northeastern India with 20,000 tons of rice per month sold at \$400 per ton, but Burmese traders will have to arrange the costly transport to the Myanmar-India border.

INVESTORS INVITED FOR PRIVATIZATION OF DOMESTIC AIRPORTS

Following a move to find investors for the privatization of international airports in Myanmar, the floor will be opened up to companies who wish to be involved in domestic airport development, according to the Department of Civil Aviation.

The department has invited an expression of interest by January 2015 from entrepreneurs to privatize 30 domestic airports throughout the country. Forty-five local and foreign companies submitted proposals of interest over respective airports to the department. Those companies vying for the contracts will be judged on the quality of their proposed build, operate and transfer or BOT systems.

Most of the investors submitted proposals on Bagan-Nyaung U Airport as the most attractive airport project.

FMI ANNOUNCES EXPANSION AFTER RECORD PROFITS

First Myanmar Investment Company (FMI) has announced plans for expansion in four sectors of Myanmar's economy before the end of the current fiscal year, on the back of the conglomerate's highest ever profit results.

Chairman Serge Pun told investors at FMI's 22nd annual general meeting that the company would be expanding its operations in four of its existing business areas, including real estate, healthcare, aviation and banking.

FMI's net profit doubled in the last fiscal year to K3.02 billion (US\$2.81 million), the best result ever recorded by the company. The company's total capital rose to K27 billion (US\$25.12 million) over the same period, with the FMI's total assets currently valued at K73.4 billion (US\$68.28 million).

HIGH SPEED RAIL EXPECTED BY 2023

It has been reported that an eight-year upgrading plan could result in a 100-kilometre-an-hour train service between Yangon and Mandalay. Deputy Minister for Transport U Myint Thein told the Amyotha Hluttaw that the project, to be carried out in cooperation with the Japan International Cooperation Agency (JICA), would start next year and be completed in 2023.

Measurements, soil tests and training had already begun for the work on the 616km (385-mile) route.

U Myint Thein also told MPs that the government had spent K75.77 million so far this year to repair 54 railway stations across the country. Upgrading the country's 960 stations would cost about K28.8 billion, he said, adding that the ministry had invited tenders for the upgrading of eight more stations.

TAKING TIMBER FIRMS PUBLIC

Even with state owned timber businesses being usually profitable every year, Minister of Environmental Conservation and Forestry, U Win Htun, said it is the government's policy to professionalize its public enterprises.

“Although Myanmar businesses are changing with the market economy, the timber industry has not clearly changed until now,” he said. “So to complete the change to a market economy, we will open companies in the sector as public firms.

A total of 12 timber state-owned firms and 3 furniture state companies will transition to being public companies. If these transitions are successful, the remaining 69 timber companies will likewise be changed.



RAILWAY IN MYANMAR

MIC TO FUNCTION INDEPENDENTLY

The Myanmar Investment Commission will be transformed to function as an independent body after amalgamating the country's two investment laws, says the commission's secretary U Aung NaingOo. The Myanmar Investment Commission or MIC is a government-appointed body set up under the Ministry of National Planning and Economic Development in April 1994.

“The reason to transform is that there are already successful stories of independent government organizations, which can attract and manage foreign investment effectively in Indonesia, Thailand, and other developed countries,” said U Aung NaingOo, who is also director general of the Directorate of Investment and Company Administration.

Another reason for the transformation is that it is now hard to plan investment promotion activities in overseas countries to attract foreign investment because the central government has yet to allocate budget for the MIC to operate promotional activities, he said.

Currently, the MIC has to depend on a portion of the overall total budget of the Ministry of National Planning and Economic Development.

There will be certain duties and responsibilities of an independent MIC in the single Myanmar Investment law after amalgamating the new Foreign Investment Law, which was enacted on November, 2012, and the new Myanmar Citizens Investment Law, which was enacted on July, 2013, he said.

“After standing as an independent entity, MIC will be an efficient and strong body. There will also be a certain budget allocated for the MIC,” said U Aung NaingOo.



MYANMAR KYATS

MYANMAR'S KYAT AT ITS WEAKEST

A strengthening US dollar on global currency markets, coupled with Myanmar's growing trade imbalance, has pushed the local currency's exchange rate above 1,000 kyats per US dollar. Than Lwin, the vice chairman of Kanbawza (KBZ) Bank, said the US currency has made a stronger showing as its economy has bounced back from the global financial crisis of 2008. Than Lwin also said that Myanmar's trade deficit was a key factor in influencing the kyat's weakened position.

As the country's economy has undergone major changes following the installation of a nominally civilian government in 2011, total trade volume has increased, but a widening trade imbalance has emerged. In the first half of the current fiscal year from April to the end of September, Myanmar ran a trade deficit of about US\$3 billion, importing some \$9 billion in goods and exporting only \$6 billion, which cited the Ministry of Commerce.

Myanmar's main imports are electronics, agriculture-based equipment, automobiles, refined oil products, processed foods and machinery. The country's biggest exports are rice, timber, jade and gems, oil and gas, and beans and pulses.

Maw Than, a senior economist and retired professor from the Yangon Economic Institute, said the trade gap between imports and exports was a major factor in the US dollar demand's growth in the local market.

The kyat's fall against the dollar will negatively impact consumers of imported goods, who will see their local currency purchasing power shrink. But purveyors of Myanmar's major exports, including rice and garments, will benefit from the weak kyat on global markets.

CENTRAL BANK REDUCES US DOLLAR SALES TO PRIVATE LENDERS

Since the end of last month, the Central Bank has decreased its sales of US currency by around \$3 million per day, in the face of a strengthening US economy, a weakening kyat and a widening trade deficit in Myanmar.

Economist KhinMaungNyo said he expected that the Central Bank had reduced its sales to private banks partly in an effort to offset the trade deficit. Than Lwin, the vice chairman of Kanbawza Bank, said that the Central Bank's actions were part of normal fluctuations in the banking sector. "Though the Central Bank has decreased its sales amount, this will not impact upon the market, as private banks have their own money in addition to the individual money still flowing in the market," he added.

GOVERNMENT HOPES TO INITIATE INSURANCE SCHEME IN EARLY 2015

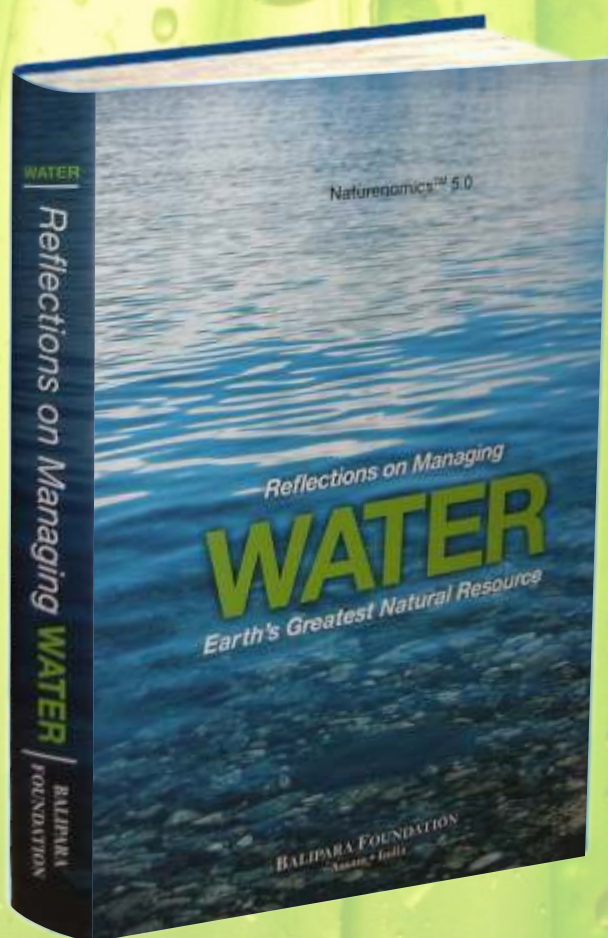
Myanmar authorities are preparing to come up with a ground-breaking scheme on health insurance for Myanmar citizens, aimed to be launched as a pilot project in January or April next year. A working committee with members from stakeholders ranging from insurance companies to policymakers and foreign specialists was formed to work on the target. The plan is to run two kinds of health insurance. The first covers hospitalization costs, with a few exemptions, while the second one will cover all expenses including medical costs. According to officials, the program will start with pilot projects in Yangon and Mandalay cities before becoming fully operational.

THE MOST ANTICIPATED BOOK OF 2015

Reflections on Managing

WATER

Earth's Greatest Resource



- The book captures various aspects of water: Its availability, role in nurturing life and nature, use and abuse of water.
- Packed with hardcore statistics, the highlight of the book is its optimism.
- Citing global and national initiatives, the book cites concrete and viable solutions for creating water abundance.
- Most importantly, it calls for a new way of water thinking and innovation so that water is available for all, everywhere and always.

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LOOKING TOWARDS THE FUTURE - NAY PYI TAW, A GHOST TOWN

INSIDE MYANMAR'S MODERN DAY GHOST CITY

The ASEAN Summit which was recently held in Myanmar and attended by world leaders brought to attention the capital city of Myanmar – Nay Pyi Taw. Showcasing new government buildings, beautifully manicured parks, golf courses and housing developments, it looks like any other modern day city, except there's no one there.

Nay Pyi Taw is located 320 kilometres north of the previous capital Yangon. The name translates to “royal capital” or “seat of the king”. President Than Shwe lives in the city that seems to exist purely for government workers, military and police.

Its 20 lane super highway is deserted, large public buildings seem to sit empty and the city is divided up into zones. There is a military-only zone said to consist of tunnels and bunkers and off limits to the public, a ministry zone home to the headquarters of Myanmar's government ministries and a residential zone where apartments are allotted according to rank and marital status and the roofs of apartments colour coded by the jobs of their residents.

The government claims more than one million people live here but they're very hard to find. It is one of the few cities in this country with uninterrupted electricity and rare white elephants — brought in as a tourist attraction.

However drive just 10 minutes out of the capital and the real Myanmar emerges. The super highways are replaced by narrow dirt roads, roadside stalls and poverty in complete contrast to the opulent yet soulless and sterile supersized capital.

UN SECRETARY-GENERAL BAN KI-MOON CRITICIZED FOR 'ROHINGYA' COMMENTS

Chief Minister of Arakan State, Maung Maung Ohn, recently criticised UN Secretary-General Ban Ki-Moon for his use of the term Rohingya at a press conference the day before at the 25th ASEAN Summit in Nay Pyi Taw.

“While I can understand your intentional and desire to promote the rights of the minorities, lending the stature of your office to this highly volatile debate in such a public manner can have lasting detrimental impact on our ability to do the work needed on the ground to bring the communities together,” he warned Ban in a letter. “I am concerned that your statement yesterday could further inflame local sentiment and undo previous gains we have achieved, which is very unfortunate given the timing and opportunities presented to us,” he said.

LOWER HOUSE REJECTS PR SYSTEM

The lower house of parliament decided that a “first-past-the-post” (FPTP) voting system is best suited for Myanmar. The decision was made after Myanmar's Constitutional Tribunal announced its opinion that all other electoral systems proposed by the Electoral System Review Commission, including proportional representation (PR), were inconsistent with the Constitution.

Ten Members of Parliament participated in a debate on the voting system in the lower house which concluded that the seven other systems were not in accordance with the constitution, and that FPTP is the only compatible and appropriate system for Myanmar.

STUDENTS DEMAND NEW EDUCATION BILL

Some 500 students organised by the students' league staged a protest against the enactment of National Education Law in front of the city hall recently. The protesters walked from Yangon Railway Station to Maha Bando Park, and held a seated protest near Sule Pagoda.

The students criticised the law for centralising the education system, barring the students' league, blocking independent university administration and limiting ethnic languages.

"We will continue staging our protest as long as the authorities have not amended the law. We want a law that can guarantee an education system equipped for democratic norms," Kyaw Ko Ko, of All Burma Federation of Student Unions, said.

A student from the University for Development of National Races said: "Despite the weaknesses in the law, the government enacted it. We don't believe the law can help educational progress. The people in the ethnic regions are experiencing the consequences of language difficulties and are being left uneducated."

NEED TO BUILD NE INDIA, BANGLADESH, MYANMAR TOURIST CIRCUIT

North-East India, Bangladesh and Myanmar should think of creating a tourist circuit that will help in popularising historical places, Tripura Tourism Minister Ratan Bhaumick said.

"There is huge potential for sub-regional cooperation between India's North-East, Bangladesh and Myanmar. It is time that we can think of a tourist circuit encompassing the three countries and popularise the historical places in the areas of sub-regional cooperation, so that a better relation among the people of the region could be developed," he said.



LONDON LUXURY JEWELLER LAURENCE GRAFF HAS PAID A RECORD 8.2 MILLION SWISS FRANCS FOR THE BURMESE GRAFF RUBY

LUXURY JEWELLER BUYS RUBY FOR RECORD \$10.8 MILLION

London luxury jeweller Laurence Graff has paid a record 8.2 million Swiss francs (NZ\$10.8 million) for a Burmese ruby, the top lot at a Geneva auction marked by strong prices for fine diamonds and rare coloured stones.

Graff, known as the "King of Diamonds", was buying the ruby of 8.62 carats for the second time, having acquired it first at an auction eight years ago. He had named the 'pigeon-blood', or pure red with a hint of blue, gemstone the "Graff Ruby" at the time.

In between he sold it to Greek financier Dimitri Mavromattis, whose collection of 16 jewels was part of Sotheby's semi-annual sale in Geneva. In all, 403 gems netted a total of 91.8 million francs.

"This is the finest ruby in the world. We are very proud to have it in our possession for the second time," Graff said in a Sotheby's statement. The cushion-shaped ruby, set in a diamond ring, is from the Mogok Valley of Myanmar which produces "arguably the rarest of all gemstones", Sotheby's said.

"It's not a surprise, the ruby is a unique stone that bears his name. He likes unique stones," Eric Valdieu, a Geneva-based jeweller formerly of Christie's who attended the sale. "Its price more than doubled in just over eight years." "Coloured stones brought strong prices," Valdieu said, noting that a 27.54 carat Kashmir sapphire sold for a record 5.7 million francs. Sotheby's said an Asian collector bought it.



THE HIGH COURT BUILDING IN YANGON WAS CONSTRUCTED FROM 1905 TO 1911.

THE RACE TO SAVE ARCHITECTURE IN THE CROWN JEWEL OF THE "GOLDEN LAND"

Through six decades of assault—the bombing of Yangon during World War II, two military coups, a half century of isolation, and devastation by Cyclone Nargis in 2008—the buildings in Myanmar exuded its graceful arches and colorful patios sacrificing little of their elegance and charm to the torments of time, nature, and repression.

Then in 2013, three years into Myanmar's unprecedented political and economic opening up, most buildings succumbed to a force that proved too great to resist: development.

Since Obama's first visit here in 2012, Yangon -the crown jewel of the "Golden Land", has undergone a seemingly overnight transformation, with new construction reshaping its skyline—as well as its social fabric. The rapid changes are being driven in part by the simple economic logic of supply and demand. Gone are the wide pedestrian sidewalks and roadside tea shops that helped spur a rich and vibrant art community, victims of a plan to widen the roads to create more space for cars bought with newfound wealth.

Hulking monoliths of concrete and blue-plated glass are replacing fine old residential and government buildings. Only a few dozen structures from the colonial period, between 1824 and 1948, remain downtown, and many have fallen into decay and disrepair.

Amid this transformation, an alliance of artists, historians, government officials, community leaders, and activists has begun to document what remains of Yangon's heritage, working feverishly to preserve what still stands. Although much has already been lost, many architecturally or esthetically significant structures have hung on. The question now is how long they will last.



MYANMAR IS IN A CONSTANT STATE OF CHANGE. EVEN SOME OF THE LONG-NEGLECTED COLONIAL ARCHITECTURE HAS BECOME A PART OF THE ALTERATIONS ASSOCIATED WITH THE RISING TIDE OF REFORMS.

The most painful loss—the one many in Myanmar still bemoan today—was the demolition of an entire block of classic cinemas to make way for the Traders Hotel (now the Sule Shangri-La), near the famous Sule Pagoda. The Sule neighborhood was the heart of Yangon, and those picturesque cinemas provided a rare and welcome escape. In just weeks they were razed, replaced by a concrete parking lot.

Towering old marketplaces, decorated with lacelike iron filigree forged a century ago in Glasgow, are being demolished in favor of nondescript new warehouses. Wooden homes and monasteries and well-kept Victorian mansions, once abundant on the outskirts of the city, are now a rarity.

Even nature is not immune to the push for more space. "Large, mature trees have been stealthily removed in the night—they're just not there the next day," said Virginia Henderson, an oral historian of Myanmar society and architecture.

Even as the preservation movement has gained momentum, though, the pace of destruction has increased. Along with new opportunities and freedoms, the reforms have brought an unprecedented influx of buyers and a surge in real estate prices—making the land beneath heritage buildings a precious commodity. The government, meanwhile, has failed to adequately fulfill its role as an impartial regulator. Basic zoning laws remain underdeveloped or unenforced, and local officials struggle to determine which buildings merit protection. It is not an either/or situation, there must be development, room for change but shouldn't it continue to embrace age old beautiful structures, full of history and charm.





TEA WITH THE INDIAN AMBASSADOR IN YANGON

The Indian Ambassador to Myanmar, H.E. Gautam Mukhopadhyay, is a busy man. That said, I was able to catch him for an interview at his residence in Yangon on the eve of another round of hectic travel within Myanmar and North East India.

Gautam is the 21st Ambassador of India to Myanmar and a man with a colourful and highly successful career behind him. He joined the Indian Foreign Service in 1980 and has served in various capacities in Indian Embassies in Mexico, France, Cuba, Afghanistan and Syria, the Permanent Mission of India in New York, and in the Ministries of External Affairs and Defence in India. He was India's Ambassador to Afghanistan from 2010 to 2013 and has been serving as India's Ambassador to Myanmar for the past 18 months.

He enters the high ceilinged drawing room within his Yangon home with more than a spring in his step. There is a strong and distinctive sense that he's a man with a mission and he's keen to share it with me. I'm meeting with him to discuss the subject of trade and trade corridor initiatives now firmly in motion between the Government of India and Government of Myanmar. These trade 'corridors' are also the new buzz word. Tea is served and without further ado I'm asking what are some of the key economic and political initiatives now currently under discussion between India and Myanmar in particular respect to the new international trade relationships with the North East of India.

“There are a number of initiatives on the Trade front, development front and investment front. On the trade front the Trilateral highway and upgrading the road from Moreh in Manipur to mae sot in Thailand via mandalay in Myanmar is being upgraded - which includes upgrading 71 bridges on that road. This is all key in terms of trade and connectivity. We're also in a state of advanced thinking about a number of other investment measures.”

I ask him about what sort of investment measures. “These are private investments that will follow the logic of the economy. In Myanmar they are trying to move towards a market economy. A lot of the state economy has been privatized - so we're looking mostly at private partnerships. The Government of Myanmar has put out tenders and we expect that our Indian companies will bid successfully.”

I'm keen to ask what economic pledges he is seeking between the two countries. “The Government of Myanmar is opening up and looking for international partnerships. In the last 3 months I would say that we have noticed a really substantial surge of interest in Indian business with Myanmar and this has been manifested in a number of trade and investment exhibitions and a number of very serious and good business delegations. We are already beginning to see the first signs of Myanmar business taking interest in India. For example, there's an upcoming N.E connectivity event in Guwahati, there'll be a CII (Check spelling) meeting in Jaipur in January where we hope to get a good presence from Myanmar for this

and what we are trying for is if Myanmar will actually hold an investment roadshow on this occasion and which will focus attention on Myanmar as an investment destination.

So what political and economic co-operation pledges is he seeking between India and Myanmar for the Trade corridor initiatives?

“This plan would extend the existing Friendship Road border point at



Moreh (Manipur) with Myanmar, and connect two more border towns, Zokhathar in Mizoram and Avakhung in Nagaland – again with Myanmar. The corridor's success will depend on thriving industrial activity being developed around it – not just big private players feeding off the region's lucrative natural resource base, but more specifically small and medium value-added businesses”.

India's new Government under Prime Minister Narendra Modi's BJP party has vowed to increase its influence across Asia and the Far East - and in particular to challenge China's economic dominance. So how high are the stakes and given China's historic economic and political influence over several decades in Myanmar, I ask him how challenging does he personally see this for India ?

“I'm not so sure I would characterize the new Government's mission in the way you have and that we are out to challenge China in any way”, he argues. “I think the PM and the new government's focus is very much on the development of India. And the focus is on what India and the world can do for that development. Today, for example in Myanmar, Indian products have a good reputation in terms of quality but they are not seen as cheap or as competitive as Chinese. But, I think we can brand ourselves with these five things: high technology, cost, quality, service and reliability.”



H.E. GAUTAM MUKHOPADHYAY AT THE INDIAN COMMUNITY RECEPTION AT HOTEL MAX IN NAYPYITAW

But given this I ask, what incentives and inducements is India offering the government of Myanmar to increase greater co-operation between the two countries?

“I’m not so sure we are using inducement”, he smiles. “We have a development partnership department in our Foreign Ministry. The word is very carefully chosen. We don’t see ourselves as donors, we don’t see our partnerships as assistance in that sense of the term; what we see it as being is a partnership for mutual benefit. Now in the context of that partnership, very few people know that our financial commitment to Myanmar, if we were to accumulate and or value it, its worth close to a total of US\$ 2 billion and this if I’m not wrong, compares very favorably with the most generous of the industrialized and advanced economies. Out of this amount a large component goes on this connectivity project which is for our mutual benefit. If we connect the State of Mizoram and Rakhine State to Sitwe, they benefit Rakhine State and they also benefit us. The second is that around US\$ 750 million is in terms of very concessional lines of credit that we give to the Myanmar government according to its development priority. One can see the economic benefits that India stands to gain from a trading corridor between the N.E of India and Myanmar - but how will Myanmar itself tangibly benefit from such closer ties? I ask him what are the actual discussions going on right now on this and am keen for him to give me a flavor and some substance on what’s been agreed in terms of the North-east initiative.

“The single biggest thing that needs to be done”, he says, “is that we’re in the process of trying to upgrade the border trade infrastructure at Moreh which is the most active border crossing point. We are setting up something there called the Integrated Checkpoint - to facilitate trade from both sides such as warehouses, faster customs; we are also talking about opening up what we call ‘Border Hearts’ which are border markets, where people on both sides can trade with each other.

So what can we expect to see next year in the way of tangible results? “To establish the region as a biodiversity zone, cooperation between the authorities and stakeholders in N.E India, Myanmar, and Bhutan will be of paramount importance.



PRIME MINISTER SHRI NARENDRA MODI AND H.E. GAUTAM MUKHOPADHYAY AT THE INDIAN COMMUNITY RECEPTION

My allotted time for our interview is fast drawing to a close but I have one more question I'm more than curious to ask. "So, how do we understand what Myanmar has to give to the world"? The Ambassador sits forward. "I think this is a really important question that generally is ignored. Since I've been here in Myanmar its something I've very much felt. First, because of their insulation, they have preserved their culture, their traditions and their values particularly their deep devotion to Buddhism. Also, if you look at the status of women in Myanmar its possible among the most equal, gender equal societies in the world. Gandhi noticed this when he came here in 1921 and he recorded that Myanmar women enjoy a really good status and that India could learn from that. And Peace - having come from Syria and Afghanistan where I've been, I very much value law and order and the peace that you have here in Myanmar. Even when you travel to some of the areas affected by ethnic armed insurgency, its a fairly disciplined war -its not terrorism that you see in many parts of the world. Even as regards tourism - there is a lot that India can learn from Myanmar and we not just as India but we as the world.

Treat it as it is and with the respect that it deserves".

Having just visited Myanmar for the first time myself, I can empathize with these sentiments as this country is undoubtedly emerging from a dark and distressing past to a new political and economic dawn.

Notwithstanding the political differences between the two countries, there is no doubting the Ambassador's passion and commitment to bringing his country and the Government of Myanmar closer together. Increasing trade ties between these two countries is the hot topic and the North-Eastern corridor initiatives now underway look set to prove a serious game-changer in this regard.

- Mr. Nicholas Claxton, Advisor to Myanmar Matters

For the full interview, please visit the Myanmar Matters website - www.myanmar matters.com





VISITING BALIPARA FOUNDATION CAMP. L TO R- HARDEV SINGH, THA AYE- CHIEF MINISTER SAGAING, LA JOHN NGAN SAI- CHIEF MINISTER KACHIN & ROBIN EASTMENT , FACILITATED BY H.E. GAUTAM MUKHOPADHYAY , INDIAN AMBASSADOR TO MYANMAR

MYANMAR DELEGATION VISIT TO NORTH EAST INDIA

A 12 member delegation from Myanmar led by Chief Minister of Sagaing Region H.E. U Thar Aye and Chief Minister of Kachin State H.E. U Lajon Ngan Sai visited the North Eastern Region of India between the 30th November to 7th December, 2014. Aimed at boosting inter-regional cooperation in Tourism, Education, Transportation & Culture, the visit was yet another milestone in furthering relations between the bordering States of India and Myanmar which will go a long way in establishing greater people-to-people contact, opening new avenues of trade and cultural exchanges thereby bringing peace and co-prosperity to the entire region. The visits of Chief Ministers from the bordering States of Myanmar to the North East India will provide impetus to the further expansion and deepening of India-Myanmar relations.

HORNBILL FESTIVAL IN NAGALAND

The visiting Chief Ministers from Myanmar were warmly welcomed by the Nagaland Chief Minister at the inauguration of Hornbill Festival, an annual cultural festival of Nagaland, India on 1st December, 2014. The Festival was inaugurated by Prime Minister of India Shri Narendra Modi. Also present on the occasion were Governor of Nagaland and Ambassador of India to Myanmar H.E. Gautam Mukhopadhaya. On 2nd December, the two Chief Ministers of Sagaing and Kachin were the guest of honour at the festival of Kisama village and were also Chief Guests of Kigwema village stone pulling ceremony.

EDUCATION & CONSERVATION IN ASSAM

The Delegation arrived in Guwahati on the 3rd of December where they attended the Business Discussion Session organized by FICCI North East. The theme of the session was on developing business and connectivity opportunities between the North East & Myanmar.



WILD MAHASEER, ASSAM, INDIA

From Guwahati the Delegation moved to the Sonitpur District, where on the way they visited the APPL owned Kellyden Tea Estate and Misa Golf Club. The main purpose of the Delegations trip to Sonitpur was to visit two of the premier Educational Institutions in the region- Tezpur University and Assam Valley School. Besides visiting the campuses of both institutions, the Chief Ministers had open interaction session with faculties and students.

The Assam-leg of the Tour was organized and facilitated by the Balipara Foundation and also included a tour of the Balipara Foundation Conservation Center. The Chief Ministers were presented with the Report from the recently concluded International Conference on Asian Elephants, which had strong participation from Myanmar. Furthermore a copy of the recently published book “Reflections on Managing Water” was also handed over.

CONFERENCE & SEMINAR IN MEGHALAYA

The two Chief Ministers then traveled to Shillong, Meghalaya State to attend a two day Conference/Seminar on India's North Eastern States and Eastern Neighbours: Engaging for Connectivity, Culture and Prosperity in Shillong on 5th and 6th December, 2014. The Seminar was organized by the Asian Confluence, Divya Jeevan Foundation in collaboration with Indian Council for World Affairs, Ministry of External Affairs. The Seminar was organized to address the complex and sensitive issues relating to the tremendous role that the civil society can and should play in the development of North Eastern part of India and as India's land connectivity corridor to the greater economy of the South East and East Asia.

SUMMARY OF INTERACTIONS

1. *What is the strategic importance of India, especially the North East, for Myanmar and vice versa?*

The NER connects India to Myanmar and Myanmar connects India to South East Asia. Therefore the strategic importance of both countries to each other is quite obvious. The NER is the geographical gateway through which any meaningful and long-term cooperation will be built around.



2. *Does China's powerful economic presence in Myanmar effect the establishment of Indian companies in the country?*

There is ample scope to develop India's economic and other ties with Myanmar. A number of projects have been commenced, the most important of which – the Kaladan Multi-Modal transport project, which will connect Calcutta with Sittwe port, and the India-Myanmar-Thailand trilateral highway – are still ongoing. Infrastructure at border posts like Moreh-Tamu, which is in dire need of repair, and the bus service between Imphal and Mandalay are still on the drawing board. Indian companies such as Essar, GAIL, and ONGC Videsh Ltd. have invested in Myanmar's energy sector. Tata Motors has set up a heavy turbo-truck assembly plant. Myanmar imports only three per cent of its total imports from India and there is substantial scope for India to diversify the trade basket.

3. *Is Prime Minister Modi's recent visit to Myanmar a positive step towards Indo – Myanmar investment opportunities and how?*

As Prime Minister Narendra Modi and Myanmar President Thein Sein met at Nay Pyi Taw, the big focus of discussions was improving connectivity between what they called “brother countries.” The Modi government brings in a renewed push to India's Look East policy with an “Act East” policy. Needless to say, greater trade and commerce, tourism, people-to-people contacts depend on improved and easy connectivity.

4. *What could be Myanmar's role in bolstering India's Look East Policy?*

As Myanmar opens up to the outside world, India can aid it immensely in nurturing its nascent democracy. Following up on the many recent diplomatic visits, the two neighbours have a historic opportunity to come close to each other once again and transform their bilateral relations. Myanmar is rich in natural resources, and consistent and long-standing cooperation with India will help it develop its true potential. For India, cooperation with Myanmar will help transform the North-East, bolster its LEP, and help it emerge as a major Asian power.



BEST PUPPET ANIMATION AWARD - HTWE OO MYANMAR TRADITIONAL PUPPET THEATER

The Yangon-based marionette troupe HtweOo Myanmar Traditional Puppet Theater has swept the award for the Best Puppet Animation award at the Harmony World Puppet Carnival held in Bangkok. The Burmese puppeteers outshone the competition and emerged winners over 160 other puppetry troupes from almost 70 countries around the world. They were awarded a cash prize of US\$1,000. The Burmese puppeteers presented the famed art of yoke thé at the carnival, bringing to life the story of the noble princess Thambula in their drama “ThawtithenaThambula”.

The performance also included choreographed dances that complimented the ballad. The troupe cut short the yoke thé performance at the carnival to limit it to an hour, even as the original format of a yoke the recital runs through the night. The director of the HtweOo theatre, Khin Maung Htwe said that they shortened the puppet show to fit the time slots and that taking into account the multi-cultural audience. Yoke thé, which is often referred to as poetry in motion, has once again started gaining popularity in Burma after a waning spell in the past. This art of marionette puppetry, nurtured by royal patronage, emerged as a popular form of entertainment for a wider audience in Burma connecting them with some of the most treasured folklores passed on through generations. Yoke thé, which literally translates into “miniatures,” embellishes intricately designed miniature puppets, employed by 18 (for male characters) or 19 (for female characters) wires with each puppet controlled only by one puppeteer. The Burmese art of puppetry, said to have been the preserved form of entertainment for royalty once upon a time, is often known to bring to life the fables and themes from Hindu and Buddhist mythology as also the captivating love stories.

We are filled with wonder at the sight of the puppeteer's dexterity in performing the marionette's movements like real human beings. This also clearly reveals the high standard of Myanmar Puppets as well as the real image of Myanmar arts.



BOGYOKE MARKET SELLING BURMESE ART AND SOUVENIRS, MYAMMAR

NEW FREEDOM FOR MYANMAR'S ARTISTS

Myanmar's new quasi-civilian government abolished the military censorship board in 2012, fueling a liberalization of the arts. Subjects that were once forbidden are now commonplace. The new freedom of expression has turned much art away from the traditional and military-sanctioned subjects of pagodas and landscapes into political ones like the opposition leader, Daw Aung San Suu Kyi, and her father, General Aung San, the revolutionary hero.

The work of dozens of local artists once only known in small circles is now receiving ample attention at home, especially in Yangon, where the art scene has grown from just a few galleries in 2012 to more than 30 today. As the local market is flooded with new works, once-forbidden art is also entering the international circuit.

Earlier in Myanmar, basic art supplies such as acrylics were scarce in the market and artists struggled to make a living, many taking second jobs. "It was very difficult back then," said MyoNyuntKhin, another local artist. "There was no market to sell work other than illustrating for journals and there were no studios. I had no place to paint."

Some artists are experimenting with well-known styles like Cubism, while others are looking to the distant past for inspiration: using techniques like embroidery and gold threads on tapestries to reconstruct mythology.

Despite the encouraging direction of Myanmar's burgeoning art scene, some believe there is still a long way to go. But as modern artwork and tourism grow, new high-end private galleries like TS1, which is housed in an old transit shed, have also begun to spring up in Yangon.

"DANDAREE" LAUNCHED IN BAGAN

"Dandaree", a visual masterpiece, features striking presentation styles, unmatched light and sound production, and multimedia techniques synchronized with stage performances by more than a hundred talented dancers, actors and performers who come together to tell the story of Myanmar's proud history. "Dandaree" will be shown during the high-season for tourism in Bagan, from November to March every year.

Each scene reflects the unique elegance of Myanmar and its people through music, language, folk wisdom and Myanmar dance, puppeteers, martial artists, Chinlone shows, and more. "Dandaree" offers an once-in-a-lifetime chance to witness the heritage of Myanmar in all its glory at the Bagan Golden Palace. One of the three most beautiful palaces and a must-see for foreign tourists visiting the kingdom of Bagan.

MYANMAR'S PRECIOUS STONES A HIT AT TRADE FAIR IN INDIA

While many in the city are talking about Prime Minister Modi's visit to Myanmar and what it means for Indo – Myanmar relations, traders from India's eastern neighbour at the Indian International Trade Fair say their precious stones are a big hit among Delhiites.

The prices of the jewelry and precious stones like diamond, jade, ruby and emerald vary between Rs.2,000 and Rs.200,000. The Myanmar pavilion, famous for its precious stone jewelry, were heavily flocked by women jostling to find a pair of earrings or a pendant that will best suit them.

The 34th edition of the IITF is said to have attracted nearly two million visitors from across the country and around the world.

CHINA, MYANMAR SIGN \$7.8 BILLION OF DEALS

China and Myanmar signed deals worth \$7.8 billion for energy, agriculture, telecommunications, infrastructure and finance during Chinese Premier Li Keqiang's visit to the Southeast Asian country. The deals made include an agreement to build natural gas power plants, as well as \$300 million in small-scale loans for agriculture and setting up of an electricity cooperation committee, with the aim of keeping energy projects on track. China and Myanmar have traditionally had close ties, with Myanmar relying on its powerful northern neighbor for economic and diplomatic support when it was under wide-reaching Western sanctions. China has been stung by criticism that it is only interested in Myanmar for its natural resources and that its investment has come at a huge cost.

NEW ZEALAND TO OPEN FULL EMBASSY IN MYANMAR

New Zealand will now have a full embassy in Myanmar, Prime Minister John Key has announced. Mr Key, who has been in the once reclusive country for the East Asia Summit, says New Zealand's relationship with Myanmar has developed quickly following political and economic reforms initiated in 2011. "New Zealand opened an embassy office in late 2013 and the decision to upgrade to a full embassy reflects the strong and growing relationship," he said.

Charge d'affaires Bruce Shepherd will now become New Zealand's first resident ambassador to Myanmar. "Our aid and development programme is currently worth around \$4 million annually and is focused on agriculture and disaster risk management."



BOOMING TOURISM SECTOR OF MYANMAR

MYANMAR & KAZAKHSTAN AGREE TO DEVELOP TOURISM CLUSTER

The Kazakh delegation headed by the Ambassador of the Republic of Kazakhstan has visited Myanmar.

During the visit to the capital city of Myanmar, Naypyidaw, Marat Yessenbayev met with the Minister of Foreign Affairs of Myanmar Maung Lwin Vunna. The diplomats discussed the state and prospects of the Kazakhstan - Myanmar cooperation and exchanged views on regional and international issues of mutual interest.

Kazakh Ambassador informed the Foreign Minister of Myanmar on the current socio-economic development of Kazakhstan and its prospects in the light of the main provisions of the President's Address to the nation "Nurly Zhol - Path to the future".

Myanmar is currently developing very rapidly. The country is rich in mineral resources including oil and gas. Myanmar Foreign Minister Maung Lwin Vunna noted great potential for further development of Kazakhstan - Myanmar relations in the fields of energy, investment and tourism.

The two sides also discussed cooperation within international and regional organizations, and expressed their intention to provide mutual support in the United Nations, the Conference on Interaction and Confidence-Building Measures in Asia, the Association of South-East Asia Forum "Asia-Europe" and the Asia Cooperation Dialogue.

In addition, Ambassador of Kazakhstan met with the Chairman of the Federation of Tourism Myanmar Jan Win. The meeting took place in Yangon, the former capital of Myanmar. The parties expressed their intention to sign a memorandum of cooperation in the field of tourism



OBAMA AND SUU KYI DEMAND REFORMS IN BURMESE CONSTITUTION

President Barack Obama gave a blunt assessment of the need for further reform in Myanmar's move toward democracy, weighing into sensitive controversies over the treatment of religious minorities and a prohibition keeping opposition leader Aung San Suu Kyi from running for president.

Suu Kyi, released four years ago from more than two decades of confinement, is now a member of Myanmar's Parliament but is unable to run in next year's presidential election because of a constitutional rule barring anyone with strong allegiances to a foreign national from standing for the presidency. Suu Kyi's sons are British, as was her late husband.

"I don't understand a provision that would bar somebody from running for president because of who their children are," Obama said, with Suu Kyi by his side. "That doesn't make much sense to me."

Obama and Suu Kyi took questions from reporters from the back patio of the house where she spent much of her time under house arrest. The two were warm and affectionate in their interactions, sharing a long embrace after their opening statements and joking with each other throughout their remarks.

Obama has been pressing Myanmar's leaders to amend the Constitution, but has been careful to not directly endorse his fellow Nobel Peace Prize laureate as the country's next president. He also raised an issue that has led to criticism for the opposition icon — her reluctance to address the abuse of minority Rohingya Muslims who are deeply disdained by most people in Myanmar.

"Discrimination against the Rohingya or any other religious minority I think does not express the kind of country that Myanmar over the long term wants to be," Obama said. "Ultimately that is destabilizing to a democracy."



PRESIDENT BARACK OBAMA MEETS WITH BURMESE OPPOSITION LEADER AUNG SAN SUU KYI

Obama also toured the Secretariat Building, where Suu Kyi's father, independence hero Gen. Aung San, was assassinated by political rivals in 1947.

Obama had broadly embraced Myanmar's move away from a half-century of military rule, suspending U.S. sanctions and rewarding the country with high-level visits from American officials. But Myanmar has stalled in fulfilling its promises of political and economic reforms, and in some cases has lost ground.

"We shouldn't deny that Burma today is not the same as Burma five years ago," Obama said. "But the process is still incomplete." "We shouldn't deny that Burma today is not the same as Burma five years ago," Obama said. "But the process is still incomplete."

Both Obama and Suu Kyi warned against complacency in the move toward democracy. Suu Kyi described the process as going through "a bumpy patch."

Suu Kyi opened the press conference by addressing reports of tension between the U.S. and those working for democratic reforms in Myanmar. "We may view things differently from time to time but that will in no way affect our relationship," she said.

Suu Kyi said it's flattering to have a constitutional provision written with her in mind but it's not how the law should be written. The 69-year-old said she and her supporters are working to change it and welcome Obama's support.





THE SMALL AND MEDIUM INDUSTRIAL DEVELOPMENT BANK, MYANMAR

\$50MN LOAN FROM SINGAPORE AND VIETNAM

Myanmar's Ministry of Industry signed an agreement to borrow US\$20 million from a Singaporean private bank and \$30 million from a Vietnamese state-owned bank so that it can increase government loans to small and medium enterprises (SMEs) a ministry official said.

Aye Aye Win, deputy director-general of the Small and Medium Enterprises Development Center, said a total of \$50 million in capital had been secured by the ministry and would be loaned out through its Small and Medium Industrial Development Bank (SMIDB) next year.

"We signed a MoU in October. We'll borrow 20 million US dollar from Singapore and the rest from Vietnam," he said. Aye Aye Win said the funds would be borrowed from the overseas bank at a 4 percent interest rate, adding that loans will be made available to Burmese businesses at "between 6 percent and 8.5 percent, but we are considering the possibility of setting the interest rate at 6 percent."

The government has been drafting a new SME Bill that was brought before Parliament earlier this year, but scant details have been made available about the bill. An estimated 88 percent of all businesses in Myanmar are small and medium-sized enterprises.

The Japan International Cooperation Agency (JICA) is reportedly also cooperating with the government to help scale up government loans to SMEs in Myanmar. JICA plans to provide funds to this end through the Finance Ministry, but few details have been released about the plan.

MPS URGE MALAYSIA TO PROTECT BURMESE NATIONALS

The Burmese parliament's upper house has finished compiling a report on the targeted attacks and killings of Burmese migrant workers in Malaysia, and said it is planning to send the report to the Malaysian parliament. The report, which urges the Malaysian government to curb the violence and protect Burmese nationals, was presented to MPs in Myanmar's upper house. During a parliamentary session in September, MP Khin Maung Latt from Arakan State put forward a question to the upper house seeking to know what action Myanmar's parliament should take to address violence against Burmese nationals in Malaysia.

In response, the upper house decided to look into the issue. After the resulting report was presented to parliament, upper house speaker Khin Aung Myint told MPs that it will be translated into English and sent to Malaysia's parliamentary speaker.

Khin Aung Myint also said that if Malaysia doesn't respond, Burma's parliament will raise the issue again during ASEAN's Inter-Parliamentary Assembly.

US, JAPAN, DENMARK PROMOTE LABOR RIGHTS IN MYANMAR

The U.S. is teaming with Japan and Denmark to try to improve labour conditions in Myanmar, where poor conditions for workers have long been a concern. The White House says the three countries will launch an initiative with the International Labour Organization aimed at reforming Myanmar's labour laws over a number of years. The goal is to get business, labour groups and government institutions cooperating.



MYANMAR TO DEVELOP ITS SOLAR ENERGY SECTOR

Green Earth Power (Thailand) has signed a memorandum of agreement with the Myanmar Ministry of Electric Power (MOEP) to formalise the development of a 220-megawatt solar power plant. The signing ceremony, held in Nay Pyi Taw, marked an important milestone for the Myanmar power sector, which looks to become a major player in the development of renewable energy, and large-scale solar projects.

Solar power is a solution to Myanmar's immediate and long-term power needs, being quick to build and no reliance on the supply of fossil fuels or subject to (their) price fluctuations.

GEP signed the memorandum of understanding for the project in May last year, and only after presenting its findings under a feasibility study and environmental impact assessment, along with extensive technical discussions with MOEP, was the MoU formalised as a firm commitment by both parties to develop the project.

The Minbu project is on a single 344-hectare (2,150 rai) site 200 kilometres west of Nay Pyi Taw. The solar power plant is to be built in four phases over 30 months with a total investment of US\$350 million (Bt11.3 billion).

The solar power plant will be connected to the new 230-kilovolt transmission line that is being constructed by the MOEP, which will be the off-taker under a 30-year power purchase agreement.

The Minbu project is said to be one of the largest solar photovoltaic power plants and will create an estimated 700 jobs during its construction.

HYDROPOWER DEVELOPMENT FLOWS ON TO WESTERN FIRMS

The Ministry of Electric Power (MOEP) recently stated that Western companies in Europe and North America are likely to build the next set of hydropower dams in Myanmar. Chinese and Thai firms have been dominating the hydropower sector of Myanmar in the past and the government now looks towards Western firms' reliable construction quality and international standards for new dams. However, the government also signed agreements with three Chinese firms and a Thai company to build four hydropower projects on Thanlwin River. All projects are required to undergo a complete environmental and social impact assessment survey before initiation. Myanmar is also keen to address a chronic electricity supply problem partly through hydropower.

GAS EXPORTS UP MORE THAN 20 PERCENT

Exports of natural gas have surpassed US\$2.1 billion in the first half of the fiscal year, up more than \$440 million over the same period last year, according to figures from the Ministry of Commerce. Most gas, about \$1.5 billion, was exported by sea, while about \$609 million worth of natural gas was exported by pipelines.

Natural gas exports are likely to rise as more offshore and onshore exploration blocks have been awarded to foreign and domestic companies, though much of this could be used within Myanmar, which is facing a severe electricity shortage.

Natural gas remains the top export item with other resources, such as teak, agricultural and fisheries products that follow.



THE RECIPIENTS OF THE BALIPARA AWARDS 2014 WITH SHRI TARUN GOGOI, CHIEF MINISTER OF ASSAM

BALIPARA FOUNDATION

AWARDS 2014

Conservation of the Eastern Himalayan Region

Lifetime Service Award



Dasho Paljor J. Dorji (Benji)
Bhutan



Nature Activist Award

Saipari Sailo
Mizoram



Wild Life Conservation Award

Aparajita Dutta
Assam



Balipara Foundation Annual Award

Pangti Village Council
Nagaland



Mahout Mark Shand Award

Bhumindhar Deka
Assam



Young Entrepreneur Award

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Ecological Restoration Award

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Mahout Mark Shand Award

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Young Naturalist Award

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Mahout Mark Shand Award

Mongal Ghatowal
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L TO R: Shri. VIJAY CHHIBBER - SECRETARY, MINISTRY OF ROAD TRANSPORT & HIGHWAYS GOI, H.E. GAUTAM MUKHOPADHAYA - INDIAN AMBASSADOR TO MYANMAR, Dr. MUKUL SANGMA - CHIEF MINISTER OF MEGHALAYA, MR. RANJIT BARTHAHUR - CHAIRMAN FICCI NE & Dr. A. DIDAR SINGH - SECRETARY GENERAL FICCI

NORTH EAST CONNECTIVITY SUMMIT

North Eastern part of India has immense latent potential which can be harnessed to ensure equitable growth across the country. With 5339 kms of International borders and surrounded by some of the fastest growing economies of the world, the North East is located in a uniquely advantageous geographic position. However, to be able to leverage the unique advantages, and ensure inclusive growth, some key enablers like roads, railways, water ways, airports need to be strengthened. Development of connectivity infrastructure will have huge multiplier effects on the region's growth besides paving the way for better economic and strategic integration of the region with rest of the country and also with neighbouring countries.

In order to identify and highlight the connectivity needs of the region, to catalyse the evolution of a comprehensive connectivity road map for the region, explore financing options and rope in private sector capabilities, FICCI organised a two day “North East Connectivity Summit” from 27th to 28th November 2014 in Guwahati.

The summit was the first ever platform focused on policy debate and facilitation of investments for connectivity infrastructure in the North East Frontier by focusing on important areas of infrastructure development like Roads, Railways, Inland Waterways, Airports and development of an integrated development corridor connecting mainland India with South East Asia.



MR. RANJIT BARTHAKUR, CHAIRMAN, FICCI NORTH EAST

BACKGROUND

The North East, with a total area of 2,62,179sq km occupies about 8 percent of India's total geographical area and are populated by about 3.8 % of India's population. The region is rich in natural resources, enjoys a demographic advantage with a large young population and is surrounded by over 5300 kms of international borders. Despite the advantages however, the region has lagged behind during the 65 years since independence, primarily because of a disconnect with its neighboring countries.

While it is connected by the narrow chickens neck corridor with mainland India the regions connectivity with neighboring countries, with whom it shares over 5300 kms of international borders, is almost non-existent. Intraregional connectivity is also far from adequate, although roads have seen substantial development in the past few years, slow pace of development of railways, air transport and Inland Water Transport has ensured that in large parts of the region inadequate connectivity is still a major impediment for development.

Massive investments need to be made to create new connectivity infrastructure and upgrade the existing ones. Government alone cannot fulfil these needs and therefore it is important to rope in the private sector – national and international companies and also multilateral agencies to help finance and execute large scale connectivity projects in the region.

KEY OBJECTIVES

To build consensus on the connectivity needs of the region.

To evolve a comprehensive connectivity development roadmap for the region

Brain storm financing options for infrastructure development in the North East



SHRI TARUN GOGOI, CHIEF MINISTER OF ASSAM, GOI

KEY AREAS

Roads: Intra-regional connectivity needs to be improved substantially and road connectivity with the neighbouring countries needs to be re-established. One of the key proposals in the roads sector is to develop a 4000 km ring road connecting all the north eastern states.

Railways: The region has about 2600 kms of railway lines, mostly in the states of Assam and Tripura. Five of the eight state capitals are yet to be connected by railway and international rail connectivity is non-existent. Some key Railway projects that need to be expedited / taken up are connecting all state Capitals, Indian part of the Trans Asian Railway, Border railway line along the India Myanmar Border, and restoring rail connectivity with Bangladesh.

Inland Waterways: The Brahmaputra and Barak River Systems which formed the backbone of connectivity during the pre-independence period could provide a very cost effective mode of transportation and help overcome the transportation bottleneck. It is proposed to develop 20 port townships along the length of these two rivers and fully develop intraregional connectivity.

Air Connectivity: In the early 1970s the North East had 17 functioning airports; today this number has come down to 10. Given the nature of the terrain, Air Connectivity can play a vital role in catalyzing development in far flung areas of the region.

Economic Integration and Development Nodes: It is proposed that 50 economic integration and development nodes be set up across the region in tandem with development of transportation corridors.

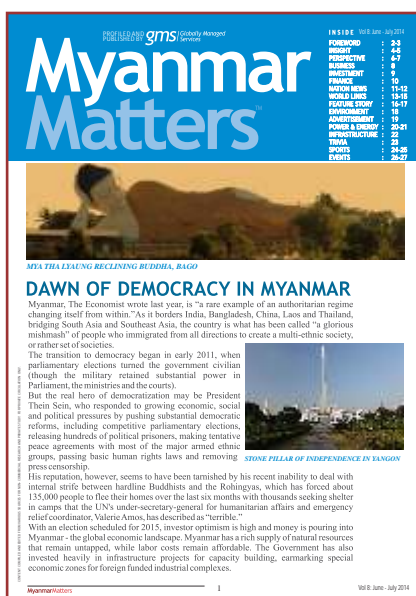


DR. A. DIDAR SINGH SECRETARY GENERAL, FICCI

THE TEAM OF MYANMAR MATTERS WISHES YOU A MERRY CHRISTMAS & A HAPPY NEW YEAR 2015!



April-May 2014



June-July 2014



August - September 2014

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