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## Myanmar Highlights

24 October 2013

- China Non-ferrous Metal Mining Company (CNMC), one of China's largest state owned enterprises, and Myanmar's Ministry of Mines (MOE) have announced plans for an US\$800 million joint-venture nickel project in the Tagaungtaung area of central Myanmar. The Tagaungtaung nickel and ferro-nickel mine is the the largest mining project approved by the MOE to date. Exploration and surveying has been on-going in the area since 2004. It is estimated that the project will produce 85,000 tonnes per annum. (From Myanmar Business Network, 16 October 2013.

- China's Zongshen Industrial Group (Zongshen) has announced it will invest US\$100 million in a ferro-titanium mine in Kokang, Myanmar. In 2012 Zongshen signed a framework agreement with a Kokang based mineral company to co-develop the mine. The US\$ 100 million investment will be made in three phases. Phase 1 investment of approximately US\$30 million will take place later this year. ( From Myanmar Business News, 16 October 2013)

- The Dutch Private Sector Investment Programme (PSI) provides funding of up to 50% for pilot investment projects in 50 targeted countries including Myanmar. The PSI is administered by The Agency for International Business and Cooperation, on behalf of the Government of the Netherlands. The PSI supports innovative investment projects in emerging markets in Africa, Asia, Central and Eastern Europe and Latin America. A PSI project is an investment project, implemented by a Dutch (or foreign) company and conducted in cooperation with local companies. To qualify, a project budget should be between € 0.3 and € 1.5 million. The project period can be up to 30 months (36 months for agricultural projects). Project partners in most countries, including Myanmar, must be able to fund 50% of the project budget themselves (A separate programme called PSI Plus operates in Afghanistan, Burundi,

Palestinian Authorities, Sierra Leone and Southern Sudan where only a 40% contribution is required). The project budget cannot include the cost of purchasing land or existing investment or reoccurring expenses such as salaries. Typically 70-80% of the project budget is allocated to hardware and 20-30% to technical assistance .The project should be innovative for the country in which it is implemented. The expansion of an existing project or activity or the replication of similar projects been pursued locally are not "innovative". Projects must have clear commercial potential, and be sustainable allowing for the possibility of future investment to expand the scale or diversify of the project. The project should promote local employment and knowledge transfer. (From myanmar-business.org, 19 October, 2013)



- On 2 October 2013 the Myanmar Investment Commission (MIC) issued permits (MIC Permits) to Singapore- based Wood Craft International Pte Company (Wood Craft) and Uni Global Power Pte Company (Global Power). Wood Craft and Global Power will produce finished-wood products and invest in infrastructure development including hotels,

apartments, offices, and shopping malls on a Build, Operate and Transfer basis. According to the Directorate of Investment and Company Administration the companies will cooperate with Myanmar-based Global Star Company (Global Star) and Nature Link Company (Nature Link) respectively. Nature Link and Global Star will cooperate to develop infrastructure in Yankin Township. Foreign Direct Investment (FDI) in Myanmar reached US\$ 2436 million in the six months up to the 30 June 2013. With investment of US\$ 14,189 million China is still Myanmar's largest source of FDI, followed by Hong Kong (US\$ 6,446 million); South Korea (US\$ 3,037 million) and Japan (US\$ 274 million). Companies from 31 countries invested in Myanmar in the six months up to the 30 June 2013. (From The New Light of Myanmar, 21 October, 2013)

Loi Hein has indicated it is contemplating a listing and plans to commence negotiations with the Daiwa Institute of Research from March 2014. Company chairman Sai Sam Htun said "We will face some problems and we have to be sure of the strength of our funding through exchange rate fluctuations and other issues. The bigger a public company is, the bigger those impacts are." (From Myanmar Times, 21 October 2013)



- The President of the Myanmar Federation of Chambers of Commerce and Industry U Win Aung recently met with a delegation led by President Mr. Teisuke Kitayama of Japan's Mitsui Inter-Business Research Institute to discuss trade and investment in Myanmar, Japan- Myanmar cooperation in the Thilawa Special Economic Zone, opportunities for small and medium enterprises (SMEs) in Myanmar's production sector, opportunities arising as the ASEAN Free Trade Area emerges and how Japan might assist the development of SMEs in Myanmar. (From The New Light of Myanmar, 20 October, 2013)

- Officials from the Yangon Stock Exchange (YSE) have admitted the new exchange is facing development delays. Myanmar Securities Exchange Centre executive director U Soe Thein told The Myanmar Times that prior to listing public companies must first meet required standards in relation to financial statements; tax, audits and financial regulations. He stated that "Most public companies do not necessarily know or follow [existing] rules and regulations." Deputy Finance Minister Maung Maung Thein said that it took other countries many years to establish exchanges. Water and soda conglomerate

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