

Economic Policies

- The Myanmar government approved the principles of an **agreement to allow state and regional governments more freedom to approve foreign investments of up to 10 million USD and 5 billion Kyats** for local investors, without having to seek approval from the union government, starting from 1 April 2015.
- The Central Bank of Myanmar issued an announcement on 27 May, allowing **domestic currency exchange centers to exchange kyat for two more foreign currencies: Malaysian Ringgit and Thai Baht**. The announcement states that domestic currency exchange centers can now exchange Myanmar currency not only with US dollars, Singapore dollars, and Euros, but also with Thai Baht and Malaysian Ringgit.
- Two years of negotiations culminated with the Myanmar government's approval of a **3,600 kyat (US\$2.80) minimum wage for all sectors**, which was implemented in September 2015. The wage is considered low for the region, but marks a significant increase for many workers. It was welcomed by labor unions and factory owners alike, with the exception of the nation's budding garment industry.
- The **new car import rules for 2016**, issued by the Road Transport Administration Department, will oblige a wide range of importers, including nearly all government staff, to import **only left-hand drive models**.

References: <http://www.mmbiztoday.com/articles/state-regional-authorities-given-more-say-approving-foreign-investments>, <http://www.mizzima.com/business-domestic/central-bank-allows-exchange-counters-exchange-kyat-two-more-foreign-currencies>, <http://www.irrawaddy.org/business/government-approves-2-80-minimum-wage.html>, <http://www.mmtimes.com/index.php/business/18287-rtad-rules-out-right-hand-drives.html>

Oil & Gas Sector

- Between April and July 2015, there were **massive inflows of foreign investment into the oil, gas and manufacturing sectors**, according to the Directorate of Investment and Companies Administration. Investment has exceeded US\$2.6 billion: US\$383 million in the manufacturing sector; US\$2 billion in oil and gas; US\$120 million in transport and communication; US\$50 million in hotels and tourism; and US\$46 million in other services. Australia, Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, South Korea, Singapore, Thailand, the Netherlands, the UK, Vietnam, Qatar and South Africa invested in the oil and gas, energy, manufacturing, transport and communication, mining, hotels and tourism, real estate, agricultural, livestock, fisheries and services sectors. Investment in the oil and gas sector is the largest, and includes 151 domestic businesses.
- Myanmar produced **24.7 million barrels of petroleum and 2,085.57 million cubic feet of natural gas between 2011 and 2015, from both onshore and offshore projects**. Production has increased over

the past five years to cope with rising energy consumption, from 15.292 million tonnes of oil in fiscal year 2013, to 17.445 million tonnes of oil in 2014. “The average energy consumption per person reached 0.3388 tons in [fiscal year] 2014 based on a population of 51.49 million,” said a Ministry of Energy official.

- **Woodside Myanmar, an Australian firm**, has interests in six different offshore areas, known as blocks, along Myanmar’s west coast. The firm **made a discovery at the Shwe Yee Htun 1 exploration well in block A-6**, in which it holds a 40 percent (pc) interest. Myanmar firm MPRL E&P has a 20pc interest in block A-6 and Total another 40pc. Woodside Myanmar is solely responsible for the drilling. The firm found a gas column of approximately 129 metres, with approximately 15 metres of “net gas pay”.

References: <http://www.elevenmyanmar.com/business/oil-and-gas-tops-investment-list>, <http://www.mmtimes.com/index.php/business/17287-government-reveals-energy-production-figures.html>, <http://www.mmtimes.com/index.php/business/18332-woodside-discovers-offshore-gas-deposit.html>

Hotel and Tourism

- One of the most significant milestones for Max Myanmar Group, and also for the booming hotel and tourism industry of Myanmar, is the new **Novotel Yangon Max five star hotel, fully owned by a Myanmar entrepreneur**. The hotel was opened on 3 April 2015 on Pyay Road, Yangon.
- Myeik - **Many Thai people are visiting the Singkhon special border checkpoint after Thailand upgraded the border checkpoint in Prachaup Khiri Khan** on 23 May. Thailand allows a two-day one-night stay for Myanmar citizens while Thai citizens are allowed to stay in Myeik for 14 days. The number of Myanmar visitors has increased sharply since the border checkpoint upgrade. From June 1 to 14, a total of 2,261 Myanmar citizens - 1,093 with border pass and 1,168 with temporary border pass - visited Thailand. In May, the number of Myanmar citizens reached 4,127: 1,552 with border pass and 2,575 with temporary border pass.”
- **About 500,000 tourists visited the Mandalay region in 2015**, up 37.5 percent compared to 2014, according to the Ministry of Hotels and Tourism. However, there are not enough hotels in the Mandalay region to accommodate the projected 500,000 tourists. At present, there are 144 hotels, motels and guest houses, with 5,946 rooms in the Mandalay region, and more hotels are needed. An official from the Ministry of Hotels and Tourism stated, “the number of rooms are not sufficient if the projection is 500,000. We will need more than 7,000 rooms to accommodate that figure. Hoteliers are planning to construct more hotels here.” According to an announcement by the ministry, there will be 156 hotels, motels and guest houses, and 6,345 rooms by the end of 2015. A total of 313,655 tourists visited the Mandalay region in 2014, and 219,518 visited in 2013. Most tourists were from Thailand, China, Germany and France, according to official data.

- **Wyndham Hotel Group announced plans on 2 September to expand its portfolio of offerings in Southeast Asia to Myanmar for the first time**, with the signing of a franchise agreement for a 260 room Wyndham Grand hotel in Yangon.
- **The Ministry of Hotels and Tourism announced that Singapore ranks first among foreign countries investing in Myanmar’s hotel and business complexes, with Vietnam a distant second.** The Myanmar Investment Commission has allowed 48 hotels – with a total of 7,058 rooms – to open in Myanmar. Foreign investment in these hotels has reached K655 billion by the end of November 2015, according to data from the Ministry of Hotels and Tourism.
- As the travel and tour industry develops in Myanmar, there’s the prospect of rapid job growth in the near future. **The Myanmar Tourism Federation (MTF) has drafted a master plan to create 2 million job opportunities by 2020.** According to MTF statistics, the industry now has about 1 million people employed in tourism in direct and indirect businesses. An important issue is the scarcity of skilled workers in the country, MTF officials said. **An estimated 4.5 million tourists visited Myanmar in 2015, and the industry has a target of 7 million tourists by 2020.**

References: <http://www.maxmyanmargroup.com/index.php/news-room/news-release/183-new-five-star-novotel-yangon-max-opens>, <http://elevenmyanmar.com/tourism/myeik-sees-more-visitors-after-border-checkpoint-upgrade>, <http://www.mmbiztoday.com/articles/more-mandalay-tourists-expected-accommodation-options-scarce>, <http://www.mizzima.com/business-domestic/wyndham-hotel-group-expands-asia-presence-first-property-myanmar>, <http://www.mmtimes.com/index.php/business/18243-singapore-tops-hotel-investment-list.html>, <http://www.mizzima.com/business-domestic/two-million-job-opportunities-seen-tourism-2020>

Real Estate

Yangon became more expensive for expats compared to Paris, Sydney and Abu Dhabi, according to Mercer's annual Cost of Living Survey.

2015 Rank	2014 Rank	City	Country
1	1	Luanda	Angola
2	3	Hong Kong	Hong Kong
3	5	Zurich	Switzerland
4	4	Singapore	Singapore
5	6	Geneva	Switzerland
6	10	Shanghai	China
7	11	Beijing	China
8	14	Seoul	South Korea
9	8	Bern	Switzerland
10	2	N'Djamena	Chad
11	7	Tokyo	Japan
12	12	London	United Kingdom
15	24	Guangzhou	China
16	16	New York City	United States
23	67	Dubai	United Arab Emirates
28	66	Yangon	Myanmar
29	71	Chengdu	China
30	19	Libreville	Gabon
31	26	Sydney	Australia
33	68	Abu Dhabi	United Arab Emirates
37	74	San Francisco	United States
38	20	Oslo	Norway
41	61	Taipei	Taiwan
45	88	Bangkok	Thailand
46	27	Paris	France
50	92	Washington, DC	United States
59	31	Rome	Italy
205	211	Karachi	Pakistan
206	210	Windhoek	Namibia
207	209	Bishkek	Kyrgyzstan

Yangon, the only Myanmar city among the 207 that were surveyed, climbed 38 places from 66th overall in 2014 to 28th in 2015.

- **Yangon will need around 75,000 new apartments to be built each year to accommodate the city's growing population, as more than 330,000 people migrate to Yangon each year.** Yangon city has a population of 5.14 million, which increases by 6.6 percent each year.
- **The average population density for Yangon reached about 16,000 people per square mile.** Most people live in downtown areas. Sanchaung, Kyimyintaing and Kamaryut townships are the downtown areas with more than 100,000 per square mile. The least dense townships in Yangon are South Dagon, North Dagon and Dagon Seikkan townships: each with around 5,000 people per square mile. **Yangon has approximately 5.5 million inhabitants and covers 340 square miles.**

- **The price for land in Myanmar is the highest among developing countries: one square metre of land in Myanmar costs 605 USD on average**, which is one of the highest rates among developing countries. One square metre of land ranges between 200- 300 USD in other developing countries, such as Pakistan, Bangladesh and Indonesia, but Myanmar real estate is still a huge component of Myanmar's Investment Sector.
- **Zaykabar launched the Pyay Garden Office Tower for rent.** The nine storey project includes security, Wi Fi, car parking space, automatic fire sprinkler and smoke detector systems. It was built on 2.19 acres and features 27 offices of different sizes. Average monthly rent is between USD 5,000 and 6,000. The smallest offices are priced at USD 2,787 per month, rising to USD 47,750 per month for a 7339-square-foot office on the building's top floor.
- A new commercial centre has opened in Yangon: one peg of a Vietnam-backed construction project that will eventually encompass a five-star hotel and five blocks of residential housing. **Myanmar Plaza – part of the HAGL Myanmar Centre on Kabar Aye Pagoda Road – opened for business on 5 December.** The HAGL Myanmar Centre is owned by Vietnam's Hoang Anh Gia Lai, and the entire project was valued at US \$550 million. The new plaza spans five floors and houses more than 100 retail locations with nearly one third of them offering food, local and international beauty and fashion shops.

References: <http://www.mmtimes.com/index.php/business/15093-yangon-more-expensive-for-expats-than-paris-sydney-or-abu-dhabi.html>, <http://www.mmtimes.com/index.php/business/property-news/16924-yangon-needs-75-000-new-apartments-each-year.html>, <http://elevenmyanmar.com/business/myanmar-land-prices-highest-among-developing-countries>, <http://www.mmtimes.com/index.php/business/17178-zaykabar-launches-pyay-garden-office-tower-for-rent.html>, <http://www.mmbiztoday.com/articles/mandalay-s-property-market-immature-set-rise-report>, <http://elevenmyanmar.com/local/average-population-density-yangon-reaches-16000-square-mile>, <http://www.mmtimes.com/index.php/business/17998-myanmar-plaza-open-for-business.html>

Bank Sector

On 1 October 2014, the Central Bank of Myanmar granted a provisional license to nine successful bidders and specified that they would be allowed to open only one branch. The nine successful bidders were:

- 1) The Bank of Tokyo Mitsubishi UFJ (BTMU)
 - 2) Sumitomo Mitsui Banking Corporation
 - 3) Mizuho Bank
 - 4) Industrial and Commerce Bank of China (ICBC)
 - 5) Australia and Zealand Banking Group Limited (ANZ Bank)
 - 6) Bangkok Bank
 - 7) Malayan Banking Bhd (May Bank)
 - 8) United Overseas Bank (UOB)
 - 9) Oversea-Chinese Banking Corporation (OCBC) Bank
- Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ, and OCBC were the first 3 foreign banks to open their branch offices in Myanmar. Japan's Mizuho Bank also opened its Yangon branch office at Sedona Hotel, with 100 million USD in initial paid up capital: 25 million USD more than the minimum required by the Central Bank of Myanmar.

- The largest Bank in Thailand, Bangkok Bank, opened its Yangon branch office with a paid-up capital of 200 million USD. The branch is located on Kabar Aye Pagoda Road near Yangon's Sedona Hotel. On 1 October 2015, Malaysia's Maybank began operations at its Yangon branch office. Maybank is the only bank in the world with branch offices in all ten ASEAN member states, with total assets of 640 billion ringgit (US\$166 billion) and a market capitalisation of 85.5 billion ringgit. The Australia and New Zealand (ANZ) Banking Group received a branch licence, and became the last of nine foreign banks to operate in Myanmar.
- **The Asian Development Bank (ADB) approved a 60 million USD loan to improve the urban environment, and to boost public health through better water management in Mandalay.** The aim is to further develop the historic city as a cultural, educational and economic hub of northern Myanmar. ADB also approved a 100 million USD loan to improve a 66.4 Kilometre section of road in Kayin State connecting Eindu with Kawkareik, which is the missing link of the East-West Economic corridor.
- **The Central Bank of Myanmar will initiate a second round of foreign licensing in early 2016.** The aim is to license banks from “additional neighboring countries and important trading partners”, and “the main object of the second round of licensing is to further promote existing economic cooperation.” Foreign banks headquartered in countries that successfully obtained a licence in the first round, namely Australia, China, Japan, Malaysia, Singapore and Thailand – will not be allowed to participate in the second round.

References: <http://www.mmtimes.com/index.php/business/13898-foreign-banks-back-after-50-years.html>, www.mmtimes.com/index.php/business/15818-third-japanese-megabank-opens-local-branch-office.html, <http://www.mmtimes.com/index.php/business/15817-first-and-only-malaysian-bank-branch-arrives-in-town.html>, <http://www.mmtimes.com/index.php/business/14840-bangkok-bank-branch-opens-its-doors.html>, <http://www.mmtimes.com/index.php/business/16749-anz-bank-receives-its-licence-just-ahead-of-deadline.html>, <http://www.mizzima.com/development-news/adb-loan-help-provide-sustainable-urban-services-mandalay>, <http://www.mmtimes.com/index.php/business/17619-100m-loan-for-kayin-road-ADB.html>, <http://www.mmtimes.com/index.php/business/17793-ADB-extends-80m-loan-for-electricity-transmission-upgrade.html>, <http://www.mmtimes.com/index.php/business/18141-new-foreign-bank-licences-to-be-granted-in-2016.html>

Telecommunications

- On 12 January 2015, Ooredoo expanded its telecommunication services to Ingapu and Kyaikpaw townships in the Ayeyarwaddy Region, Salin and Chauk townships in Magwe region, and Western Kathahpa area in Mon state.
- State-owned telecom services provider Myanma Posts and Telecommunications (MPT) dropped its Swe Thahar internet package and SMS charges (Data fee Ks. 6 per megabyte and SMS Ks. 10) and launched tourist SIM cards valued at Ks 10,000 (USD 7.69). The tourist SIM card includes 1.5 GB of internet and Ks 5,000 of credit balance, valid for 10 days.
- **Norwegian operator Telenor Myanmar Limited (Telenor) reached the milestone of being the largest 3G network in Myanmar.** Telenor's network now reaches 13 major regions and states in Myanmar. Telenor also launched its first tourist SIM package in Myanmar after MPT launched a tourist

SIM card. The package price is Ks 12,000 (USD 9.29), and includes 1 GB Smart Internet and Ks 5,000 (USD 3.87) credit phone calls and data, and unlimited Facebook usage.

- The Ministry of Communications and Information Technology states that Myanmar's fourth and final telecoms operator will be finalized before the new government takes office at the end of March 2016.

References: <http://www.mmbiztoday.com/articles/ooredoo-expands-mon-magwe-and-ayewarddy>,
<http://www.mmbiztoday.com/articles/mpt-lowers-internet-sms-charges>,
<http://www.mmbiztoday.com/articles/telenor-claims-be-largest-3g-network-myanmar>,
<http://www.mmbiztoday.com/articles/mpt-launches-sim-cards-tourists>,
<http://www.mmbiztoday.com/articles/telenor-launches-tourist-sim-following-mpt>,
<http://www.irrawaddy.com/burma/102508.html>

Special Economic Zone (SEZ)

Thilawa Special Economic Zone (SEZ)

The Grand Opening Ceremony of Thilawa Special Economic Zone (SEZ), Zone A, was held in September 2015. The zone is 20 kilometres from the commercial city of Yangon. The construction of Zone A started in late 2013 and finished in August 2015. It includes 35 hectares of residential and commercial area. **For Zone A, a total of 48 companies from 13 countries have reserved more than 60% of the SEZ.** The 200 million USD new wharf project at the Thilawa SEZ will be completed in 2017 with an Official Development Assistance loan from Japan. The opening of Thilawa SEZ attracted the interest of international investors, and is included in the 2015 special economic sector.

References: <http://www.myanmarinternational.tv/news/thilawa-sez-vp-attend-opening-zone>,
www.mmtimes.com/index.php/business/17330-mizuho-to-open-second-office-at-thilawa-sez.html,
<http://www.mmbiztoday.com/articles/new-wharf-thilawa-sez-2017>,
<http://www.elevenmyanmar.com/business/thilawa-sez-opens-interest-international-investors>

Kyaukphyu SEZ

After years of deliberation, the **list of companies which were awarded development of the Kyaukphyu Special Economic Zone in Rakhine State** is as follows:

1. China International Trust and Investment Corporation (CITIC)
2. Thailand's Charoen Pokphand Group Company Limited (CP Group)
3. China Harbor Engineering Company LTD (CHEC)
4. China Merchants Holdings (International) Co LTD (CMHI)
5. TEDA Investment Holding (TEDA)
6. Yunnan Construction Engineering Group (YNJG)

The China International Trust and Investment Corporation (CITIC) Construction company, together with four other Chinese companies and one Thai firm, formed a consortium that won the tender for building an industrial park and a deep sea port in the SEZ on 30 December 2015. The consortium of companies that will build energy

and industrial projects in the Kyaukphyu Special Economic Zone (SEZ) in Myanmar have pledged to protect the environmental and social interests of local residents.

After completion of the project, the expected annual capacity of the Deep Sea Port will be 7.8 million tonnes of bulk cargo and 4.9 million TEU containers. With increased containers throughout the Deep Sea Port, terminals may be upgraded to provide an annual capacity of 7 million TEU containers. The SEZ will also include an industrial park, and is estimated to provide 100,000 jobs.

References: <http://www.mizzima.com/business-domestic/consortium-pledges-%E2%80%98best-practices%E2%80%99-kyaukphyu-sez>, <http://www.mmbiztoday.com/articles/kyaukphyu-sez-bids-awarded>

Dawei SEZ

The Italian-Thai Development Pcl and Rojana Industrial Park signed a 1.7 billion USD deal to develop the first phase of Dawei Special Economic Zone by June 2015, and Japan signed a trilateral cooperation agreement to develop the Dawei special economic zone (SEZ) with Myanmar and Thailand in July 2015. The Myanmar government signed a concession agreement with a consortium of private developers, including Italian-Thai Development (ITD) Public Company, Japanese-Thai joint venture Rojana Industrial Park Public Company, and LNG Plus International Company from Thailand, for the Dawei special economic zone (SEZ).

References: <http://www.mmbiztoday.com/articles/italian-thai-rojana-sign-first-phase-dawei-development-june>, <http://www.mmbiztoday.com/articles/japan-sign-agreement-thailand-and-myanmar-dawei-sez-july>, <http://www.mmtimes.com/index.php/business/15872-government-signs-dawei-agreement-with-itd-again.html>

Yangon Stock Exchange (YSX)

The Yangon Stock Exchange (YSX) was officially launched on 9 December 2015, and is operated by the Myanmar Economic Bank (MEB) in partnership with Japan Exchange Group (operator of Toyo Stock Exchange) and Daiwa Securities Group. The exchange is 49 percent owned by the two Japanese companies and the majority is owned by Myanmar Economic Bank (MEB).

Six companies were approved to list on the YSX. The companies are:

- 1) Myanmar Thilawa SEZ Holdings Public.
- 2) First Myanmar Investment Company (FMI),
- 3) Myanmar Agribusiness Public Corporation (Mapco),
- 4) First Private Bank Limited,
- 5) Myanmar Citizens Bank and
- 6) Great Hor Kham Public,

After completion of formalities, companies will start trading in March 2016.

Brief profiles of the 6 companies

- 1) **The Myanmar Thilawa SEZ Holdings Public Limited** was formed by nine Myanmar companies that own 41 percent of the Thilawa special economic zone (SEZ) southeast of Yangon, with the government owning 10 percent and a consortium of Japanese firms holding the remaining 49 percent stake. The project, like the stock exchange, is intended to jumpstart investment into Myanmar's economy.

- 2) **FMI** is led by business tycoon Serge Pun, who also chairs Yoma Strategic Holdings, a company listed on Singapore's stock exchange. FMI has a range of interests including real estate, health care, aviation and banking. FMI listed its asking price for shares traded over the counter at a company trading center in Yangon at 19,000 Kyat on 9 December 2015.
- 3) **The Myanmar Agribusiness Public Company (Mapco)** was formed in 2012 "to mobilize public savings and to foster broader investment in agriculture and agro-based industries" in Myanmar (source: the firm's website). The company is Myanmar's largest rice exporter.
- 4) **First Private Bank** has been a longtime player in Myanmar's financial system, and was founded in 1991.
- 5) **Myanmar Citizens Bank** has also been a longtime player in Myanmar's financial system, and was likewise founded in 1991. It is one of two companies listed on the over-the-counter trading predecessor to the YSX, the Myanmar Securities Exchange Center, which opened in 1996.
- 6) **Great Hor Kham** is based in Muse, Shan State, and is a company believed to have links to current Vice President Sai Mauk Kham. Its business activities are focused on construction projects for government agencies, state enterprises and private entities, as the primary builder or subcontractor. The company is also one of the major investors in the Muse Central Economic Zone along the China-Myanmar border: a major trading hub between the two countries that has been plagued by local residents' claims of land-grabbing in recent years.

Over-the-counter market (OTC market)

For those companies that did not make the cut, a new over-the-counter market will be established. If those companies can raise their standards to meet the requirements of the OTC market, and follow the rules, they may later become eligible to list on the YSX. Only 'public companies', meaning those that already have permission to sell shares, can apply to list on the YSX.

Eligibility

Myanmar has over 200 public companies, but many do not meet the listing criteria for the YSX. Companies seeking to list on the YSX will be required to demonstrate profits for the previous two years or show 10 billion Kyat (10 million USD) in market capitalization, have a minimum capital amount of 500 million Kyat (511,000 USD), and have a minimum of 100 shareholders, where the minority must account for at least 10 percent of the total equity. The corporate listing requirements are low in order to accommodate smaller businesses. Companies preparing to list on the YSX need to implement internationally recognized standards for accounting, internal risk control, financial reporting, transparency and strategic planning.

Underwriter License

At least 10 underwriters are expected to participate. However, only the KBZ Stirling Coleman Securities (a joint venture between KBZ Group and Singaporean firm Stirling Coleman Capital) is the first to be granted an underwriter license. (Myanmar Securities and Exchange Commission (MSEC) Chair, 9 Dec 2015 and The Myanmar Times)

- Licenses are dependent on registering a subsidiary with the Directorate of Investment and Company Administration and putting up K15 billion (US\$11.5 million) in initial capital.

The other underwriters are as follows:

- 1) AYA Bank's wholly owned subsidiary, AYA Trust Securities Company
- 2) Co-operative Bank's wholly owned subsidiary CB Bank Securities
- 3) Daiwa Securities and state-owned Myanma Economic Bank's joint venture subsidiary, Myanmar Securities Exchange Centre
- 4) Global World Securities, an Asia World affiliated company

- 5) Green Circle Company, known in Myanmar for its Ve Ve drinks brand, in a joint venture with Hong Kong-based Pins Capital, called Expert Investment Securities
- 6) Innwa Bank linked Aung Myint Mo Min Securities
- 7) Loi Hein Company and Thai firm KT ZMICO's joint venture subsidiary KTZ Ruby Hill Securities
- 8) United Amara Bank's wholly owned subsidiary Amara Securities
- 9) Young Investment Group's wholly owned subsidiary, Union Trust Securities Company

Of these companies, only three – AYA Trust, KBZ Stirling Coleman and Union Trust – have so far registered with DICA (as of 4 Dec 2015 – The Myanmar Times)

Challenges

The Yangon Stock Exchange is technically under US sanctions, as the majority is owned by Myanma Economic Bank, which is a sanctioned entity. While the Yangon Stock Exchange itself is not designated specifically by the US Treasury department's Office of Foreign Assets Control (OFAC), US officials have said that under US law it would be automatically sanctioned, as it is 51 percent owned by MEB. A number of the new securities companies hoping to receive final licenses are also sanctioned.

The greatest challenge was drafting the legal framework said Mr. Takashi Hibino, president and chief executive officer of Daiwa Securities Group which co-owns YSX. At the moment it's purely domestic market – without investment from overseas it will be very difficult to grow, he added.

Additionally, the establishment of the ASEAN Economic Community (AEC) and regional capital integration will challenge the YSE, increasing competition for the nascent exchange.

Foreign buyers next year

Once the new Myanmar Companies Law is passed, foreign investors will be allowed to participate in the exchange to buy shares and international joint ventures. However, they will have to consider the currency risk (Myanmar Kyat depreciated by more than 25% to US Dollar this year)

The draft act is likely to be passed after the new government takes office at the end of March 2016.

References: <http://www.mmtimes.com/index.php/business/18073-yangon-stock-exchange-to-be-opened-to-foreign-investors-next-year.html>, <http://www.mmtimes.com/index.php/business/18058-six-companies-to-trade-on-yangon-stock-exchange.html>, <http://www.irrawaddy.com/business/102564.html>, <http://www.mmtimes.com/index.php/business/18041-over-the-counter-share-prices-rise-ahead-of-new-stock-exchange-launch.html>, <http://www.mmtimes.com/index.php/business/17976-list-of-10-ysx-underwriters-revealed.html>, <http://www.mmbiztoday.com/articles/draft-company-listing-requirements-yangon-stock-exchange-revealed>, <http://www.mmbiztoday.com/articles/myanmars-first-stock-exchange-oct-15-minister>

Thai-Myanmar Relationship

Thai Companies

- **Italian-Thai Development PCL and Rojana Industrial Park**, signed a 1.7 Billion USD Agreement in March 2015 to develop the Dawei Special Economic Zone.
- Toyo-Thai Corporation Public Company Limited (TTCL) has entered into an agreement with the Myanmar Ministry of Electric Power to build and operate a 2.8 billion USD-worth 1,280 megawatt coal-fired power plant at Ye township in Mon State.
- Thai budget carrier Nok Air is planning a direct flight from Bangkok to Ngapali in Myanmar's Rakhine State to tap the surge in tourist arrivals.

Myanmar migrants to work in Thailand legally.

- The governments of Thailand and Myanmar will collaborate to allow Myanmar migrant workers to work in Thailand legally, and will take action against illegal migration, said Deputy Minister for Social Welfare, Relief and Resettlement, U Htin Aung. At present, both governments announced that illegal workers in Thailand will be allowed to apply for legal permission to work in Thailand within one year. The Myanmar government is also issuing registration cards to Myanmar migrants in Thailand.
- The **Ambassador of Thailand to Myanmar** led a Thai delegation to Ngapali beach, Kyaukphyu, Sittwe and Mrauk Oo of Rakhine State to explore trade and investment opportunities. The Thai delegation included representatives from the fisheries, trading, engineering, water treatment, banking and airline industries.

The largest Bank in Thailand, Bangkok Bank, opened its Yangon branch office with a paid-up capital of 200 million USD. The branch is located on Kabar Aye Pagoda Road near Yangon's Sedona Hotel.

Japan, Myanmar, and Thailand signed an agreement in Tokyo on 4 July, for the mutual development of the Dawei Special Economic Zone. **Italian-Thai Development PCL** was in talks with Myanmar authorities to build a \$500 million liquefied natural gas (LNG) import terminal at Dawei industrial zone in southern Myanmar. The LNG plan is part of a \$1.7 billion deal to develop the first phase of the long-delayed Dawei project, which includes a \$500-million, 450-megawatt gas-fired power plant, the company's president Premchai Karnasuta informed a news conference.

The **Mutual Visa Exemption Agreement between Thailand and Myanmar** became effective on 11 August 2015. The Scheme permits ordinary passport holders of Thailand and Myanmar travelling by air through international airports to enter the other country without a visa, if the stay is limited to tourist purposes and a maximum of 14 days.

The agreement to construct a **2nd Thai-Myanmar bridge** was signed by Thai transport Minister Arkhom Termpittayapaisith and Myanmar Construction Minister U Kyaw Lwin in Nay Pyi Taw on 10 September 2015. The bridge will cross the Moei River from Mae Sot district of Tak province, and a connection road project will be part of an east – west route from Myanmar via Thailand and Laos to Vietnam.

The Baan Lak Tang border checkpoint, which has been shut down for security reasons for the last 13 years, will turn into a new gateway on a 227- kilometer route between Chiang Mai province in northern Thailand and Taunggyi township, the capital of Myanmar's Shan state, to promote cross-border trade and tourism.

Bumrungrad Hospital obtained a licence to set up a subsidiary in Myanmar. Bumrungrad Myanmar has a registered capital of 1.33 million USD and will offer private clinic and diagnostic services. The subsidiary is 80% owned by Bumrungrad Health Network and 20% by Yangon International Medical Services. The Minister of Health announced that foreign investors would be permitted to team up with local partners to finance private hospitals, clinics and laboratories for the first time in decades.

Thai subsidiary KT ZMICO and Local partner KTZ Ruby Hill Securities, a joint venture partner, have been awarded a broker licence of Yangon Stock Exchange.

Thailand-based CEA Projects Myanmar completed installation of heavy equipment for a new PET bottle manufacturing plant in Hlaing Tha Yar district of Yangon.

Refernces: Mizzima: <http://www.mizzima.com/business/investment/item/17401-two-thailand-based-companies-to-sign-up-for-dawei-sez>, <http://mmbiztoday.com/articles/toyo-thai-invest-28-billion-myanmar-power-plant>,<http://mmbiztoday.com/articles/despite-dodgier-airport-nok-air-hopes-touch-down-ngapali>,<http://www.mmbiztoday.com/articles/myanmar-migrants-work-thailand-legally>,<http://www.mmtimes.com/index.php/business/14499-ngapali-may-be-more-beautiful-than-phuket-according-to-a-delegation.html>, <http://www.mmtimes.com/index.php/business/14840-bangkok-bank-branch-opens-its-doors.html>,<http://www.mizzima.com/development-news/japan-myanmar-thailand-sign-agreement-dawei-port-development>,<http://www.mmbiztoday.com/articles/italian-thai-develop-500-m-lng-terminal-dawei>,<http://www.mmbiztoday.com/articles/visa-exemption-scheme-between-myanmar-and-thailand-goes-live>,<http://www.mizzima.com/development-news/second-thai-myanmar-bridge-construction-begins>,<http://www.mizzima.com/development-news/2nd-thai-myanmar-bridge-signed>,<http://mizzima.com/news-domestic/thai-myanmar-border-checkpoint-closed-13-years-reopen>,<http://www.mmtimes.com/index.php/business/17003-thai-hospital-to-establish-myanmar-subsidiary.html>,<http://www.mmtimes.com/index.php/business/17128-thai-myanmar-jv-receives-stock-exchange-broker-licence.html>,<http://www.mmbiztoday.com/articles/cea-myanmar-complete-bottle-plant-installation>