

Government's Policy

1/ Upgrades planned for Yangon power grid

Myanmar Times , 5 – 11 May 2014

The Ministry of Electric Power of Myanmar is undertaking measures to rehabilitate Yangon's poor electricity infrastructure. Over the next six years the Ministry will spend USD 214 million, borrowed from JICA, to reduce electricity losses due to transmission and distribution, the main problems causing electricity shortage and blackout, down to 5 % (from currently more than 20 %).

Trade and Investment

2/ Massive foreign investment creates over 90,000 jobs for Myanmar workers

New Light of Myanmar, 8 May 2014

According to Myanmar Investment Commission, foreign investors made over USD 36,161 million in FY 2013 – 2014, and it is estimated that over 90,000 jobs have been created. Foreign investment in oil and gas sector ranked top amounting to USD 13,630 million, followed by electricity sector at USD 13,254 million, USD 2,785 million in manufacturing, USD 2,337 million in mining, USD 1,549 million in hotel and tourism, USD 1,327 in transport and communication, USD 715 million in real estate, USD 179 million in industrial estate, USD 174 million in agriculture, and USD 166 million in livestock and fisheries.

3/ ADB tackles a banking barrier to trade

Myanmar Times, 5 – 11 May 2014

The Asian Development Bank (ADB) has moved to ease international business money transfers from Myanmar by guaranteeing Letter of Credit Transfers from Co-Operative Bank (CB Bank). A Letter of Credit from a bank guarantees the seller will receive a payment from the buyer on time, with the bank responsible if the buyer fails to pay. CB Bank claims to be the first Myanmar bank guaranteed by an international institution for Letter of Credit transfers. This is expected to boost exporting businesses by making fund transfers cheaper and less risky.

4/ New tax rates come into force in 2014 – 2015 FY

New Light of Myanmar, 8 May 2014

The new income tax and commercial tax law has come to force for the new financial year. Under the new law, people who earn more than K 2 million to K 5 million a year will have to pay 5 % income tax, while those earning from K 5 million to K 10 million are required to pay 10 % tax. People who earn between K 10 million and K 20 million are to pay 20% and those earning more than K 30 million need to pay 25 % of income tax. Commercial tax is collected starting from K 15 million and those who fail to pay taxes will be fined.

5/ **Thilawa SEZ Construction Work on Track**

Myanmar Business Today, 8 – 14 May 2014

Thilawa Special Economic Zone (SEZ) will go into partial operation in mid -2015, the construction of facilities are underway. The project is expected to help create about 40,000 jobs for local residents. Companies from around the world, especially from Japan, Hong Kong, and Europe have shown interests to invest in the project.

6/ **Local airline to launch Myeik-Bangkok Flight**

Myanmar Business Today, 8 – 14 May 2014

Union Express Charter Airline, a joint venture between Myanmar Union Express Aviation Group and Myeik Public Corp, will operate the flights using Boeing 737 to link between the two cities. Flights will run every Tuesday and Friday, costing USD 140 for a return ticket.

International Relations

7/ **UK helps light up PPPs**

Myanmar Times, 5 – 11 May 2014

The UK will provide USD 1.69 million funding in technical assistance to Myanmar to develop public-private partnerships (PPPs) in the electricity sector. The funding will be given to the ADB and the ADB will assist the Ministry of Electric Power specifically with the tendering process and design of PPPs in order to help the Myanmar Government secure good deals for new power sector investment.

8/ **Concrete plans for JV**

Myanmar Times, 5 – 11 May 2014

A joint Chinese and Myanmar venture has announced plans to open five cement factories in Myanmar, beginning with one in Mandalay Division and one in Kayin State. The factories aim to produce around 5,000 tons per day. Myanmar imports about 2/3 of current 6,000 million tons each year.

9/ **Japan to give Y 4 billion to streamline taxation sector**

Myanmar Business Today, 8 – 14 May 2014

Japan has pledged to spend almost Y 4 billion to streamline Myanmar's tax sector, aiming to modernize the taxation system by using auto-clearing for commodities.
