



STARTING BUSINESS

IN

MYANMAR

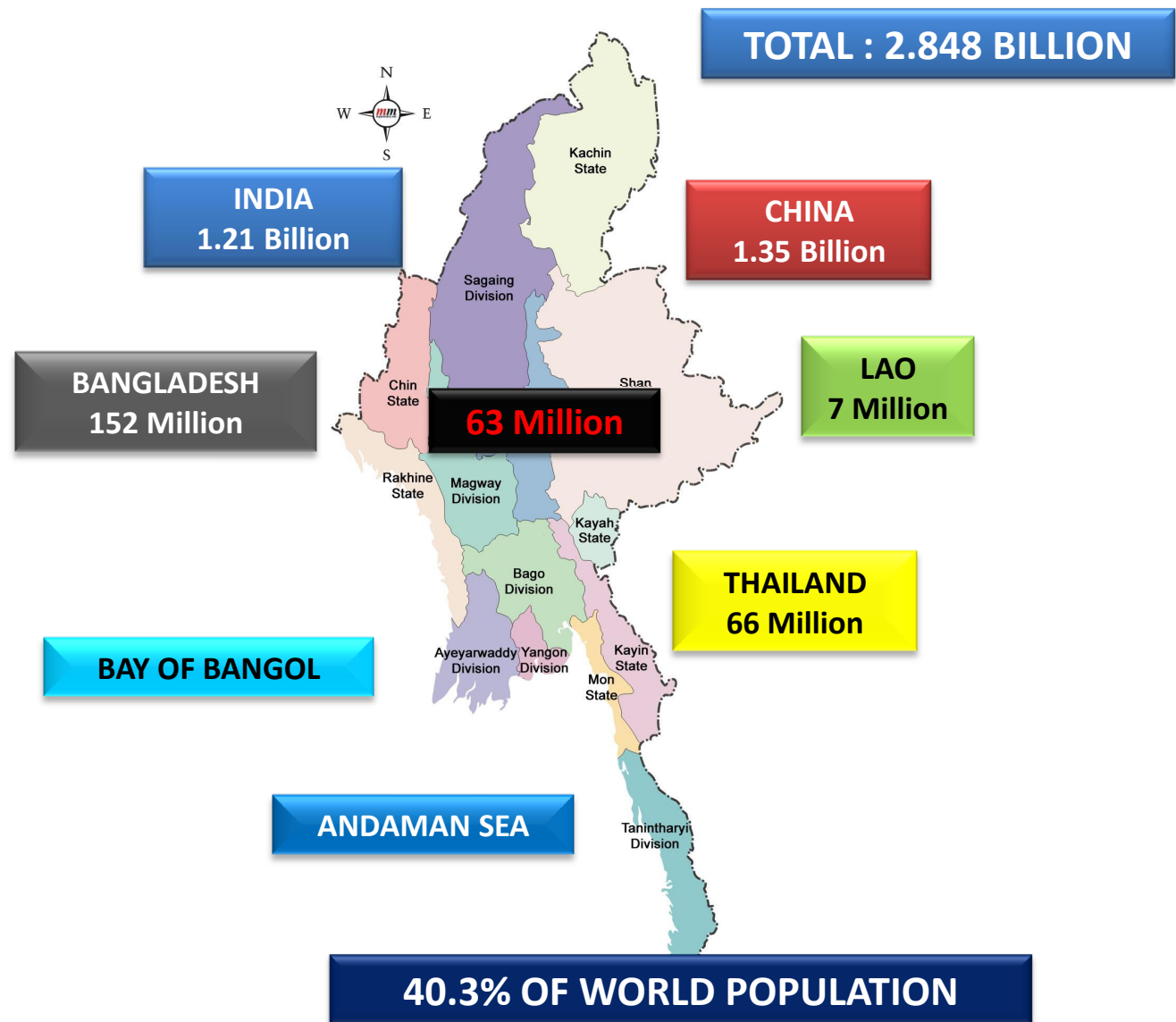
CHALLENGES & OPPORTUNITIES

THINN HTUT THIDAR
CEO

UNIVERSAL LINK SERVICE CO., LTD

UNIVERSAL LINK SERVICE
CO., LTD

MYANMAR & ITS NEIGHBOURING MARKETS



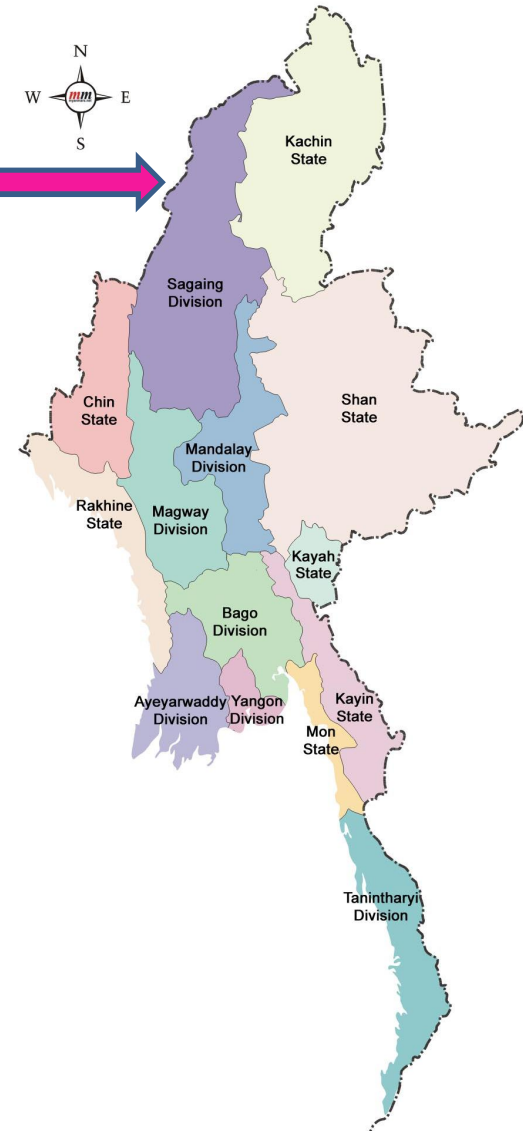
MARKET OPPORTUNITIES

INDIA

BILATERAL TRADE AGREEMENT
ASEAN – INDIA FREE TRADE AREA
BIMST-EC
MYANMAR-INDIA JOINT TRADE
COMMITTEE
MYANMAR-INDIA BORDER TRADE
COMMITTEE

PREFERENCES

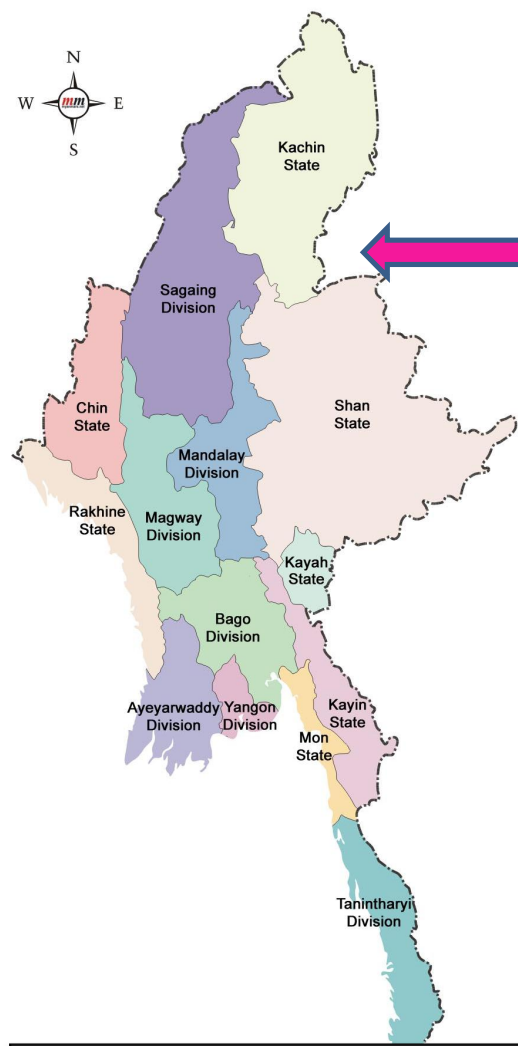
COUNTRY OF ORIGIN;
DOUBLE TAXATION AVOIDANCE
AGREEMENT;
PREFERENTIAL TREATMENTS
GIVEN UNDER WTO & BIMST-EC





UNIVERSAL LINK SERVICE
CO., LTD

MARKET OPPORTUNITIES



Largest Investor in Myanmar with the amount of 14.2 Billion USD

CHINA

BILATERAL TRADE AGREEMENT
ASEAN – CHINA FREE TRADE AREA
GMS
MYANMAR-CHINA JOINT TRADE COMMITTEE
MYANMAR-CHINA BORDER TRADE COMMITTEE

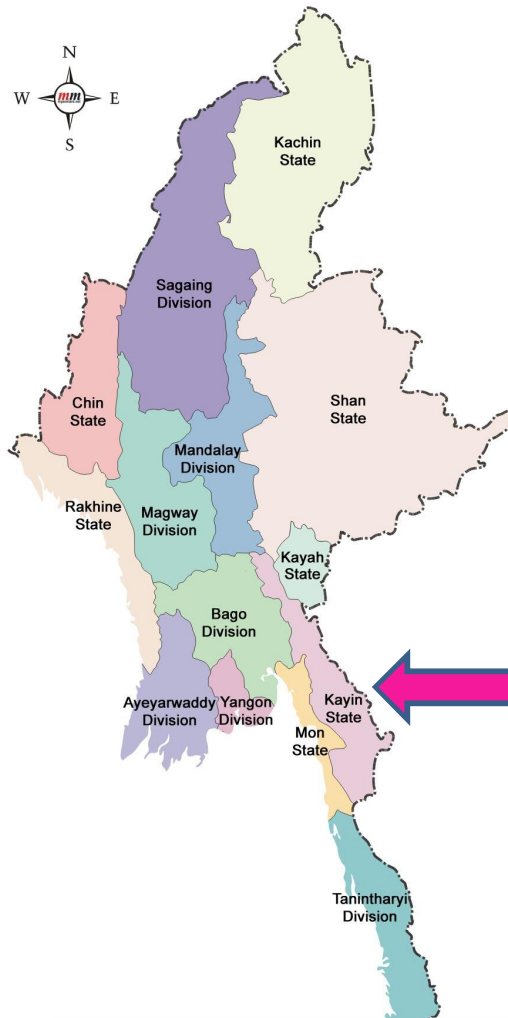
PREFERENCES

COUNTRY OF ORIGIN;
PREFERENTIAL TREATMENTS
GIVEN UNDER WTO & GMS.



UNIVERSAL LINK SERVICE
CO., LTD

MARKET OPPORTUNITIES



**2nd Largest Investor
in Myanmar with the
amount of 9.6 Billion
USD**

THAILAND

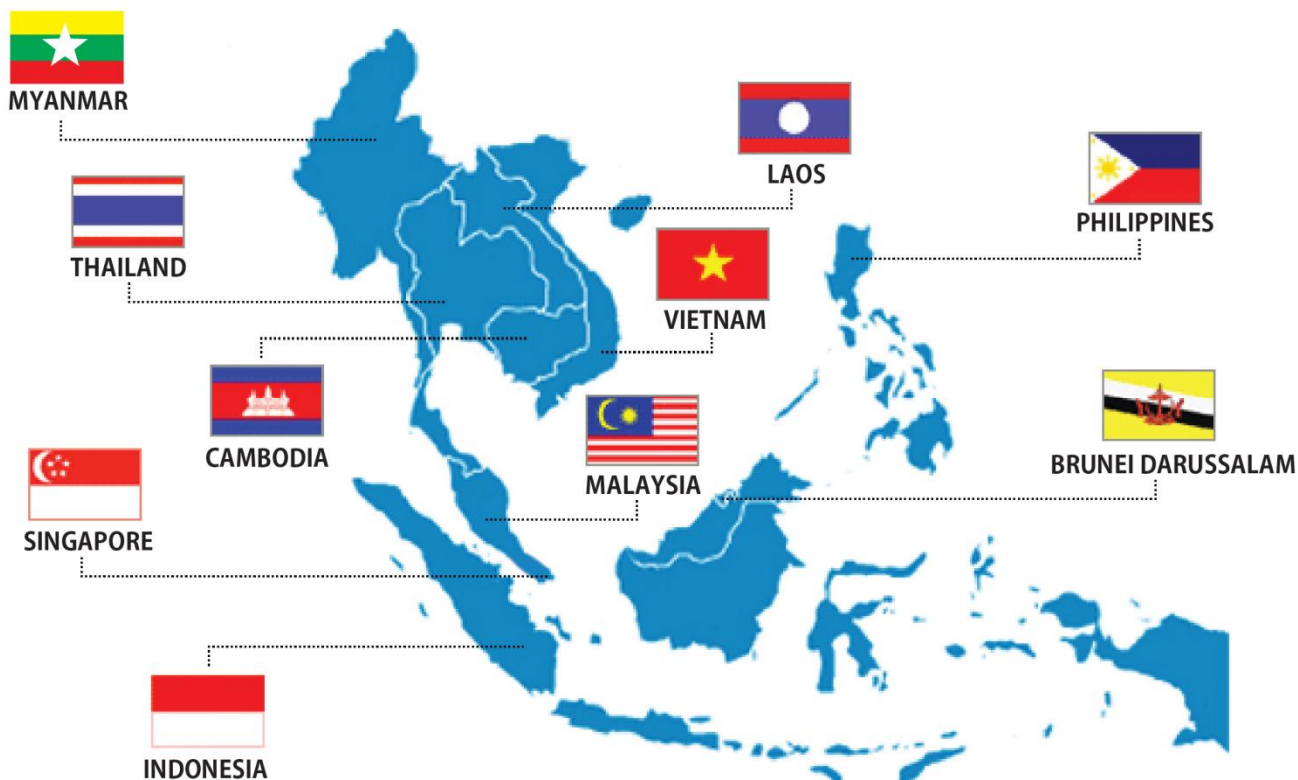
BILATERAL TRADE AGREEMENT
ASEAN FREE TRADE AREA
GMS
MYANMAR-THAILAND JOINT
TRADE COMMITTEE
MYANMAR-THAILAND BORDER
TRADE COMMITTEE

PREFERENCES

COUNTRY OF ORIGIN;
DOUBLE TAXATION AVOIDANCE
AGREEMENT (CAME INTO FORCE
ON 1ST JAN'2012);
PREFERENTIAL TREATMENTS
GIVEN UNDER WTO, ASEAN & GMS.

MARKET OPPORTUNITIES

REGIONAL MARKET
600 MILLION



REGIONAL MARKET OPPORTUNITIES

Double Taxation Avoidance Agreement With :
Thailand
Singapore
Malaysia
Indonesia
Vietnam

PREFERENCES

ASEAN FREE TRADE AREA – AFTA
ASEAN ECONOMIC COMMUNITY - AEC
ASEAN COUNTRY OF ORIGIN (CO)
ASEAN INTEGRATION SYSTEM OF PREFERENCES (AISP)
ASEAN'S & WTO'S SPECIAL AND PREFERENTIAL
TREATMENTS TO MYANMAR

WORLD MARKET OPPORTUNITIES

- ✓ **FOUNDER MEMBER OF WTO;**
- ✓ **MOST FAVOURED NATION – MFN TREATMENT RECEIVED;**
- ✓ **PRERFERENTIAL AND DIFFERENTIAL TREATMENTS RECEIVED;**
- ✓ **DUE TO PROGRESSIVE REFORM SANCTIONS ARE REMOVED;**
- ✓ **GSP SCHEME APPLIED BY EU COUNTRIES;**
- ✓ **EXISTING EXPORT MARKET IN AFRICA;**
- ✓ **THE MOST ATTRACTIVE COUNTRY IN THE WORLD IN 21ST CENTURY;**



RESOURCEFUL ECONOMY - MYANMAR

AGRICULTURE SECTOR

Country's Total area :	676, 590 <i>km²</i>
Land area:	653, 520 <i>km²</i>
Water surface:	23, 070 <i>km²</i>
Agricultural land:	119, 840 <i>km²</i>

AGRO-BASED INDUSTRY IS MAJOR CONTRIBUTOR OF INDUSTRIAL SECTOR AND COUNTRY'S GDP WITH 35.6%.



RESOURCEFUL ECONOMY - MYANMAR

AGRICULTURE SECTOR

- ✓ HYBRID SEEDS PRODUCTION
- ✓ FERTILIZER PLANT
- ✓ PESTICIDES PRODUCTION AND REPACKAGING
- ✓ AGRICULTURAL RESEARCH AND DEVELOPMENT
- ✓ AGRICULTURAL MACHINERY AND EQUIPMENTS PRODUCTION
- ✓ VEGITABLES PRODUCTION AND RELATED SERVICE
- ✓ DEVELOPMENT OF MODERNIZED FARMING

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF AGRICULTURE**

RESOURCEFUL ECONOMY - MYANMAR

AGRICULTURE SECTOR

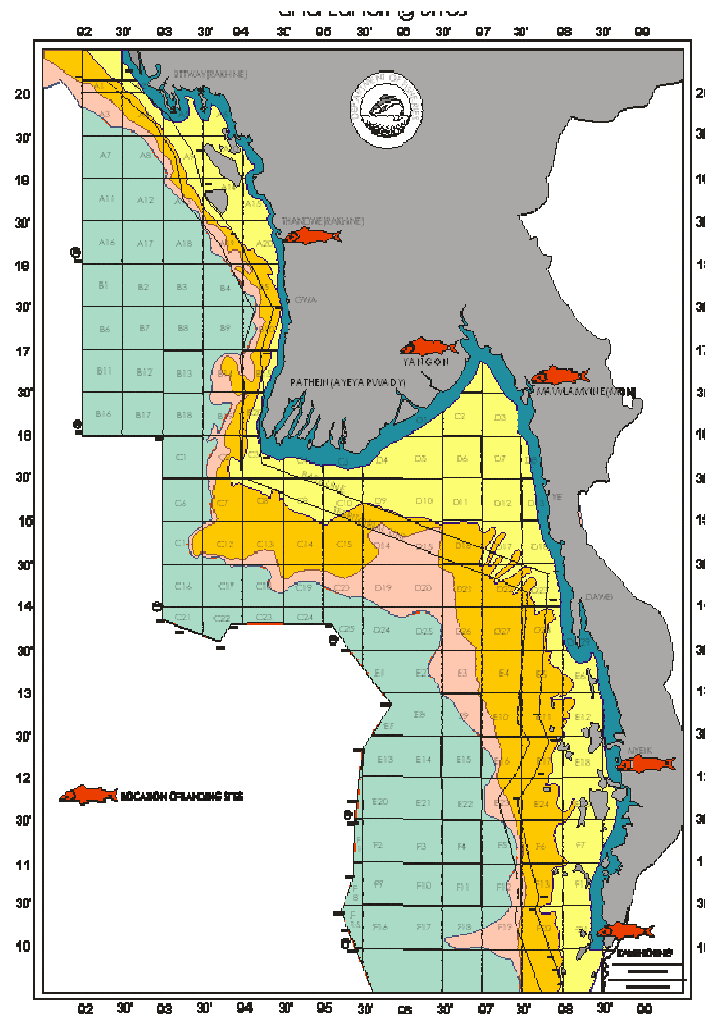
- ✓ AGRO-BASED FOOD STUFF PRODUCTION AND DISTRIBUTION
- ✓ BEVERAGES PRODUCTION AND DISTRIBUTION
- ✓ CEREALS RELATED FOOD STUFF PRODUCTION AND DISTRIBUTION
- ✓ FOOD STUFF CANNING AND DISTRIBUTION
- ✓ YEAST PRODUCTION AND DISTRIBUTION
- ✓ RUBBER AND PLASTIC MATERIALS PRODUCTION AND DISTRIBUTION

**NEED TO FORM JOINT VENTURE WITH LOCAL CITIZENS
WITH MAXIMUM 80%**



RESOURCEFUL ECONOMY - MYANMAR

FISHERY SECTOR



Shelf area:
230,000 km

Length of coastline:
3,000 km

Swamp Land:
0.5 Million Hector

Production:
4 Million Ton / Year

Export Volume
0.5 Billion USD
5th largest contributor
to GDP

RESOURCEFUL ECONOMY - MYANMAR

FISHERY SECTOR

- ✓ BEES AND BEES PRODUCTS PRODUCTION
- ✓ FISHING NET PRODUCTION
- ✓ CONSTRUCTION OF FISH PORT AND FISH BIDDING MARKET
- ✓ TESTING AND LABORATORY SERVICE FOR FISH PRODUCTS
- ✓ SEA FISH AND FRESH WATER FISH FARMING

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF LIVESTOCK & FISHERY**



RESOURCEFUL ECONOMY - MYANMAR

FORESTRY SECTOR

- Forests covering about 50 percent of its total land area.
- Major exporter of teak in the world, takes up 75 percent of the world market.
- About 8% of Total Export.
- Potentials for Value added production of Minor Forest Products:
Bamboo, Cane, Rattan



RESOURCEFUL ECONOMY - MYANMAR

FORESTRY SECTOR

- ✓ NATURE PARK ESTABLISHMENT
- ✓ WOOD BASED INDUSTRY AND OTHER SERVICES
- ✓ ECOTOURISM
- ✓ WOOD EXTRACTION BY LONG TERM LEASING OF FOREST AREA
- ✓ FOREST PLANTATION FOR PRODUCTION OF TEAK, HARD WOOD, RUBBER, BAMBOO, CANE
- ✓ WOOD AND WOOD BASED VALUE ADDED PRODUCTS PRODUCTION AND TRADING
- ✓ LOG EXTRACTION AND EXPORT

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF ENVIRONMENT CONSERVATION AND
FORESTRY**

RESOURCEFUL ECONOMY - MYANMAR

FORESTRY SECTOR

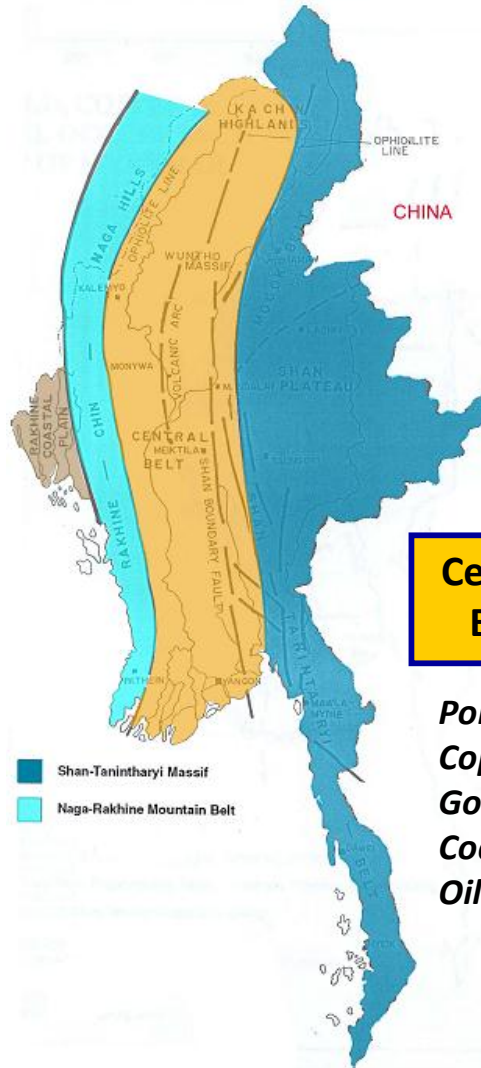
- ✓ **SAWN TIMBER PRODUCTION:**
FOREIGN SHARE NOT MORE THAN 25%
- ✓ **SEMI FINISHED WOOD PRODUCTS:**
FOREIGN SHARE NOT MORE THAN 35%
- ✓ **CAPITAL INTENSIVE HIGH TECH PRODUCTION:**
FOREIGN SHARE NOT MORE THAN 49%

NEED TO FORM JOINT VENTURE WITH LOCAL CITIZEN

RESOURCEFUL ECONOMY - MYANMAR

MINING SECTOR

GEOMORPHIC TECTONIC MAP OF MYANMAR



Western Ranges

*Nickel
Chromite
PGM*

Eastern Highlands

*Lead, Zinc
Copper
Silver
Tungsten
Antimony
Iron*

Central Belt

*Porphyry
Copper
Gold
Coal
Oil & Gas*

**Jade is second largest export item with the amount of USD 2.2 Billion.
2.8 Billion USD investment by 64 Enterprises.**

RESOURCEFUL ECONOMY - MYANMAR

MINING SECTOR

- ✓ **MINERALS EXPLORATION :**
NOT MORE THAN 2 YEARS
- ✓ **PRELIMINARY TESTING:**
NOT MORE THAN 3 YEARS
- ✓ **FEASIBILITY STUDY:**
NOT MORE THAN 2 YEARS
- ✓ **MASS PRODUCTION : INITIAL 15 YEARS,**
EXTENDABLE 5 YEARS EACH FOR 4 TIMES
- ✓ **PEARL PRODUCTION : INITIAL 15 YEARS,**
EXTENDABLE 5 YEARS EACH FOR 2 TIMES
- ✓ **PRODUCTION AND EXPORT OF INDUSTRIAL RAW,**
SUCH AS, COAL, GRANITE, ETC.

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF MINE**

RESOURCEFUL ECONOMY - MYANMAR

MINING SECTOR

- ✓ RARE EARTH PRODUCTION
- ✓ STRATEGIC MINERALS PRODUCTION
- ✓ RADIO ACTIVE MINERALS PRODUCTION
- ✓ FINISHED PRODUCTS OF GEMS AND JEWELLERY PRODUCTION

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS



RESOURCEFUL ECONOMY - MYANMAR

ELECTICITY SECTOR



- ✓ RESOURCEFUL TO PRODUCE HYDRO POWER
- ✓ HUGE DEPOSIT OF NATURAL GAS
- ✓ COAL MINES ARE UNDER EXPLOITATION
- ✓ MAJOR FOREIGN INVESTMENT AREA



RESOURCEFUL ECONOMY - MYANMAR

ELECTICITY SECTOR

- ✓ **PRODUCTION OF ELECTRICITY FROM HYDRO POWER AND COAL ARE ONLY ALLOWED WITH JOINT VENTURE WITH GOVERNMENT ORGANIZATION UNDER BOT SYSTEM**

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS WITH BOT SYSTEM



RESOURCEFUL ECONOMY - MYANMAR

TRANSPORTATION SECTOR



Asia Regional Hub



UNIVERSAL LINK SERVICE
CO., LTD

RESOURCEFUL ECONOMY - MYANMAR

TRANSPORTATION SECTOR

- ✓ CONSTRUCTION OF AIRPORT, VIP LAUNCH SERVICE
- ✓ AVIATION TRAINING SCHOOL
- ✓ AIRCRAFT MAINTENANCE
- ✓ AIR TRANSPORT SERVICE AND MARKETING
- ✓ COMPUTERIZED AIR TICKETING
- ✓ AIRCRAFT RENTAL WITHOUT CREWS
- ✓ AIR FREIGHT SERVICE
- ✓ AIR CARGO LOADING AND UNLOADING
- ✓ AIR LINE KATHERING SERVICE

**NEED TO GET PRIOR APPROVAL FROM MINISTRY OF
TRANSPORT**



RESOURCEFUL ECONOMY - MYANMAR

TRANSPORTATION SECTOR

- ✓ FUEL DISTRIBUTION TO THE AIRLINES
- ✓ MINOR INSPECTION AND MAINTENANCE OF AIRCRAFT
- ✓ ON GROUND SERVICE FOR LANDING/ GROUNDING AND TAKE OFF TIMES
- ✓ ON GROUND BAGGAGE HANDLING
- ✓ AIRPORT HOTEL BUSINESS
- ✓ AIRCRAFT SPARE PARTS SALES AND MARKETING

NEED TO GET PRIOR APPROVAL FROM MINISTRY OF TRANSPORT



RESOURCEFUL ECONOMY - MYANMAR

TRANSPORTATION SECTOR

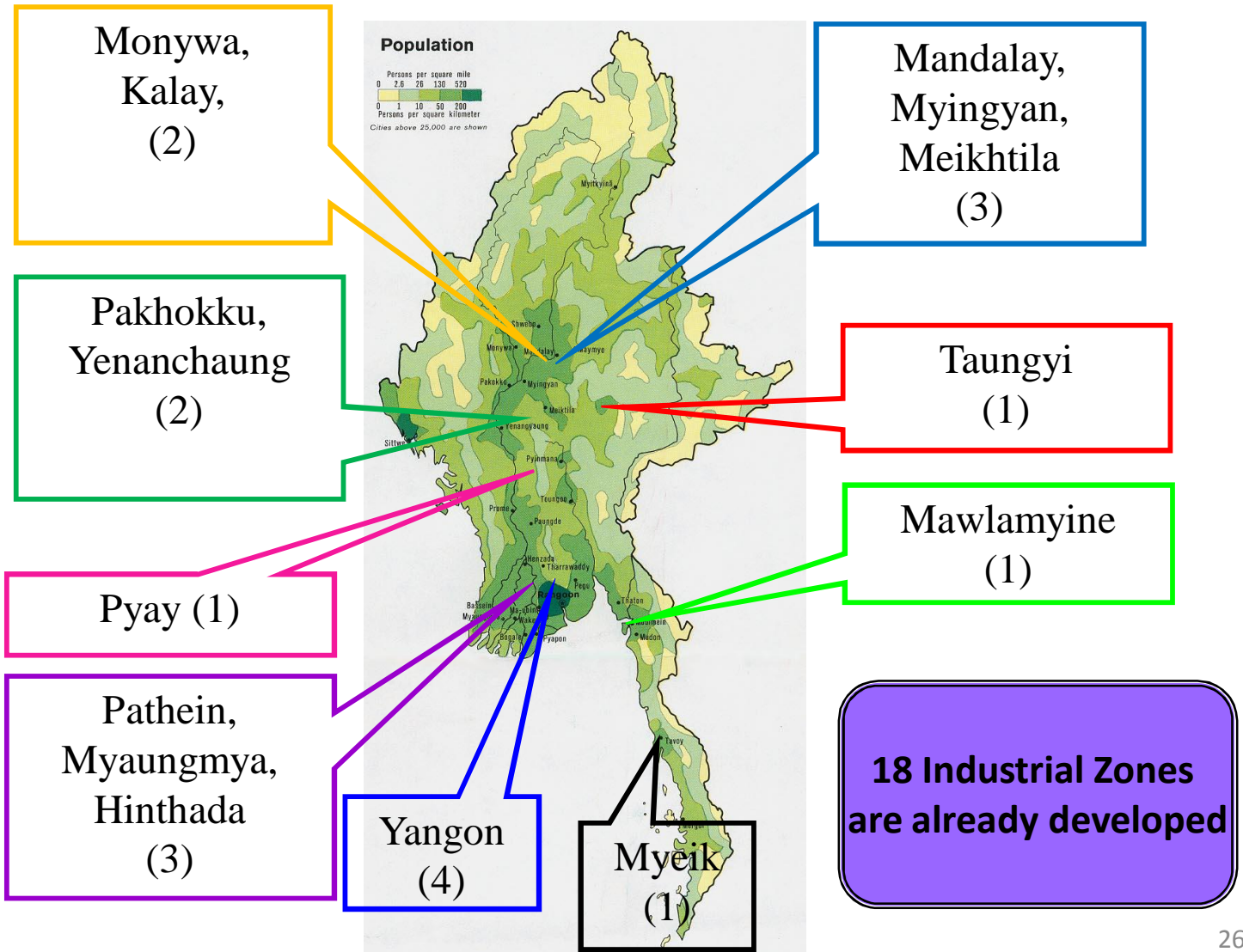
- ✓ ESTABLISHMENT OF MARITIME TRAINING SCHOOLS WITH MINIMUM CAPITAL OF ONE MILLION USD
- ✓ FREIGHT FORWARDING AGENT FOR TRANSLINERS
- ✓ SHIPYARD BUSINESS
- ✓ INLAND WATER TRANSPORT AND RELATED BUSINESS
- ✓ CONSTRUCTION AND OTHER RELATED BUSINESS

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS



RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR

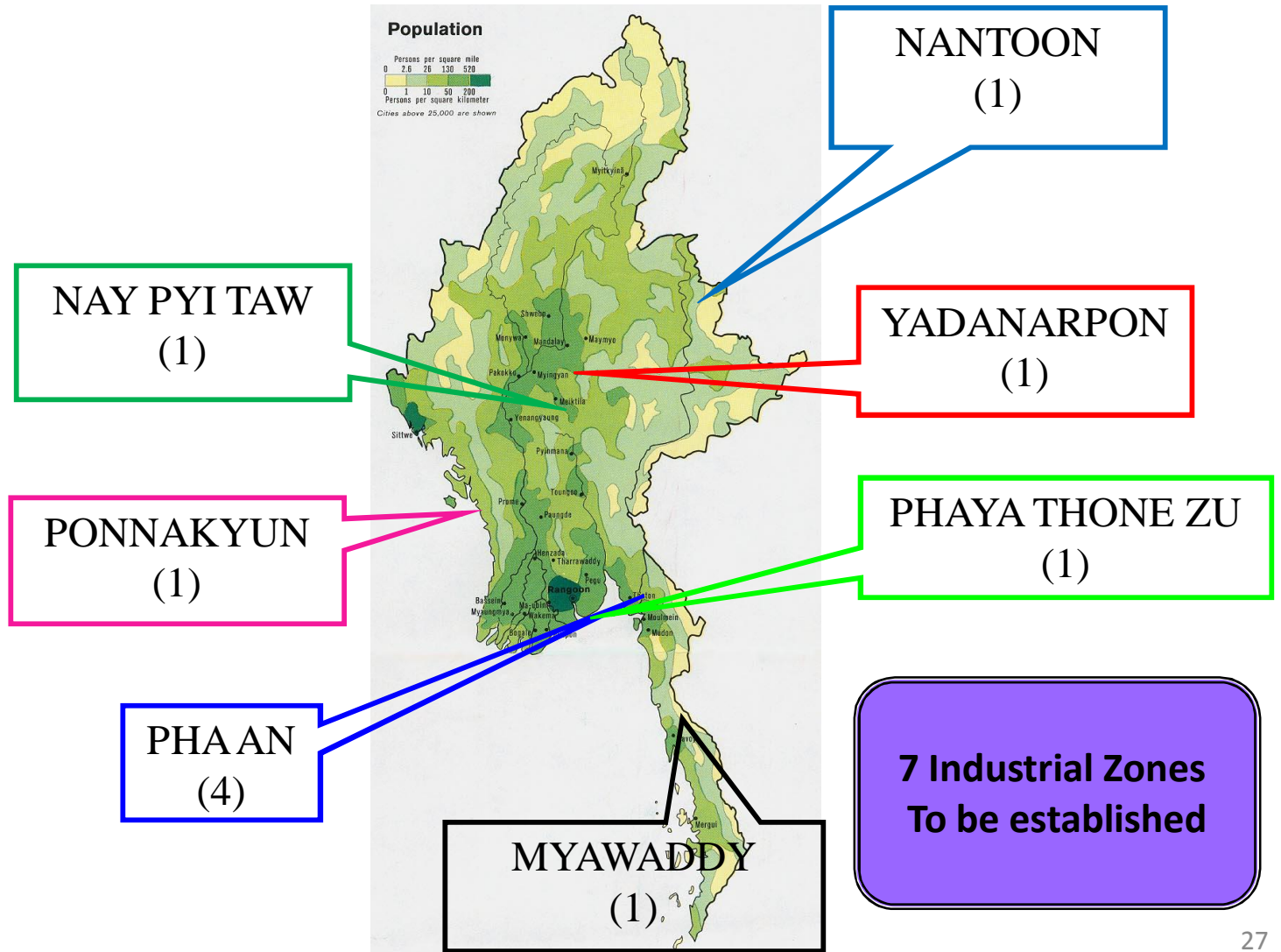


RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR



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RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR

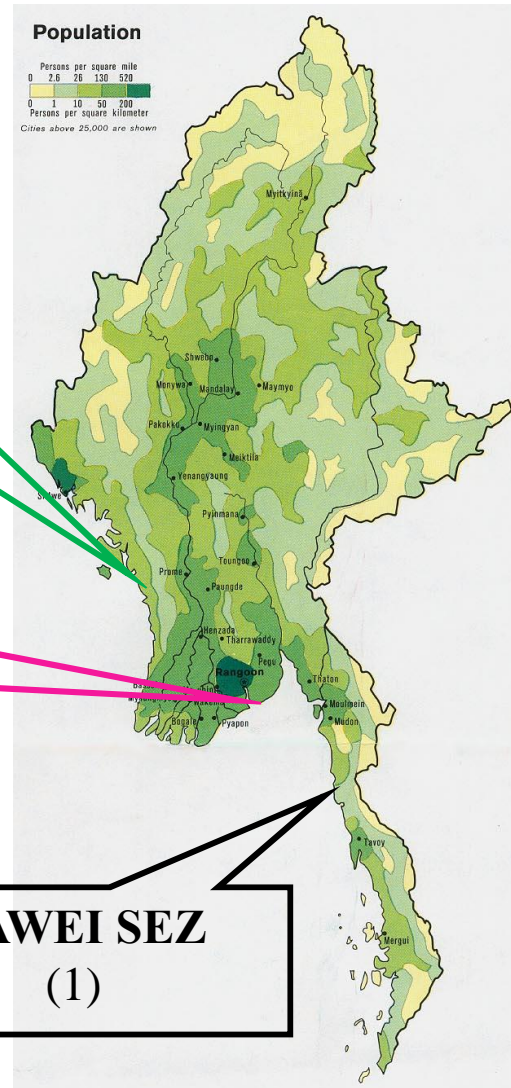


UNIVERSAL LINK SERVICE
CO., LTD

**KYAUK PHYU
SEZ**
(1)

THILAWA SEZ
(1)

DAWEI SEZ
(1)



**3 Special Economic
Zones
are under
establishment**

RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR

- ✓ PRODUCTION AND DISTRIBUTION OF OIL AND FAT PRODUCED FROM VEGETABLES AND OTHERS : (NEED TO OBTAINED 80% LOCAL CONTENT)
- ✓ SOFT DRINKS AND BEVERAGES PRODUCTION AND DISTRIBUTION: 20% LOCAL CONTENT AND 60% LOCAL CONTENT AFTER 3 YEARS
- ✓ SEASONING POWDER PRODUCTION : MAINLY USED LOCAL PRODUCTS

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF INDUSTRY**

RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR

- ✓ **CIGARETTES PRODUCTION : 50% LOCAL CONTENT AND ALEAST 90% EXPORT**
- ✓ **PERFUME AND COSMETICS PRODUCTION AND DISTRIBUTION : NEED LOCAL CONTENT 50% WITHIN 5 YEARS PRODUCTION**

**NEED TO GET PRIOR APPROVAL FROM
MINISTRY OF INDUSTRY**

RESOURCEFUL ECONOMY - MYANMAR

INDUSTRY SECTOR

- ✓ PRODUCTION AND DISTRIBUTION OF VARIOUS PAINTS WHICH ARE USED CHEMICALS : ALLOWED MAXIMUM 70%
- ✓ VACCINES PRODUCTION AND DISTRIBUTION
- ✓ CHEMICALS PRODUCTION USED FROM IMPORTED RAW MATERIALS : ALLOWED WITH LIMITED PERIOD

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS

RESOURCEFUL ECONOMY - MYANMAR

HEALTH SECTOR

- ✓ PRIVATE HOSPITAL/ SPECIALIST HOSPITAL/
CLINIC

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS

RESOURCEFUL ECONOMY - MYANMAR

EDUCATION SECTOR

- ✓ VOCATIONAL TRAINING SCHOOLS
ESTABLISHMENT AND DEVELOPMENT

ONLY ALLOW JOINT VENTURE WITH GOVERNMENT ORGANIZATIONS

RESOURCEFUL ECONOMY - MYANMAR

HUMAN RESOURCE SECTOR

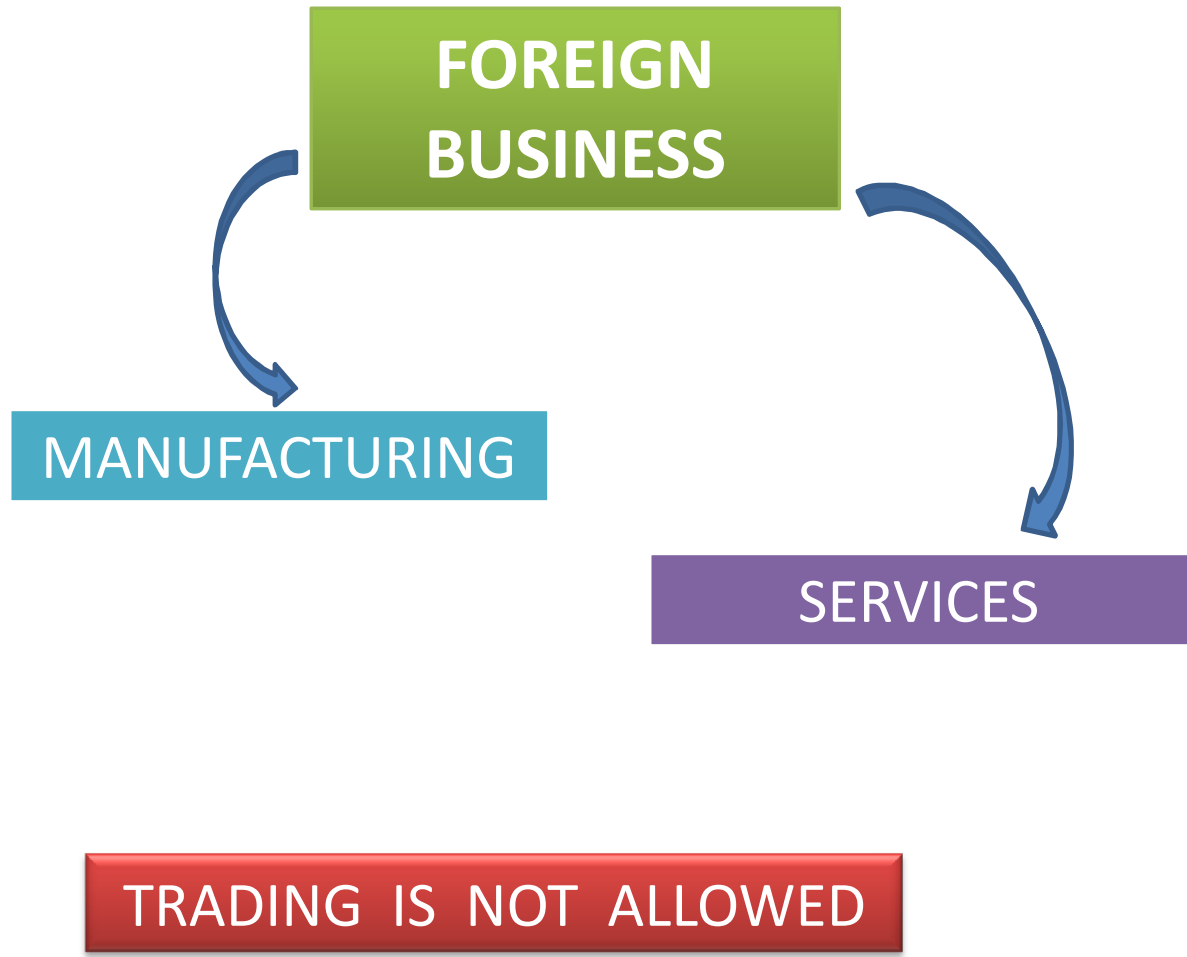
POPULATION BY AGE

(2011-12 in Million)

AGE GROUP	MALE	FEMALE	TOTAL	%
0 – 14	9.2	9.4	18.6	29
15 – 29	8.1	8.4	16.5	26
30 – 49	8.9	9.0	17.9	28
50 – 64	3.2	3.6	6.8	11
65 and Above	1.8	1.9	3.7	6
TOTAL	31.2	32.3	63.5	100



HOW TO START THE BUSINESS IN MYANMAR



YANGON INDUSTRIAL ZONE IN

CHALLENGES VS OPPORTUNITIES



○ LAND AND FACTORY AVAILABILITY

- Limited space owned by Government around Yangon area;
- Private owned land prices are sky rocketing;
- In the industrial zones based on the location price per square meter is USD 1.5/- to 2.5/- per month (Private owned)

CHALLENGES VS OPPORTUNITIES

○ ELECTRICITY AVAILABILITY

- Given 8 hours per day during Summer time (Feb to June)
- Required own generator;
- Fuel requirement for power generation;
- Mainly rely on Hydro Power;



CHALLENGES VS OPPORTUNITIES

○ SKILLFUL LABOUR AVAILABILITY

- Limited Skillful Human Resources;
- Education and Knowledge Gap between Urban and Rural areas;
- Need time for capacity building;



CHALLENGES VS OPPORTUNITIES

○ LOGISTICS

- Development of Roads, Rails & Water way Infrastructure;
- Port facilities;
- Transportation facilities;





CHALLENGES VS OPPORTUNITIES

○ FINANCIAL INSTITUTIONS

- Limited Source of Financing;
- Government Financial Institution Vs Private Financial Institutions;
- Need time for Financial reforms;
- Limited human resources in Financial Sector;

CHALLENGES VS OPPORTUNITIES

○ INFORMATION AVAILABILITY

- Limited Source of Information;
- Many publications but mostly in Myanmar Language;
- One Stop Service Information Centre?



CHALLENGES VS OPPORTUNITIES



Yatanarpon Teleport Co.,Ltd.



SKY NET

○ INFORMATION TECHNOLOGY

- Limited Source of Supply;
- weak in infrastructure;
- cost of information is relatively high

HOW TO SET UP A BUSINESS IN MYANMAR ?



- ” **SETTING UP OF REPRESENTATIVE OFFICE;**
- ” **SETTING UP OF BRANCH OFFICE**
- ” **COMPANY INCORPORATION**
- ” **INVESTMENT PROPOSAL SUBMISSION**
UNDER THE FOREIGN INVESTMENT LAW

BUSINESS SET UP IN MYANMAR

BRANCH OFFICE

- **ALLOWED TO BE FORMED AS MANUFACTURING OR SERVICE**
- **FORMED UNDER FOREIGN INVESTMENT LAW NEEDS TO APPLY MIC PERMIT**
- **CORPORATE TAX RATE IS 35%**

REPRESENTATIVE OFFICE

- **NOT ALLOWED TO PERFORM DIRECT COMMERCIAL OR REVENUE GENERATION ACTIVITIES**

COMPANY INCORPORATION IN MYANMAR

APPLYING LAWS

➤ MYANMAR COMPANY ACT;

- 100%
- JOINT VENTURE WITH INDIVIDUAL, COMPANY, COOPERATIVES OR STATE OWNED ENTERPRISES;

➤ FOREIGN INVESTMENT LAW

- MANUFACTURING : 100% or JV or under Production Sharing Contract with State Owned Economic Enterprises for Oil & Gas and Mining sectors;
- SERVICE: 100% or JV

COMPANY INCORPORATION IN MYANMAR

MYANMAR COMPANY ACT



AT LEAST TWO SHAREHOLDERS & TWO DIRECTORS

REQUIRED DOCUMENTS

- **MOTHER COMPANY'S EVIDENCES**
- **LAST TWO YEARS AUDIT REPORT**
- **BANK RECOMMENDATION LETTER AND STATEMENTS**
- **BOARD OF DIRECTOR'S RESOLUTION**

**THOSE HAVE TO TRANSLATE IN ENGLISH, NOTARIZED AND
ENDORSED AT MYANMAR EMBASSY.**

COMPANY INCORPORATION IN MYANMAR

REQUIRED INFORMATION

- **NAME OF COMPANY INCORPORATED IN MYANMAR**
- **OFFICE/BUSINESS ADDRESS IN MYANMAR**
- **DIRECTORS' PASSPORT COPIES AND RESIDENCE ADDRESS**
- **AUTHORIZED CAPITAL / PAID UP CAPITAL**
- **NUMBER OF SHARES AND PER SHARE VALUE**
- **NAME OF MANAGING DIRECTOR/ AUTHORIZED PERSON**

COMPANY INCORPORATION IN MYANMAR

REQUIRED DATA FOR INVESTMENT PROPOSAL

- **LIST OF FOREIGN EXECUTIVES**
- **FUEL REQUIREMENTS**
- **ELECTRICITY REQUIREMENT**
- **WATER REQUIREMENT**
- **EQUIPMENT & RAW MATERIAL REQUIREMENT**
- **BUILDING & LAND REQUIREMENT**

COMPANY INCORPORATION IN MYANMAR

REQUIRED DATA FOR INVESTMENT PROPOSAL

- **GOODS TO BE PRODUCED**
- **AMOUNT OF EXPORT AND LOCAL SALES**
- **VALUE OF MACHINERIES AND EQUIPMENTS**
- **VOLUME AND VALUE OF ANNUAL PRODUCTION**
- **LABOUR REQUIREMENT**
- **ANNUAL INCOME**

COMPANY REGISTRATION AND FEE



- **COMPANY INCORPORATED IN MYANMAR NEED TO REGISTER AT DIRECTORATE OF INVESTMENT AND COMPANY ADMINISTRATION – DICA, MINISTRY OF NATIONAL PLANNING AND ECONOMIC DEVELOPMENT**
- **REGISTRATION FEE IS MMK ONE MILLION (ABOUT USD 1200/-)**

REPATRIATION

- ✓ Businesses are allowed to repatriate their annual profit after deduction of tax which needs to pay by the business;
- ✓ Allowed to repatriate the transfer of shares which is done by proper share transfer according to the existing laws ;
- ✓ Business capital and other income after liquidation of the business or after expiring of investment permit;

REPATRIATION



- ✓ The excess capital and income by downsizing of the business which gets approval from MIC;
- ✓ Individual income earned by foreigner after deduction of tax;
- ✓ any business capital or business income or compensation received by investor after approval of MIC ;

REQUIRED DOCUMENTS FOR REPATRIATION



- ✓ Application Form as per Permit to Transfer Foreign Currency Form (13) ;
- ✓ Audit Report of the Investment Business;
- ✓ Bank Statement;



THANK YOU FOR YOUR KIND ATTENTION

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